



GUIDELINES FOR PARISH FINANCE COUNCILS

Role

The Code of Canon Law (Canon 537) mandates Parish Finance Councils in each parish. The role of the Parish Finance Council is to assist and advise the pastor in overseeing and controlling the financial affairs of the parish, including any schools. The Parish Finance Council is accountable to the pastor who has the responsibility for final decisions. If the advice of the Parish Finance Council is unanimous on a given matter, the pastor will give serious consideration to the recommendation.

Structure of the Finance Council

- Members of the council shall be appointed by the pastor. Members may be active members of the parish or if needed parishioners of surrounding communities recommended either by the pastor or other Council members or acquaintances of the pastor. Members are to represent the parish at large. No member will represent a specific group within the parish or school community. When a pastorate becomes vacant, the Finance Council members will submit their resignations to the new Pastor who may or may not accept the resignations.
- Members should, if possible, be skilled in business and have some expertise in management, financial, accounting, legal, and fund raising or some related field. The membership of the council cannot include anyone who could have a conflict of interest. For example, the council should not include anyone who is, or becomes at any time, a vendor to the parish. If such a relationship should develop during the tenure of a Finance Council member who becomes a vendor that member shall immediately submit his resignation from the Parish Finance Council. No member of the parish or school staff can be a member nor can any relative of the pastor. The parish bookkeeper, lay administrator, or business manager should be required to attend all meetings, however, since their activities are an integral part of the scope of a Finance Council.
- The Finance Council shall have a minimum of five members and a maximum of ten members. Members shall serve for three years and can be renewed for an additional three – three year terms and after a hiatus of one year, can return to serve an another three year term. In the event a member resigns or is removed by the pastor for just cause, the replacement will assume the remainder of the term of the removed person. The Council is to elect a Chairperson and Secretary and minutes of the meeting are to be signed by the Council Secretary and kept on file at the parish.

Confidentiality

Members of the Finance Council must exercise prudent judgement concerning the confidentiality of any Parish or School financial records to which they have access. Except for the Pastor, no member of the Finance Council shall have access to the records of individual parishioners as regards to financial contributions or any other confidential information. In addition, the subject matter in certain meetings should not be discussed openly with other parishioners until a consensus has been reached.

Functions of the Finance Council

The pastor is responsible for all financial decisions and will establish annual operating budgets for the parish and school in consideration with the Finance Council. The pastor should also develop an annual capital expenditures budget including source of funds, in consultation with the Finance Council. Actual income and expenses for the parish and the school should be reported monthly and reviewed by the Finance Council at least quarterly. Whenever possible, current year results should be compared with previous year results.

The members of the Finance Council must be given complete access to all records and documents relating to the financial status and operations of the Parish and School.

In conjunction with this responsibility the Finance Council shall do the following:

Budget

- Establish a timeline for budget development and implementation by the parish/school staff.
- Ensure that the Parish and School follow the Chart of Accounts provided by the Archdiocese to facilitate budgeting and reporting conformity.
- Review proposed operating and capital budgets.
- Review significant budget variances and develop a plan of action to correct the problem. If the variances cannot be corrected, the Finance Council should recommend amending the budget.
- Review the proposed expenditures not included in the approved budget.
- Review the proposed budgets for all parish and school organizations handling significant sums of money. Financial statements from these organizations should be submitted monthly to the Finance Council.
- Provide parishioners with an approved budget and periodic financial reports, at least annually.

Other Financial and Reporting Activities

- Review financial statements, including annual reports, prior to submission to the Archdiocesan Catholic Center.
- Perform annual self-audits of the Parish and School to determine that proper accounting procedures are being followed
- Evaluate and make recommendations for maintaining and enhancing parish and school revenue, including investments, fund raising and stewardship programs.
- Review all banking and financial institution relationships and make recommendations for improvements if needed.
- Ensure all Archdiocesan policies and procedures are being followed at all times with regard to fiscal and accounting activities.
- Advise the pastor in developing a program for care and maintenance of all Parish and School facilities. Assist the pastor in developing a long range program for funding and implementing a long-term capital improvement campaign.

Financial Responsibility

The Pastor may appoint the Chairperson of the Finance Council to be an authorized signatory for the Parish checking accounts. The appointed member would be authorized to sign checks up to \$3,000.00.

Meetings

The Finance Council will meet at least quarterly, but monthly meetings are preferred. Special meetings of the Finance Council may be called at any time by the Pastor. A quorum of the Finance Council at any regular or special meeting shall consist of two-thirds of the membership.