



# DIocese OF SIOUX CITY

P.O. Box 3379 • 1821 Jackson Street, Sioux City, IA 51102 • (712) 255-7933 • [www.scdiocese.org](http://www.scdiocese.org)

Date: March 16, 2021  
To: Parish Bookkeepers & Pastors  
From: Julie Mahaney  
Re: Parish Budget Information 2021-2022

It's budget time and many of you are already in the midst of this. Below should assist:

## **Revenue:**

### **Weekly Offertory**

Use historical data to project next year's envelope giving. Take parishioner changes, the impact of COVID-19, and pastoral planning changes into consideration.

### **Investment Income**

Budget a **4%** estimate of your investment account balance as of March 31 or whatever date your spending policy indicates. Do not budget for anticipated withdrawals as income.

**Important:** Parishes with long term investments (\$100,000 or more, excluding money market and CDs) should have an approved investment policy that includes socially responsible investing and investment strategic allocation guidelines (i.e., fixed income, equities, alternatives).

### **Together as One (TAO)**

Budget the same as last year.

### **Deposit Savings Fund**

Budget interest earned at 2% (no fees).

### **Bequests, Estates & Memorials**

Budget moderately since these are not guaranteed. Remember unrestricted receipts can be used for parish operations.

### **Scrip**

Budget for the expected parish profit amount, this is income.

### **Parish Sponsored Groups**

Budget for the proceeds the parish expects to receive. You may want to have a separate budget for these groups to ensure adequate oversight of the financial activities.

**Expenses:**

<b>Lay Salary</b>	Review and approve salary at the finance council meeting in executive session. Document compensation changes and approvals in the employee files.
<b>FICA &amp; Medicare</b>	Calculate at 7.65% of lay salary.
<b>Priest Compensation</b>	Budget for an annual increase of \$500 in fiscal year 2021-2022. If your priest moves to the 30-year step on July 1, 2021, budget an additional \$1,800 annual increase. Pay based on Bishop's Priest Compensation Schedule.
<b>Lay Health Insurance</b>	Based on Margaret's February 25, 2021 email, budget for an increase of 3 to 4% for health insurance costs. Base this increase on the number of full-time employees for fiscal year 2021-2022. The lay insurance renewal rate meeting is April 7, 2021. These rates will be finalized at that time.
<b>Priest Health Insurance:</b>	Budget for priest health as follows for 2021-2022: <ul style="list-style-type: none"><li>• Active priest premium remains at \$1,050 per month</li><li>• Medicare-eligible active priest premium <u>decreases</u> to \$800 per month</li></ul>
<b>401K Elective Deferral</b>	The maximum parish contribution is 6%. Budget according to the percent the lay employee(s)/priest defers.
<b>Mileage Reimbursement</b>	Budget priests using the IRS standard mileage rate of 56 cents per business mile driven effective January 1, 2021. Budget employees at the rate approved by the finance council, not to exceed the IRS rate. (Chancery employees-40 cents per mile.)  Budget priest mileage based on whether he elects Option 1 or Option 2. Refer to Bishop's Priest Compensation Schedule.
<b>Priest Food &amp; Provisions:</b>	The average per priest cost is \$300 per month, this may vary based on the needs of the priest. Reimburse based on receipts or pay the local grocer (receipts needed for this also!). No stipends!
<b>Priest Cell Phone:</b>	Budget \$100 per month for each priest. Reimburse for services up to \$100 based on his actual bill. Do NOT pay the vendor! Refer to Bishop's Priest Compensation Schedule.
<b>Continuing Ed/Retreats:</b>	Budget continuing education (\$250) and retreats (\$400) for each priest and deacon. Reimburse based on receipts provided. No stipends! Refer to Bishop's Priest Compensation Schedule.

<b>Church Buildings &amp; Secondary Churches</b>	Budget for upkeep and maintenance of church buildings and secondary churches in the assuming parish annual budget.
<b>Auto Insurance</b>	Budget using the 2020-2021 auto insurance rates: Cars \$685, Pickups/SUVs \$775, Vans \$775, Buses \$1,200. All parish and school owned vehicles must be covered using Church Mutual.
<b>Property &amp; Liability</b>	The expected increase in premiums will be 5%. Evaluate whether you have appropriate coverage. Contact Mark Wetz (712-233-7559) or Jessica Wilcox (712-233-7548) as needed.
<b>Worker's Compensation</b>	Work Comp renews January 1, 2022. Budget using the most recent invoice, incorporate significant staff changes. The work comp audit and frequency of claims determines next year's rates. Contact Jessica (712-233-7548) with questions.
<b>Unemployment</b>	<u>Parish schools only</u> – Budget following the Iowa Catholic Conference (ICC) billing for hot lunch, school custodians, daycare, or other school employees.
<b>Religious Education, Youth Ministry, Choir</b>	Parish ministry is important!! Be sure to budget all activities!!
<b>Cemetery</b>	Although these are temporarily restricted funds, budget expected income and expense. Use cemetery funds to pay cemetery costs, the cemetery should not pay parish costs.
<b>School Support</b>	It's important that the school principal, school board, pastor, and parish finance council(s) work together to determine parish support to the school. Good communication is vital!
<b>Non-Corporate Rate</b>	The non-corporate per pupil rate will continue to be \$2,589. Reference the March 15, 2021 email from Patty Lansink.
<b>Cathedraticum</b>	Budget for the same amount for 2021-2022 as 2020-2021.
<b>Shared Expenses</b>	Consider shared expense payments and reimbursements in the budget. Payments: Record disbursement(s) to the applicable account(s) for which costs are paid. Reimbursements: Record receipts against the applicable expense account(s) for which amounts are received. The finance councils of the affected parishes should work together to determine the allocation.

**Quick Books**

Budget for QuickBooks:

- 1) \$800 payroll tax table, this renews annually and
  - 2) \$400 for the program as needed, this renews every 3 years.
- If using 2018 or earlier version, upgrade is due by May 2021.  
To achieve cost savings, you may be able to share the tax table and QuickBooks program with a parish in your group.  
Call Linda Topf (712-233-7593) for assistance.

**Capital Expenses/  
Debt Retirement.**

Prepare a separate budget for capital expenses and debt retirement as applicable.

**Parish Schools**

Employees working for both the school and parish should be budgeted according to their allocated time at each entity.

***Please follow the diocesan standard chart of accounts!***

Please don't hesitate to contact us with questions:

Julie Mahaney	Parish/School Accounting <a href="mailto:juliem@scdiocese.org">juliem@scdiocese.org</a>	712-233-7515
Margaret Fuentes	Human Resources/Employee Benefits <a href="mailto:margaretf@scdiocese.org">margaretf@scdiocese.org</a>	712-233-7510