



DIOCESE OF SIOUX CITY

Chancery

Date: April 15, 2020
To: Parish Bookkeepers & Pastors
From: Julie Mahaney
Re: Parish Budget Information 2020-2021

The following information is intended to assist you to complete your fiscal year 2020-2021 parish budget. Given that we are still going thru the COVID-19 circumstances, some assumptions in this may not be entirely accurate. We certainly hope to be past this situation by June, our assumptions are based on that.

Present the draft budget to your finance council for approval. Document the approval in the meeting minutes. When final, key the budget into QuickBooks.

Revenue:

Weekly Offertory

Use historical data to project next year's envelope giving. Take parishioner changes into consideration.

Investment Income

Budget an estimate of **5%** of the balance of your investment account as of March 31 or whatever date your spending policy indicates. Anticipated withdrawals from your investment funds should not be budgeted as income to the parish.

Parishes with long term investments (other than money market savings or CDs) should have approved Investment Guidelines. These should include some info about Socially Responsible Investing (SRI). The Diocese follows SRI in prohibiting investment into companies that support abortions, human trafficking and embryonic stem cell research. The Strategic Allocation of your investments (i.e. fixed income, equities, alternatives) should also be included in your guidelines.

Diocesan Annual Appeal/ Together As One (TAO)

Budget the same as last year.

Deposit Savings Fund

The interest paid on this account remains at 2% (no fees).

Bequests, Estates & Memorials

Unrestricted receipts may be used for parish operations, Don't count on these. Budget moderately.

Scrip

Budget for the expected parish profit amount.

Parish Sponsored Groups

Budget for the proceeds the parish expects to receive.

Expenses:

Lay Salary

Evaluate your staff at least annually. Strive to pay the market rate considering performance. Review salary information at your parish finance council meeting in executive session. Document any salary change approvals in the employee files.

FICA & Medicare

Calculate at 7.65% of lay salary.

Priest Compensation

Bishop Nickless will be discussing this at the May Presbyteral Council meeting. All priests are required to get paid the amount noted on this Priest Compensation Schedule.

Lay Health Insurance

Refer to the email from Margaret on 4-2-2020 for the rates that have been established.

Priest Health Insurance:

See explanation above regarding claims for the current plan year. Budget as follows for premiums for 2020-2021:

- Active priest premium increase of 5% - from \$1,000/month to \$1,050/month
- Medicare-eligible active priests – no change; premium remains at \$850/month

401K Elective Deferral

The maximum parish contribution is 6%. Budget according to the percent the lay employee(s)/priest defers.

Mileage Reimbursement

The IRS standard mileage rate is 57.5 cents for every business mile driven effective January 1, 2020. Budget priests at this reimbursement rate. Budget employees at the rate approved by the parish finance council, not to exceed this rate. Chancery employees are reimbursed at 40 cents per mile.

Budget priest mileage based on whether he elects Option I or II. Refer to Bishop's Priest Compensation Schedule.

Priest Food & Provisions:

Estimate \$300 per month for each priest. Reimburse the pastor or pay the local grocer based on receipts. No stipends!

Priest Cell Phone:

Budget \$100 per month for each priest however reimburse up to \$100 based on his actual bill. Do NOT pay the vendor! Refer to Bishop's Priest Compensation Schedule.

Continuing Ed/Retreats:

Budget continuing education (\$250) and retreats (\$400) for each priest and deacon and reimburse based on receipts provided. Refer to Bishop's Priest Compensation Schedule.

**Worship Sites &
Secondary Churches**

Budget for upkeep and maintenance of worship sites and secondary churches in the assuming parish annual budget.

Auto Insurance	Fiscal year 2019-2020 auto insurance rates were: Cars \$625, Pickups/SUVs/Vans/Suburbans \$675, Buses \$1,200. We estimate a 5% increase in 2020-2021. All parish and school owned vehicles must be covered using Church Mutual.
Property & Liability	The expected increase in premiums will be 7%. Evaluate whether you have appropriate coverage. Contact Mark Wetz (712-233-7559) or Jessica Wilcox (712-233-7548) as needed.
Worker's Compensation	Work Comp renews January 1, 2021. Budget based on the most recent invoice, if you've had significant staff changes, incorporate that into the figure. As always, the work comp audit and frequency of claims will determine next year's rates. Contact Jessica (712-233-7548) with questions.
Diocesan Loans	The interest rate continues to be 4.5% on funds loaned to diocesan entities.
Unemployment	Parish schools – Budget following the Iowa Catholic Conference (ICC) billing for hot lunch, school custodians, daycare, or other school employees.
Religious Education, Youth Ministry, Choir	Budget sufficiently for these parish ministry activities.
Cemetery	Budget expected income and expense keeping in mind these are temporarily restricted funds. Cemetery cash reserves can be used to pay cemetery expenses but not parish expenses.
School Support	<p>The pastor and finance council should meet with the school principal and board to determine parish support to the school. Make sure you make timely payments to the school.</p> <p>The non-corporate per pupil rate will continue to be \$2,589 according to Patty Lansink, Superintendent.</p>
Cathedraticum	Budget for the same amount as 2019-2020.
Globe Expense	Don't budget for Globe in 2020-2021, parishes will not be billed for non-paying households.
Shared Expenses	<p>If you reimburse for shared expense(s), budget the applicable expense line items as if you paid the expense directly.</p> <p>If you bill for shared expense(s), budget the "reimbursements" as a reduction to the applicable expense line items so the resulting expense reflects only the parish's share of the cost. The pastor and finance committee for all parishes should review and approve the allocation of shared expenses.</p>
Quick Books	Budget for QuickBooks:

1) \$750 payroll tax table, this renews annually and
2) \$200 for the program as needed, this renews every 3 years.
If using 2017 or earlier version, upgrade is due by May 2020.
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!

Spring Bookkeeper Meetings

Via Zoom Meeting...

Schools – Tuesday, April 28, 2020, 9:30AM

Parishes – Wednesday, April 29, 2020, 9:30AM

Refer to 4-14-2020 Email from Margaret for more information!

All bookkeepers with full time staff attend (others welcome to attend)!

Fall Bookkeeper Meeting

Thursday, September 17 – St. Mary Parish Center, Storm Lake

All parish bookkeepers & bookkeepers from locations that use QuickBooks attend!

Feel free to contact us with questions:

Julie Mahaney	Parish/School Accounting juliem@sdiocese.org	712-233-7515
Margaret Fuentes	Human Resources/Employee Benefits margaretf@sdiocese.org	712-233-7510