

BYLAWS
FINANCE COUNCIL OF
THE DIOCESE OF DAVENPORT
PREAMBLE

The Finance Council of the Diocese of Davenport (Diocese) is established pursuant to provisions of Canon 492 of the 1983 Code of Canon Law. The Finance Council shall be guided by the Code of Canon Law, and is constituted primarily to undertake those functions set forth for it in the Code. Its function is to serve the Diocese in assisting with marshaling, managing and conserving its material resources. The Finance Council of the Diocese of Davenport is an advisory council to the Bishop of Davenport. It may take no legislative actions but may recommend action to the Bishop and the Corporate Board of the Diocese which by vote may affirm or deny the recommended action.

ARTICLE 1
Members

Section 1 General Members

Members shall be appointed by the Bishop for a term of five (5) years commencing July 1 each year. The Finance Council shall be comprised of three to fifteen clergy and lay members at the discretion of the Bishop. Members shall serve staggered terms of office to provide for the orderly rotation of the members. Members may be re-appointed on completion of an initial five-year term. The Bishop shall fill vacancies for the remaining term of a terminating or deceased member.

Ordinarily, members shall be of the Christian faithful who are experts in finance, civil law, or general business matters and who are people of impeccable integrity. The "Christian Faithful" are those who have been baptized in the Catholic Church (Canon 204), and who remain in communion with the Catholic Church (Canon 149) and are not barred by a legitimate sanction (Canon 96).

Section 2 Ex-Officio Members

The Bishop of the Diocese, the Vicar General of the Diocese, the Chancellor of the Diocese, and the two lay trustees of the Diocesan Corporate Board shall be Ex-Officio members of the Finance Council and shall be voting participants in all Finance Council meetings.

Section 3 Finance Officer

The Finance Officer, appointed as such by the Bishop after consulting with the Finance Council and others as appropriate, shall be appointed to serve for a five-year (5) term and may be reappointed. The Finance Officer shall provide information adequate for the Finance Council to function and fulfill its duties. The Finance Officer shall be a non-voting participant in all Finance

Council meetings. As the chief administrator of the goods of the Diocese, the Finance Officer shall be responsible to implement the recommendations of the Finance Council only if approved and mandated by the Bishop or other governing authority of the Diocese.

Section 4 Removal

The Bishop may remove any person from membership on the Finance Council at any time for a serious reason. A serious reason includes, but is not limited to, failure to attend three (3) meetings of the Finance Council without reasonable justification, notice or excused absence or any serious reason which, in the sole discretion of the Bishop, substantially compromises the continued effectiveness of the member.

ARTICLE 2 Meetings

Section 1 Time, Place, Notification

Meetings shall be held quarterly and/or from time to time as required. Notice of all meetings shall be made by telephone, by electronic mail or in writing delivered to each member. The notice shall specify the time and place of the meeting. Notice shall be made at least seven (7) days prior to a meeting date except in an emergency.

Section 2 Presiding Officer

The Bishop, or his delegate, shall preside over the Finance Council.

Section 3 Agenda

The Finance Officer shall be responsible for setting the agenda, assembling materials for the meeting, and for distributing those materials to be reviewed prior to the meeting. Distribution of materials shall be accomplished at least five days prior to a meeting date, whenever possible.

Section 4 Quorum

A majority of the total number of members of the Finance Council, at least one (1) of whom shall include the Bishop, Vicar General, or Chancellor, shall constitute a quorum at any meeting of the Finance Council.

Section 5 Recording Secretary

A recording secretary shall be appointed at the first meeting in each year, and shall be responsible for preparation of minutes of each meeting during the year. In the event of the absence of a recording secretary from a meeting, the presiding officer shall appoint an acting recording secretary for the meeting. The Finance Officer shall maintain the continuity of the

minutes in a minute's book. The recording secretary need not be a member of the Finance Council and may be an employee of the Diocese.

ARTICLE 3 Subcommittees

The Bishop or his delegate may establish subcommittees of individual members of the Finance Council to assemble information and assess areas which are deemed to require special study and review prior to presentation to the Finance Council as a whole. Additionally, individual members of subcommittees may be requested from time to time to make presentations on specific matters to the Bishop or the governing structure of the Diocese.

Each subcommittee shall have an appointed chairperson who will be responsible for scheduling and organizing meetings, recording its acts and proceedings, and reporting to the Finance Council.

Subcommittees shall meet at least annually or more frequently if deemed necessary by the subcommittee chairperson. Each subcommittee will determine its own rules or procedures consistent with the Finance Council By-Laws.

If deemed necessary a Diocesan management staff person may be appointed to serve as liaison to the subcommittee.

ARTICLE 4 Compensation/Indemnification

Section 1 Compensation

Members of the Finance Council shall serve with no compensation. The Diocese will, however, pay all costs and expenses of members, except mileage, either directly or by reimbursement of out-of-pocket expenditures.

