

## ***The Parish Finance Council Guidelines***

### **Definition**

The Parish Finance Council (hereafter referred to as Finance Council) is a consultative body of lay persons established to assist the Pastor in the prudent planning and administering of all parish financial matters.

Persons appointed to the Finance Council must be reputable members of the parish who are known for their prudent judgment, who possess knowledge of and competence in financial matters, and who actively participate in Finance Council activities.

### **Relationships**

The relationship between the Pastor and the Finance Council is one of support and collaboration.

The authority of the Pastor is granted in Canon 532 and by the Bishop to act and decide on behalf of the parish. The Pastor's authority is not lessened by the establishment of the Finance Council which is an advisory body whose recommendations and decisions are valid only when accepted and ratified by the Pastor.

At the same time however, the Pastor is not to conduct financial business apart from the Finance Council nor should he depart from the Finance Council's recommendation without serious reason in which case he shall fully and frankly discuss his reservations with the Finance Council.

The 1983 Revised Code of Canon Law also allows for (and the statutes of the Diocese of Wilmington require) Pastoral Councils to be established to assist the Pastor in planning, coordinating, guiding, and directing all aspects of parish life. The Pastoral Council has a premiere roll as the unifying and coordinating structure of the parish community. Even though the Pastoral Council and the Finance Council are separate and each has a different and specific role in the life and operation of the parish, they must work together for the good of the parish.

In fulfilling its responsibilities, the Finance Council must be directed by the values of the Gospel as well as by good business practice. Efficient and effective use and management of parish resources must be measured as much by their contribution to the parish mission and ministry as by commonly accepted business standards.

### **Membership**

The Finance Council shall be composed of the Pastor and not less than three Lay members of the parish who will be appointed by the Pastor after he first consults with the Pastoral Council.

A school principal, business manager, bookkeeper, and others of the paid staff cannot be members of the Finance Council. However, by invitation at Finance Council meetings, attendance by such staff members may be helpful and at times required.

A Finance Council member may not be related to the Pastor or to any associate priest assigned to the parish.

Members of the Finance Council shall serve a three-year term and may be appointed to additional three-year terms. In case of death, resignation or inability to act a successor shall be appointed by the Pastor.

To promote good communications, planning, cooperation, and accountability between the councils, a member of the Finance Council shall also be a member of the Pastoral Council. If a Finance Council member is not otherwise elected to the Pastoral Council, the Pastor will appoint a Finance Council member to serve on the Pastoral Council.

This person shall act as liaison between the two councils and shall provide to the Pastoral Council regular and timely reports (at least quarterly) on the financial status of the parish and the work and activity of the Finance Council. Conversely, this person will keep the Finance Council informed on direction, policies, and programs undertaken by the Pastoral Council which could have a bearing on the financial planning for the parish.

#### Officers

The Pastor of the parish is the President of the Finance Council. He presides over the meeting and receives the Finance Council's proposals.

An Executive Officer of the Finance Council is appointed by the Pastor. The Executive Officer assists the Pastor in coordinating the work of the Finance Council, in preparing for meetings, and in implementing those proposals of the Finance Council which have been accepted and ratified by the Pastor. The Executive Officer performs other such tasks as may be delegated to them, including, chairing a regular meeting of the Finance Council. The Executive Officer is appointed for a term of one year and may be reappointed.

#### Meetings

The Finance Council shall meet monthly. Meetings and agenda shall be arranged by the Executive Officer in consultation and with the approval of the Pastor. The Pastor and members are expected to attend all meetings.

#### Responsibilities

The Finance Council, in assisting the Pastor to administer parish goods, is delegated the following functions:

- 1) To oversee the preparation of an annual budget for the parish (this includes the parish school). In this regard, each major area of the parish will prepare its own budget, and submit it to the Finance Council which will consolidate it and, as necessary, will ask individual group preparers to review its needs with the Finance Council.

The total parish budget is to be approved by the Pastor and then must be reviewed with the Pastoral Council.

- 2) To see that complete and accurate bookkeeping and accounting records are maintained for all financial transactions in accord with Diocesan policy and the Diocesan Parish Accounting Manual.
- 3) To review, approve, and forward for the Pastor's approval a fiscal year Annual Financial report. The report is to be sent to the Diocesan Finance Office by August 31<sup>st</sup> of each year and is to be reviewed with the Pastoral Council.
- 4) To prepare and publish a Parish Financial Statement for presentation to the parish community.
- 5) To assure that the collection and deposit of church funds is in accordance with Diocesan procedures.
- 6) To monitor that surplus parish funds are invested\_safely with maximum financial return.
- 7) To assist the Pastor and/or Pastoral Council as requested in developing salary and benefit policies for all employees of the parish and school.
- 8) To evaluate and recommend to the Pastor regarding needs and effectiveness of weekly offertory and other fund raising efforts.
- 9) To develop a financial plan for the financing of new construction, repairs, renovations, purchase of equipment, and repayment of parish debt.
- 10) To provide the Pastoral Council with written reports at least quarterly on the financial status of the parish.
- 11) To assure that the parish is meeting all requirements of federal, state and local tax laws and that tax exemption papers for all church owned properties are maintained.
- 12) To assure that the assets of the parish are protected from loss or damage through appropriate insurance.