

Catholic Parishes of South Washington County
Finance Council Charter
September 2020

Introduction

The Parish Finance Council assists the pastor in the administration of parish temporal matters. An active, well-formed Parish Finance Council is a key element for promoting the financial health of a parish, assuring accountability and assisting the pastor with his temporal responsibilities. In the administration of temporal goods of the parish, Canon 532 defines the role of the pastor as the authoritative representative of the parish.

“The pastor represents the parish in all juridic affairs in accord with the norm of law; he is to see to it that the goods of the parish are administered in accord with the norms of canons 1281-1288.”

Canon 537 of the 1983 Code of Canon Law reads:

“Each parish is to have a finance council which is regulated by universal law as well as by norms issued by the diocesan bishop; in this council the Christian faithful, selected according to the same norms, aid the pastor in the administration of parish goods with due regard for the prescription of canon 532.”

Every parish therefore is required to have a Parish Finance Council, both by adherence to the Code of Canon Law and by local norms issued by the diocesan bishop. To be effective the Parish Finance Council should meet regularly with specific agendas and should have access to all the relevant financial information and policies of the parish.

Consultative Body to Pastor

The Finance Council works closely with the pastor, who is accountable to the diocesan bishop for the administration and stewardship of the temporal goods of the parish. The pastor, according to Canon Law, has among his responsibilities, the responsibility for parish financial and temporal management. The Parish Finance Council is a consultative body that assists the pastor in meeting these obligations. While the Parish Finance Council does not have decision making authority, consultation is at the heart of the decision-making process—sharing information, listening, contributing to the discussion, and promoting consensus.

Canon law states that the pastor is obligated to consult the Finance Council on certain matters. Although the pastor is not obliged to follow the recommendations of the Finance Council, the pastor should not act against such advice, especially when there is consensus, unless there is an overriding reason. In other words, the prudent pastor would not ignore the advice of the Finance Council unless there was a serious reason to do so. When acting contrary to its recommendations the pastor should provide an explanation to the Finance Council regarding the reasons for his decision.

Council Membership

- The pastor/pld, lay corporators and parish staff (paid or volunteer) may not serve on the Finance Council.
- The pastor/pld shall appoint or reappoint a member to the Finance Council in writing stating clearly the term of office and the member is asked to accept in writing. The Archdiocese of Baltimore policy¹ states the terms of office should be 3-years and the terms can be renewed.
- For just cause, the pastor/pld may remove a member from office and the pastor/pld should appoint another to complete the unexpired term.
- Individuals selected to serve on the Finance Council should be selected for their expertise in general business management, banking, law, insurance and members are to have prudence, uprightness and a knowledge of the Catholic faith that will enable them to put in to practice the message of the Gospel.
- Each member of the Finance Council must be a registered parishioner of St. Augustine, Williamsport, MD; St. James, Boonsboro, MD; and/or St. Joseph, Hagerstown, MD.
- There should be no fewer than three official members of the parish Finance Council.
- The Finance Council gives advice to the pastor/pld and lay corporators. Parish staff should serve as advisors to assist the Finance Council in its role.
- The names of the Finance Council should be known to the parishioners and a means of contacting them should be publicized.
- When a new pastor assumes responsibility for a parish, it is recommended that the Parish Finance Council remain in place to assist the administrator and to provide continuity in a transition. After a suitable period of transition with a new pastor, the new pastor can ask the council members if they are willing to complete their respective terms or whether he would like some or all of the members to resign so that new members can be recruited to the Parish Finance Council.

Officers of the Finance Council

The officers of the Parish Finance Council shall be a Chairperson, Vice-Chairperson and a Secretary. The pastor shall appoint the Chairperson. The Chairperson will preside in a parliamentary manner at all meetings and, in consultation with the Pastor or Parish Administrator, will be responsible for selecting the hour and location of meetings, preparing the meeting agenda, and any other duties so assigned by the Pastor or Parish Administrator.

The Vice-Chairperson will have delegated responsibilities. The Secretary will be responsible for the recording and distribution of minutes, notifying members of upcoming meetings, maintaining

¹100 Corporate Governance and Leadership—Archdiocese of Baltimore Policies

a permanent record of each member's tenure and of business conducted by the Parish Finance Council, and any other duties so assigned by the Chairperson.

