

THE ROLE OF THE PARISH FINANCE COMMITTEE

GENERAL

1. In accordance with Canon 537 (i.e. the laws of the Roman Catholic Church), every parish is required to have a Finance Committee to assist the Parish Priest in the administration of the temporal goods (i.e. material or tangible assets, including building, property and finances) of the parish and to enable the parish to fulfil its mission in the Diocese, the Church and in the world.
2. The Parish Priest is the Administrator of the Parish, subject to the norms laid down by the Diocesan Bishop. The Finance Committee is an advisory body with a consultative but not with a decision making function, and is separate from the Parish Pastoral Council. The Finance Committee does not report to the Parish Pastoral Council nor does the Parish Pastoral Council report to the Finance Committee.
3. The members of the Finance Committee shall be a minimum of three, including the Parish Priest. They should be of outstanding integrity, with at least one of the members possessing a working knowledge of accounting principles and procedures and a general understanding of financial and business matters.
4. Parish staff and their family members are not permitted to be a member of the Finance Committee of the Parish where the person is employed. Quite often however it will be necessary, and beneficial, for certain Parish staff to attend Finance Committee meetings to provide information and answer questions. From time to time it will be necessary for the Finance Committee, including the Parish Priest, to meet without Parish staff present.
5. The Finance Committee members are appointed by the Parish Priest. The term of office shall be for a period of three years, but when this period has expired, members may be appointed for one further three year term. At the discretion of the Pastor, Finance Committee members may remain on the committee beyond their second 3-year term in order to complete a project they are already involved with, such as a capital campaign, building project, etc. Previously serving Finance Committee members shall be eligible to serve on the Committee again after a minimum one-term (i.e. 3 year) retirement period.

Role of the Parish Finance Committee Cont'd

6. The Finance Committee shall elect a Chair and a Secretary. The Chair shall coordinate with the Parish Priest to determine the agenda for meetings. The Chair presides over the meetings, to maintain order, and ensure the agenda is completed within the time allocated. The Secretary is responsible for taking the meeting minutes. The minutes should always be reviewed and amended, as necessary, at the next meeting.
7. Declaration of Conflict of Interest must be on the agenda at the beginning of each meeting. For example, if a member of the committee is a contractor bidding on a parish project, he/she must be absent for that discussion and not receive that portion of the minutes.
8. In addition to a Finance Committee and Parish Pastoral Council many parishes also have a Building Committee and a Fundraising Committee. In such cases the parish should clearly outline the roles and responsibilities of each committee. The Parish Pastoral Council has a distinct purpose of planning and implementing the Parish Pastoral Plan and otherwise dealing with the pastoral needs of the parish. It will be necessary for parish committees to communicate, coordinate and sometimes meet. For example, the Parish Pastoral Council and the Finance Committee will need to work together to ensure the parish has the financial means to implement pastoral plans.
9. The Finance Committee performs an important role in the Parish. The Committee is a tremendous assistance to the Parish Priest in administering the temporal goods of the Parish. Each member is expected to bring to the meetings the expertise that each possesses, in finance, law, construction, aesthetics, to name only a few, which will assist in attaining a high degree of efficiency and effectiveness.
10. The duties and responsibilities are outlined below in a general form. The objective of the Committee is, of course, to attain a financial viability that will not only sustain the needs and requirements of the Parish but will assist in maintaining a financially healthy Diocese. At the same time, it is necessary to plan for the future in order that the Parish may support the Bishop in meeting the spiritual and temporal requirements of the People of God.

DUTIES AND RESPONSIBILITIES

1. It is recommended that the Finance Committee assist the Parish Priest in:
 - (a) Maintaining accurate financial records for income, expense and payroll, ensuring that government requirements (e.g. annual charity return, HST filings, payroll remittance) are adhered to.
 - (b) Preparing each year, a budget of income and expenditure and capital (i.e. building). It is essential to ensure expenditures do not exceed income. In some years this may not be possible but such years must be the exception rather than the norm. Capital costs may exceed capital donations in a particular year if a parish has accumulated funds in the Parish Deposit & Loan Fund.
 - (c) Reviewing and monitoring the actual results compared to budget, at least, every three months, and advising the Parish Priest on any steps required to ensure the budget is successfully achieved.
 - (d) Reviewing the annual financial report submitted to the Chancery Office.
 - (e) Reviewing the parish audit findings report at those times when an audit is performed. An audit is conducted when a priest change is made or, in some cases, when a priest has been at a particular parish for an extended period.
 - (f) Preparing an annual financial report for the bulletin and for presentation to the parish either by the Parish Priest or by a member of the Finance Committee.
 - (g) Reporting to parishioners more frequently if a parish is experiencing some financial challenges, such as an operating deficit or large loan.
 - (h) Encouraging and supporting Diocesan and other special fundraising campaigns.

Duties and Responsibilities Cont'd

- (i) Establishing effective means of raising funds necessary to attain the goals of the Parish and the Diocese.
 - (j) Establishing internal (i.e. business) controls such as collection counting procedure, etc.
2. The Finance Committee should also assist the Parish Priest to identify general areas of concern to the parish with regard to the physical condition of equipment, furniture and structure of the church, rectory and other buildings forming part of the property. In order to successfully complete this responsibility the parish shall coordinate with the Chancery Office in obtaining a Building Condition Report, completed by a pre-qualified consultant (i.e. architect and/or engineer). A parish that has a Building Committee will normally assume these responsibilities.
- (a) Plan, in advance, for capital expenditures which will be required for renovations and replacements in connection with the property. Projects are to be completed in priority sequence with due regard for cost saving opportunities available for combining certain projects. For example, a leaky roof, life safety and structural projects must be completed before the carpet is replaced.
 - (b) Prepare a capital budget plan, at least three years in advance, and update each year, indicating the type of expenditure required and an estimate of the cost.
 - (c) Formulate a financial plan for the future capital expenditures to accomplish the objectives set.
 - (d) Assist the Parish Priest with the implementation and completion of any major capital undertaking approved by the Diocese.
 - (e) Develop a truly Catholic relationship with the Pastor and assist in any way requested by him.

GENERAL INFORMATION

1. The written consent of the Diocese, in advance, is required for expenditures for building, repairing, improving, furnishing or embellishing any parish property or for other than current expenses, in an amount in excess of \$10,000. Projects cannot be split into smaller scopes to alleviate the need for approval.
2. Contracts shall be used for all capital (building) projects. Smaller projects shall use the one-page standard Diocesan contract. Larger projects are required to use the standard CCDC contract. Contact the Chancery Office to determine which contract is required.
3. Our church buildings are classified as “public occupancy buildings” according to the Ontario Building Code. As such, we are required to engage the assistance of an architect and/or engineer for almost every building project. Architects and engineers must be pre-qualified by the Chancery Office. Please contact them for assistance.
4. A parish with ongoing deficits, delinquent loans or an inability to address outstanding capital issues shall be placed under financial review in accordance with the Parish Reorganization Policy. The parish will be required to submit and implement a plan to rectify the situation or risk closure or merger.
5. Excess operating cash or savings for a capital (building) project must be invested in the Parish Deposit and Loan Fund. The fund operates much like a co-op or credit union. Parishes with extra money invest which provides capital to be loaned to parishes that meet the minimum loan standards.
6. Bank accounts cannot be opened without the prior written approval of the Chancery Office. All parish bank accounts must be accounted for in the parish accounting records.
7. Parishes permitting rental of their facilities must use the Diocesan Facilities Usage Agreement with all renters.