Section 2 Indemnification

The Diocese of Davenport shall indemnify any Finance Council member or former member or his/her respective heirs, administrators, successors and assigns against any and all costs and expenses, including, but not limited to, attorney fees, judgments paid and amounts paid in settlement (before or after legal proceedings are commenced) actually and reasonably incurred in connection with the defense of any claim, action, suit or proceedings, whether civil, administrative or otherwise in nature, in which the Finance Council member may be involved by reason of being or having been such member.

ARTICLE 5
Conflict of Interest

Members of the Finance Council serve for the benefit of the Diocese and its people. Membership on the Finance Council does not preclude a member or member's firm, or a family member's firm, from doing business with the Diocese during the member's term of service. However, in the event the Finance Council is considering any matter that may directly or indirectly involve a member's firm, or a family member's firm, that individual shall not participate in any action taken on the matter. If a member has any other interest that may present an actual or potential conflict with the individual's responsibilities as a Finance Council member, the member shall disclose the conflict of interest to the Bishop, Vicar General or Finance Officer who will determine what, if any, further action need be taken.

Upon appointment to the Finance Council the member will be asked to sign a conflict of interest form.

ARTICLE 6
Consents or Recommendations

The Finance Officer shall transmit the recommendations of the Finance Council to the Bishop and individual members of the management staff of the Diocese as appropriate. All recommendations shall be in writing as stated in the minutes and in each instance it will be indicated whether or not unanimous. A majority of a quorum of the members shall be required in order to constitute a vote of "consent" or "recommendation." A comment will be made as to the reasons behind any dissenting votes. In extraordinary circumstances, members may be polled outside a meeting concerning decisions of urgency.

ARTICLE 7
Reporting

Annually, after the end of the fiscal year, the Bishop shall report the following in letter form to the Archbishop of the province:

1. The names and professional titles of the members of the Finance Council of the Diocese;
2. The dates on which the Finance Council has met during the preceding fiscal year and since the end of that fiscal year;
3. A statement signed by the Finance Council members and the Finance Officer stating that they have met, reviewed, and discussed the audited financial statements of the Diocese and the management letter, if any, for that fiscal year and have reviewed the management letter and the recommendations made by the auditors.

ARTICLE 8
Summary of Duties and Functions of Finance Council

In addition to providing counsel and support to the Bishop and the management staff of the Diocese, the Finance Council shall perform the following Canon Law mandated functions:

Responsibilities shall extend to:

- (a) Diocese budget preparation and review (Can. 493)
- (b) Review of financial statements of the Diocese at year-end (Can. 493 and 494, Section 4)
- (c) Review of the financial reports of all administrators in the Diocese (Can. 1287)

Consent shall be given or withheld in these two instances:

- (a) For the disposition of property above \$500,000 (or as determined by the Episcopal Conference), with expert valuations and good reasons for the disposition being required as matters to be considered (Can. 1292)
- (b) For acts of extraordinary administration (Can. 1277 and 1295); as determined by the Episcopal Conference and approved by the Holy See

When requested, advice in the form of recommendations may be given or withheld;

- (a) Relative to the more important (major) acts of administration (Can. 1277)
- (b) On the imposition of a tax by the Bishop (Can. 1263)
- (c) Relative to endowment investments (Can. 1305)
- (d) Where a will is to be moderated or commuted (Can. 1310)
- (e) To assist in the selection of the Canonical Finance Officer (Can. 493, Section 1)
- (f) To the Bishop before he determines norms establishing the limits of ordinary administration for juridic persons subject to the Bishop whose own statutes do not specify these norms.
- (g) On any other financial or general business matter the Bishop may deem appropriate

ARTICLE 9
Amendments

Section 1 Approval

These articles were approved on November 4, 2016 upon the recommendation of the members of the Finance Council and by vote of the Diocesan Corporate Board.

Section 2 Amendment

These articles may be amended upon a motion by a member of the Finance Council with approval by a majority of the Council and by a majority vote of the Diocesan Corporate Board.

ADDENDUM
CANON LAW REFERENCES

Can. 96

By baptism one is incorporated into the Church of Christ and is constituted a person in it with the duties and rights which are proper to Christians in keeping with their condition, insofar as they are in ecclesiastical communion and unless a legitimately issued sanction stands in the way.

Can. 149

1. To be promoted to an ecclesiastical office, a person must be in the communion of the Church as well as suitable, that is, endowed with those qualities which are required for that office by universal or particular law or by the law of the foundation.
2. Provision of an ecclesiastical office made to one who lacks the requisite qualities is invalid only if the qualities are expressly required for the validity of the provision by universal or particular law or by the law of foundation. Otherwise it is valid but can be rescinded by decree of competent authority or by sentence of an administrative tribunal.
3. Provision of an office made as a result of simony is invalid by the law itself.

Can 204

1. The Christian faithful are those who, inasmuch as they have been incorporated in Christ through baptism, have been constituted as the people of God. For this reason, made sharers in their own way in Christ's priestly, prophetic, and royal function, they are called to exercise the mission which God has entrusted to the Church to fulfill in the world, in accord with the condition proper to each.
2. The Church, constituted and organized in this world as a society, subsists in the Catholic Church governed by the successor of Peter and the bishops in communion with him.

