

PARISH FINANCE COUNCILS

Background:

The bishops who gathered in Rome from 1962 - 1965 at the Second Vatican Council discussed the possibility of a variety of councils. As they envisioned the laity more involved in shared responsibility for the church, the bishops opened up new avenues for the lay voice to be heard. The new Code of Canon Law, which flowed from the Vatican Council, reflected the fundamental communion of the Church ("cummunio") and fostered the mission of all the people of God. In accordance with Canon 537, each parish is to have a finance council to assist the parish priest in the administration of the temporal goods of the parish and to enable the parish to fulfill its mission in the Church and in the world.

Policy:

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/administrator/parish life director in the administration of parish goods.

Implementation:

I. An essential part of every parish organization is the parish finance council. The purpose of the parish finance council is to:

A. Assist the pastor/administrator/parish life director in the administration of the temporal goods of the parish. The administration of church goods consists of taking care that all assets that have been lawfully acquired are preserved and used for the purpose for which they were given. Offerings given by the faithful for a specified purpose may be used only for that purpose. Absolute respect is to be given to the intention and wishes of the donor of specific goods.

If the recipient is simultaneously administrator of two juridic persons, e.g. a parish and a religious house or more than one parish, it

is essential that the administrator clearly understand to which juridic person the offering is being made.

B. Assist the pastor/administrator/parish life director keep the financial administration of the parish in harmony with the mission of the church. All parish decisions affecting the financial status of the church are to be done by the pastor following consultation with the finance council. The members of the council need to be fully informed ahead of time in order to digest, reflect on, and develop a proper understanding of the facts and a clear sense of the options available. Only then will the wisdom present in the community help discern where the Spirit of God is leading them. This also gives rise to a greater sense of ownership and a sense that the work is collaborative. The finance council must work in an atmosphere where open and honest discussion is encouraged.

II. The duties and responsibilities of the parish finance council are:

A. To provide sound, analytical, legally appropriate, financial and administrative advice to the pastor/administrator/ parish life director, pastoral councils and parish staff.

B. To evaluate the financial needs of the parish:

1. By reviewing and recommending approval of the annual parish budget.

2. By reviewing long-range financial plans (three- five year plan) based on the vision of the parish pastoral council and the diocesan church.

C. To be knowledgeable of all diocesan policies that relate to the financial administration of the parish:

1. Diocesan Policies

The finance council must be familiar with and comply with diocesan statutes especially those outlined in the *Parochial Administration Handbook*.

2. Personnel/Payroll Policies

a. Be knowledgeable of all civil laws pertaining to labor and social policies in so far as they are not contrary to Catholic principles.

b. Ensure that employees are paid a just wage and all the benefits due by law and the policies of the diocese.

3. Accounting Policies

4. Building Department Policies

Special vigilance should be given to expenditures for building projects, new or refurbishment, as regards to obtaining permission needed from the diocesan bishop or Design Review Board with written permission from the diocese.

5. Annual Parish Financial Report

6. Risk Management Policies

a. Contracts for services and Certificates of Liability Insurance are required when related to the use of facilities by outside entities

b. Safety guidelines for all special events on parish facilities in conjunction with buildings and grounds

c. Annual safety inspection of all diocesan owned properties in conjunction with buildings and grounds

D. To review the parish financial reports and to evaluate the financial position/status of the parish at least quarterly or no more than monthly at the discretion of the council.

1. Check the balance sheet and income statement.

2. Do a comparison of budget to actual figures.

3. Review and monitor the budget at least every three months.

4. Review the administration of surplus funds. Adhere to the diocesan statute on the deposit of surplus monies.
5. Help in the formulation of the parish annual report to the faithful on financial matters as required by *Code of Canon Law*.
6. Encourage the implementation of accountability on various levels.
7. Examine the parish audited statement with auditors, if possible, at those times when an audit is performed. Review the findings of the financial audit to ensure the implementation of the recommendations.
8. Propose the use of internal controls where needed, such as cash handling and check signing.
9. Serve in an advisory capacity to and be accountable to the pastor/administrator/parish life director.

