

An Overview of Parish Finance Guidelines

Since the Second Vatican Council, the Church has increasingly called upon the aid and expertise of lay people who participate actively in various aspects of the Church's life and mission. Many have taken an active role in caring for the physical property and financial resources of our parishes.

Proper administration of a parish needs to be shared between the church officials, and at times consultative bodies, for the good of all. Administration is never the prerogative of isolated individuals. A Church's financial administration is to protect the use of property entrusted to them.

As mentioned before, Catholic churches in Western North Dakota are incorporated entities. The Corporate Board for each parish consists of:

- Bishop of Bismarck, President
- Vicar General, Vice President
- Pastor, Secretary
- 2 Lay Trustees

First we'll address the pastor's role and responsibilities where the finance council is involved. The pastor is ultimately responsible for administering the goods belonging to the parish. A Priest receives this authority through a Letter of Appointment from the Bishop.

As administrator, his responsibilities include **overseeing** the payment of bills, distribution of salaries, bank deposits, and general care & maintenance of the property. Each parish is to have its own finance council to assist the administrators in fulfilling their functions. In many parishes the Pastor delegates the financial record keeping authority to a business manager or a secretarial position for practical purposes.

In order for the Pastors to carry out the responsibilities assigned them, there are certain items that have to be **under their control**. Pastor is responsible for administering the following:

1. The parish checkbook(s) must be under the control of the Pastor. He has been authorized by the Bishop to take care of the finances of the parish. He has the authority to sign checks and enter into agreements to care for the parish. (The name and mailing address on the bank account should be that of the parish.) Although, the Pastor certainly has the authority to appoint someone to administer the checking account(s).
2. The Pastor is the only person in the parish legally authorized to open or close bank accounts. He, therefore, needs control over who is able to sign checks for the parish. However, the Pastor must be one of the authorized signers on all parish checking accounts including those of any parish activity or organization.
3. For legal and insurance purposes the books and financial records of the parish need to be maintained on parish property. The books and records should not be maintained off site or in a volunteer's home. Recognizing that many smaller parishes or missions do not have a designated office space – in that case only the current year's record may be kept off site. Any closed years' records should be kept in a safe location in the primary church's office.
4. Generally, bills charged to the parish must be approved by the Pastor, preferably prior to the goods being received or work performed.

5. Parish deposits are to be prepared under the guidance of the Pastor. The counting and depositing of funds must be handled in a manner so that no one person ever has control over the money.
6. And last but not least the Pastor is responsible for setting up a Finance Council in the parish.
 - a. The primary purpose of a finance council is to assist the Church leaders with expert help in caring for the temporal goods of the parish.
 - b. Secondly, the finance council fosters a climate of trust and participation by opening up the flow of financial information about parish economic matters.

The Pastor has **specific duties and responsibilities** as administrator in which the Finance council assists for the benefit of the parish which include the following:

1. To assure the accurate collection and safeguarding of the revenues entrusted to the parish.
2. Reconcile the monthly bank statements and have them available for the Finance Council to review at the monthly meetings. (The Finance Council should review the bank reconciliation at least two times per year.)
3. Oversight in the preparation of the annual budget and monthly/quarterly financial reports for the Finance Council, although often the Pastor may appoint a member of the Council, lay volunteers or employees to assist him in preparing the information The statements should be for the current month/quarter and year-to-date.
4. Preparing annual reports of the budgets and financial reports for distribution to the parishioners and the annual financial report to be filed with the Diocese.
5. To deposit any excess funds in the interest-bearing accounts with the Expansion Fund of the Diocese of Bismarck.
6. To provide the parishioners with reports regarding their contributions made to the Church during the calendar year (at least annually, quarterly is better).
7. Implement a regular review of receipts and disbursements of the parish, review all parish indebtedness, which should have an approved plan of repayment and make certain the financial records are in keeping with standard accounting procedures.
8. Implements and foster stewardship within the parish.
9. Cooperates with diocesan directives for diocesan and charitable appeals.
10. Prepare, keep track of and have a clear inventory of parish property and goods.
11. Ensures proper archiving and safekeeping of parish records and documents.
12. Ensures that intentions of donors are honored.
13. Negotiates and approves just salaries for parish lay employees and that employment laws are observed.