Can 492

1. In each diocese a Finance Council is to be established by the bishop, over which he himself or his delegate presides, and which is to be composed of at least three members of the Christian faithful truly skilled in financial affairs as well as in civil law, of outstanding integrity and appointed by the bishop.
2. Members of the Finance Council are to be named for a five year term; but having completed this term may be named to other five year terms.
3. Those persons are excluded from the Finance Council who are related to the bishop up to the fourth degree of consanguinity or affinity.

Can 493

In addition to the duties committed to it in Book V; The Temporal Goods of the Church, the Finance Council is to prepare each year according to the directions of the diocesan bishop a budget of the income and expenditures foreseen for the governance of the entire diocese in the coming year; moreover at the close of the year it is to examine a report of receipts and expenditures.

Can. 494

1. In each diocese, after listening to the college of consultors and also the Finance Council, the bishop is to name a finance officer who is to be truly skilled in financial affairs and absolutely distinguished for honesty.
2. The finance officer is to be appointed for a five year term but, having completed this term, may be reappointed for other five year terms; during their term of office the finance officer may not be removed except for a grave cause, to be assessed by the bishop after listening to the College of Consultors and the Finance Council.
3. It is the role of the finance officer to administer the goods of the diocese under the authority of the bishop in accordance with the budget determined by the finance council; from the income of the diocese the finance officer is to meet the expenditures which the bishop or others deputized by him have legitimately authorized.
3. At the end of the year the finance officer must give to the Finance Council a report of receipts and expenditures.

Can 1263

The diocesan bishop has the right to impose a moderate tax on public juridic persons subject to his authority; this tax, which should be proportionate to their income, is for diocesan needs and may be imposed only after hearing the diocesan Finance Council and the presbyteral council; he can impose an extraordinary and moderate tax on other physical and juridic persons only in cases of grave necessity and under the same conditions with due regard for particular laws and customs attributing even more significant rights to him.

Can. 1277

The diocesan bishop must hear the Finance Council and the College of Consultors in order to perform the more important acts of administration in light of the economic situation of the diocese; he needs the consent of this council and that of the College of Consultors in order to perform acts of extraordinary administration besides cases specifically mentioned in universal law or in the charter of a foundation. It is for the conference of bishops to define what is meant by acts of extraordinary administration.

Can. 1287

1. Both clerical and lay administrators of any ecclesiastical goods whatsoever which have not been legitimately exempted from the governing power of the diocesan bishop are bound by their office to present the local ordinary with an annual report, which in turn he is to present to the Finance Council for its consideration; any contrary custom is reprobated.
2. Administrators are to render an account to the faithful concerning the goods offered by the faithful to the Church, according to the norms to be determined by particular law.

Can 1292

1. With due regard for the prescription of Can. 638, section 3, when the value of the goods whose alienation is proposed is within the range of the minimum and maximum amounts which are to be determined by the conference of bishops for its region, the competent authority is determined in the group's own statutes when it is a question of juridic persons who are not subject to the diocesan bishop; otherwise, the competent authority is the diocesan bishop with the

consent of the Finance Council, the College of Consultors and the parties concerned. The diocesan bishop also needs their consent to alienate the goods of the diocese.

2. The permission of the Holy See is also required for valid alienation when it is a case of goods whose value exceeds the maximum amount, goods donated to the Church through a vow or goods which are especially valuable due to their artistic or historical value.

3. If the object to be alienated is divisible, the parts which have previously been alienated must be mentioned in seeking the permission for alienation; otherwise the permission is invalid.

4. The persons who must take part in alienating goods through their advice or consent are not to give their advice or consent unless they have first been thoroughly informed concerning the economic situation of the juridic person whose goods are proposed for alienation and concerning previous alienations.

Can. 1295

Other restricted transactions — the requirements of Canons 1291-1294, to which the statutes of juridic persons must also conform, must be observed not only in alienation but also in any transaction which can worsen the patrimonial condition of a juridic person.

Can 1305

Money and moveable goods assigned to an endowment are immediately to be deposited in a safe place to be approved by the ordinary so that the money or the value of the moveable goods will be safeguarded; as soon as possible, these goods are to be invested cautiously and profitably for the benefit of the foundation with express and specific mention made of the burdens attached to the endowment; this investment is to be made in accord with the prudent judgment of the ordinary who is to consult the interested parties as well as his Finance Council on this matter.

Can. 1310

1. The ordinary, only for a just and necessary reason, may reduce, moderate, or commute the wills of the faithful for pious causes provided such power has been expressly granted him by the founder.

2. If, through no fault of the administrator, the fulfillment of the obligations becomes impossible due to diminished income or some other reason, the ordinary can diminish them equitably after consulting the interested parties and his Finance Council, with due regard for the will of the founder as much as possible; this is not true for Mass obligations, whose reduction is governed by the prescription of Can. 1308.

3. In other cases recourse is to be made to the Apostolic See.