III. The recommended membership of the parish finance council:

- A. Three to seven members, in addition to the pastor/administrator/parish life director.
- B. Roman Catholic men or women, who are registered and participating members of the parish.
- C. Individuals who are appointed by the pastor/administrator/parish life director, in consultation with the parish staff; they should be reflective of the ethnic make up of the parish community and representative of the economic strata of the parish.
- D. Individuals who have no family relationship to the pastor/administrator/parish life director.
- E. Individuals who have no conflict of interest because of such affiliation, e.g. spouse of parish or school employee, someone who transacts business with the parish or who would derive personal benefit from recommendations that are made by the council.
- F. Individuals are appointed for a term of three (3) years or less and renewable for one further term.

G. Individuals who have skills and expertise in financial matters, business administration and civil law, such as:

CPAs, accountants, administrative managers, business owners, attorneys, real estate professionals.

H. Individuals who are committed to fulfill their duties in a sound and legal manner and who see the Church as not above the law in nonecclesiastical matters. They also should have a sense of Christian justice and a deep love and concern for the poor, the needy and the helpless (Mt.25).

I. Individuals who are motivated to become knowledgeable of diocesan policies.

J. Individuals who have shown to be trustworthy and able to maintain confidentiality. This is very important since much of what is discussed in council meetings is confidential, and to divulge such information could be damaging to a person or persons or entities.

K. The parish finance council does not cease to exist with the transfer or death of a pastor/administrator/parish life director.

L. Members of the council serve out the term of their appointment upon assignment of a new pastor/administrator/parish life director. The newly assigned pastor, administrator or parish life director has the authority to remove members before the end of their term for cause.

IV. Members of the parish finance council shall:

A. Have a chairperson or meeting facilitator, appointed by the pastor/administrator/parish life director who will coordinate the work of the council, prepare for meetings, and implement those proposals of the council which have been accepted and ratified, by the pastor/administrator/parish life director.

The chairperson or meeting facilitator shall perform other such tasks as may be delegated. These may include chairing and conducting regular meetings of the parish finance council. The chairperson or meeting facilitator should be chosen based on:

- ability to facilitate a meeting
- knowledge of rules and guidelines
- leadership qualities

B. Have a recorder who keeps the minutes of meetings.

C. Have access to records and documents relating to the financial status and operations of the parish as required to make informed decisions. Access to records is required to determine whether or not:

1. Payroll and personnel matters are managed in accordance with diocesan policy.
2. Independent contractors are treated in accordance with civil law.
3. Insurance coverage is appropriate for the needs of the parish.
4. Checking accounts are invested in accordance with diocesan policy.
5. Parish prepares appropriate financial accounting records.

D. Meet minimally once per quarter, no more than once a month unless an emergency arises.

E. Be known by the people in the parish. The members should be visible enough in the parish to be sought out by parishioners when they have subjects of concern.

V. The parish finance council needs to work together with the following persons:

A. Pastor/administrator/parish life director as chief administrator of the parish and the one who is ultimately responsible for all legal, business and administrative matters of the parish. As such, the parish finance council must work in consultation with the pastor/administrator/parish life director.

B. Parish staff (especially parish business manager or bookkeeper). The parish business manager, bookkeeper, or person responsible for the maintenance of the financial records should serve as a resource to the finance council.

C. Members of the parish. The finance council members should be available to the parishioners to:

- Entertain suggestions
- Answer questions that are not breaking the bond of confidentiality.
- Serve as liaisons between the parishioners and the pastor/administrator/parish life director.

Conclusion:

One of the essential roles of a pastor/administrator/ parish life director is parish administration. He/She is the legal representative of the parish and is responsible for the administration of church property and finances in accordance with the norms of canon law. (Canon 532). The pastor/administrator/parish life director is assisted by the parish finance council, which is composed of members of the congregation (Canon 537). This relationship demonstrates the sense of Church as communion. The members of the finance council "...become sharers in Christ's priestly, prophetic and royal office in their own manner" (Canon 204). By using their various gifts and skills in a collaborative and faithful manner, they live out their baptismal call and the vision set forth by the bishops in the Second Vatican Council.