

Parish

Finance Council Mandate

The parish Finance Council is established under Canon 537. Canon 537 states – in each parish there is to be a finance council which is governed, in addition to universal law, by norms issued by the diocesan bishop and in which the Christian faithful, selected according to these same norms, are to assist the pastor in the administration of the goods of the parish, without prejudice to the prescript of Canon 532. In all juridic affairs the pastor represents the parish according to the norms of law (can 532).

The parish council for Parish is established in accordance with the canon law. The finance council is headed by the Pastor, standing members of the finance council are a representative from the education council and the treasurer of the Home & School Association. The Pastor may appoint such other ad-hoc members as he determines are required. The norm shall be at least four ad-hoc members. The object of ad-hoc appointments is to fulfill canon 1280 which states the need for financial, civil-law, and canonical expertise is critical in a complex modern world. The two trustees are ex-officio members of the committee.

The Pastor shall appoint a chairperson, usually the longest serving ad-hoc member of the council. The duty of the chairperson is to organize the meetings including issuing agendas and inviting guest when so required. From the remaining members will be selected a secretary who will be responsible for minuting the discussions and recommendations of the council.

The education council representative and home & school association treasurer are responsible for presenting the budget and financial reports of their respective charges on such frequency as the council shall determine.

At the September meeting of the council the annual work plan shall be agreed. The work plan outlines the regular agenda items the council would like to have appear at what intervals. The council is primarily responsible for preparing the annual budget in June and the annual financial report to the diocese in September.

The finance council serves to advise the Pastor. The council has no power to make decisions or bind the parish.

Canon 1284 outlines the duties of administrators.

- 1. All administrators are bound to fulfill their function with the diligence of a good householder.**
- 2. Consequently they must:**

- 1) Exercise vigilance so that the goods entrusted to their care are in no way lost or damaged, taking out insurance policies for the purpose insofar as necessary;
 - 2) Take care that the ownership of ecclesiastical goods is protected by civilly valid methods;
 - 3) Observe the prescripts of both canon and civil law or those imposed by the founder, a donor, or legitimate authority, and especially be on guard so that no damage comes to the Church from the non-observance of civil laws;
 - 4) Collect the return of goods and the income accurately and on time, protect what is collected, and use them according to the intention of the founder or legitimate norms;
 - 5) Pay at the stated time the interest due on a loan or mortgage and take care that the capital debt itself is repaid in a timely manner;
 - 6) With the consent of the ordinary, invest the money which is left over after expenses and can usefully set aside for the purpose of the juridic person;
 - 7) Keep well organized books of receipts and expenditures;
 - 8) Draw up a report of the administration at the end of each year;
 - 9) Organize correctly and protect in suitable and proper archive the documents and records which the property rights of the Church or the institute are based, and deposit authentic copies of them in the archive of the curia when it can be done conveniently;
3. It is strongly recommended that administrators prepare the budgets of income and expenditures each year; it is left to the particular law, however, to require them and to determine more precisely the ways in which they are to be presented.

All budgeting of the church should be done, not just with a view to increase income, meeting expenditures, and providing for the unforeseen circumstances, but also in the light of the demands of social justice and in the light of one of the principal purposes of raising funds in the Church, namely, to be able to perform the works of charity toward the needy.

Guidelines for the Parish Finance Council

The guidelines for the parish finance council can be found in a memorandum from the Diocesan Business Office to all pastors, dated December 27, 1995, as well as *The Code of Canon Law*.

Canon 537 of *The Code of Canon Law* concerning parish finance council states, "In each parish there is to be a finance council which is governed, in addition to universal law, by norms issued by the diocesan bishop and in which the Christian faithful, selected according to these same norms, are to assist the pastor in the administration of the goods of the parish, without prejudice to the prescript of canon 532."

The finance council does not substitute for the pastor/administrator as the chief administrator and legal representative of the parish's goods.

Parish finance councils are consultative in nature. The pastor (or administrator) always retains ultimate responsibility for the prudent stewardship of parish resources.

A typical parish finance council consists of between five and nine lay parishioners appointed by the pastor/administrator (with at least one being a parish trustee) with various areas of financial, administrative or legal expertise. The pastor serves as the non-voting Chairman of the finance council.

The parish finance council is responsible for guaranteeing the sound financial management and administration of the temporal goods of the parish. This responsibility may include, but is not limited to, the following elements.

- The annual budget process should begin with the finance council and end with the approval of the final budget by the finance council and the pastor/administrator. (cf. canon 1284 §3)
- The finance council should approve all parish expenditures over \$15,000 and all major administrative decisions.
- The finance council should provide for the annual upkeep and maintenance of the parish facilities.
- The finance council should monitor budget compliance throughout the fiscal year.
- The finance council should oversee all parish investments.
- The finance council should help provide for the Diocesan assessment. (cf. canon 1263)
- The finance council should assist the pastor/administrator in the preparation and presentation of the annual *Parish Financial Statement*, which is both reported to the parishioners and submitted to the Diocese.

A minimum of three meetings of the parish finance council should be held annually:

- April/May – approval of the budget
- September – review and publication of the financial report
- Winter – planning for the upcoming fiscal year

Policy on Parish Finance Councils

- 1 Each parish must have an active Parish Finance Council.
 - 2 This parish finance council will consist of at least four parishioners, one of whom is the chairperson selected by the pastor/administrator. Ex-officio members are the two parish trustees.
 - 3 In accordance with civil law and diocesan policies, two parish trustees shall be appointed for each parish by the Ordinary with a term of one year that may be renewed for no more than two terms. These trustees must be active parishioners.
 - 4 No trustee or parish finance council member or any member of his or her family shall derive any financial benefit whatsoever as a result of service to the parish. In the event that a trustee or parish finance council member or any member of his or her family is receiving such financial benefit, their service as trustee or finance council member must end. If a pastor has substantive reasons for seeking an exception to this policy, he may petition the Ordinary.
 - 5 Since each parish is separately incorporated, each parish must meet the legal obligations of such corporations. They must have at least one meeting of the parish corporation. The Minute Book of the corporation must be signed by the Pastor, the two Trustees, and the Ordinary.
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