Conflicts of Interest/Preclusion to Membership

Parish Finance Council members owe the parish a duty of loyalty. The duty of loyalty requires a Parish Finance Council member to act in the interest of the parish rather than in the personal interest of the member or some other person or organization. In particular, the duty of loyalty requires a Parish Finance Council member to avoid conflicts of interest that are detrimental to the parish.

Any person who may have a conflict of interest in view of other services, either paid or unpaid, rendered to the parish by the Parish Finance Council member, the member's family or the member's business is ineligible to serve as a member of the Parish Finance Council. No parish employee or member of the family of an employee or relative of the pastor may serve on the finance council.

Members of the Parish Finance Council may serve in other volunteer service roles in the parish such as other committees or boards if, in the judgment of the pastor, such dual service will not create conflict of interest situations.

Meetings of the Finance Council

The Finance Council should meet at least quarterly² and is required to take written minutes of its discussions, actions, and its recommendations.³ The written minutes of the meetings shall be kept on file at the parish. The meeting should have an agenda that consists of the following:

- opening prayer;
- approval of the minutes from the previous meeting;
- old business—to include discussion and/or disposition of issues previously discussed; and
- review of monthly/quarterly financial results.

It is suggested that an annual schedule of meeting dates and times be prepared. The policy manual⁴ states that the Finance Council should not meet in public, but a process must be instituted which will allow parishioners a voice or hearing during the meeting.

The primary purpose of the Parish Finance Council is to provide open and honest advice to the pastor, if the meetings occurred in a public forum, the discussion may be too limited. The Finance Council should advise the pastor on the best ways to keep the parish informed and involved in key issues and decisions facing the parish. Members should maintain confidentiality on those matters designated as confidential. Materials such as agendas, meeting minutes, and review materials should not be disclosed to others if designated as confidential. The parish

²100 Corporate Governance and Leadership—Archdiocese of Baltimore Policies

³Archdiocese of Baltimore Catholic Center Temporal Goods Policy Manual, Section 202.3; page 2-2-1; May 2007.

⁴Section 202.3, page 2-2-

should retain meeting minutes, agendas, handouts, reports, and materials reviewed during the meeting for future reference by either internal or external parties.

Responsibilities of the Parish Finance Council

The Finance Council is responsible for the following:

- Preparing the annual parish budget of income and expenditures. (Canon 1284.3)
- Preparing the annual report on the parish for review of the diocesan finance committee. (Canon 1287.01)
- Rendering an account to the parishioners on the result of the financial operations of the parish. (Canon 1287.2)
- Reviewing financial reports to include
 - Statement of Financial Position—balance sheet
 - Statement of Activities—income statement
 - Budget vs actual
 - Trend reports—contributions, revenue, and capital campaign results
- Reviewing fundraising activities
- Reviewing audit reports and recommendations and assisting in drafting appropriate responses.
- Performing follow-up to audit recommendations and related responses to ensure issues are addressed.

Relationship to Pastoral Council

Since the Parish Finance Council relates to the administrative responsibilities of the pastor, it should not be a part of the Parish Pastoral Council structure. However, an officer from the Parish Finance Council may serve as an ex-officio member of the Parish Pastoral Council. Communication between the two councils is essential to share information regarding the parish finances in order to implement the pastoral plans and priorities.

An appropriate means of communication should be developed between the Parish Finance Council and the Parish Pastoral Council and this should be done so as to ensure that the Parish Finance Council does not enter into areas of policy and mission, which fall under the auspices of the Parish Pastoral Council. The Parish Finance Council advises on the adequacy of resources to accomplish the mission and specific ministries of the parish.

The Catholic Parishes of South Washington County

St. Augustine ~ St. James ~ St. Joseph

I _____ request that I be considered for a position on the

(Please Print)

Pastorate Finance Council. I am a registered member of _____ Parish. In accordance Archdiocesan policy⁵ a member of the Finance Council should have expertise in *(check all the apply)*:

_____ General Business Management

_____ Banking

_____ Law

_____ Insurance

_____ Other *(practical experience)* Please explain

Signature

Date

Please put the completed form in an envelope and mark the envelope **Attention Pastor** and place in the collection basket.

⁵Archdiocese of Baltimore Catholic Center Temporal Goods Policy Manual; Section 200 Organizational Controls; Subsection 202 Parish Finance Committees; May 2007