

Norms for Parish Finance Councils

Purpose

The purpose of these norms is to clarify the responsibilities of those persons named as parish finance council members of the parish established pursuant to Canon 537.

Goal

The goal of these norms is to give parish finance councils guidance and resources to assist them in understanding and carrying out their responsibilities. The appendices which appear at the end of this document are incorporated by reference.

Parish Finance Councils As Defined in Canon Law

Canon 537 - Each parish is to have a finance council which is regulated by universal laws 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 in the administration of parish goods with due regard for the prescription of can. 532

- Canon 532 states the pastor represents the parish in all juridic affairs in accord with the norm of law; he is to see to it that the goods of the parish are administered in accord with the norms of cann. 1281-1288.

Introduction

In response to the 1983 revised Code of Canon Law, Bishop George Guilfoyle issued Statutes for the Parochial Council for Economic Affairs, the Diocese of Camden. Bishop Nicholas DiMarzio re-promulgated in 2001, Bishop Joseph Galante in 2006 and in 2015 Bishop Dennis Sullivan again re-promulgated those statutes, with some additions which outline membership, terms of office, meetings and duties for the establishment and ongoing functioning of parish finance councils (formerly Parochial Councils for Economic Affairs). The following guidelines are provided to assist pastors and the laity in facilitating the establishment and/or strengthening of parish finance councils.

Norms

A) Membership

The membership of the parish finance council shall consist of no less than four and no more than ten persons. Since the responsibilities of finance councils require persons who are skilled in accounting and finance, property and personnel management and business law, the pastor appoints the members. To be considered for appointment the candidate must be a practicing catholic in good standing who participates in the ongoing life of the parish and one who is truly expert in financial affairs or business law with outstanding integrity (canon 492). He or she must be a member of the parish (i.e. enjoy domicile or

quasi-domicile within the territorial boundaries of the parish or be registered in the parish). Members cannot be related to the pastor. Existing members of the finance council should assist the pastor in identification and orientation of new members.

There should be two officers named:

- Chairperson – Prepares agendas in consultation with Pastor and runs the council meetings. Chairperson should be elected by the council members or be appointed by the pastor for a renewable term of office.
- Secretary – Keeps track of attendance at meetings and keeps accurate minutes of all meetings. Copies of meeting minutes as well as documents and other information pertinent to issues discussed during meetings are to be maintained by the Secretary, copies of which must be secured and maintained at the parish. Secretary could be elected or appointed for a renewable term of office.

The pastor is not a member of the finance council since he cannot be a member of a group that advises him. Nevertheless, the pastor does preside over the meetings of the finance council. Parochial Vicars and assigned deacons normally participate in finance council meetings as non-voting participants.

Unlike the parish pastoral council, which is representative of the entire parish, the finance council assists the pastor in a specific area of pastoral ministry: the administration of parish goods. Therefore, the members of the finance council should possess the talents and skills to fulfill the ministry.

Parish trustees by virtue of their office are to be appointed to the council.

Members of the parish finance council should not be **employees** of the parish (i.e. business managers, accountants, bookkeepers).

No member of the parish finance council should use such position, or use any information obtained while serving in such position, in any manner that creates, tends to create, or even appears to create any conflict of any kind between the member and the parish. (See Appendix 2 “Prohibition on Conflicts of Interest”)

B) Terms of Office

Members of the parish finance council are to be appointed by the pastor in writing for a renewable three-year term of office. The terms of office may initially be staggered, or reappointed for three years after the first year, another after the second, etc. When a new pastor takes office, if the current members have less than one year remaining on their three year term, the new pastor is free to extend their membership for an additional year if he wishes.

A council member loses his or her seat on the council at the completion of term if not renewed, by resignation, breach of confidentiality, abandonment of duties, death, moving

out of the parish territory, unless the member continues to be a registered member of the parish or if he or she is no longer a member in good standing.

C) Duties and Responsibilities

The parish finance council is a consultative body which assists the pastor to act justly and prudently in the administration of the parish's temporal goods. Canon 127 states "If council is required (See Page 3, Responsibilities of Parish Finance Councils, items 4 and 5), the act of a superior who does not hear those persons is invalid; although not obliged to accept their opinion even if unanimous, a superior is nonetheless not to act contrary to that opinion, especially if unanimous, without a reason which is overriding in the superior's judgment."

The ways by which it fulfills its shared responsibility are: the spiritual enrichment and growth of the members; formation of financial policies, including the devising and regular monitoring of a parish budget; formation of policies for the proper formation of the building and grounds of the parish; long-range financial planning, preparation of an annual financial report: and attention to civil law pertaining to the administration of the temporal goods of the parish.

A clear distinction must be maintained between consulting with and advising the pastor on financial policy formation, which is the proper work of the parish finance council and administration which is the proper work of the pastor and parish staff. At the same time, members of the parish staff should offer to the finance council their knowledge and judgment regarding questions under discussion.

Pastors and parish finance council members have a responsibility to report practices which violate applicable law. Such a report must be made to the Diocesan Finance Officer or Vicar for Administration of the Diocese of Camden. In addition, if consultation with the finance council results in recommendations to the pastor that are not accepted and the finance council is concerned that an adverse financial situation will result, the members may seek advice from the Diocesan Finance Officer or Vicar for Administration.

The parish finance council shall be responsible to assist:

- 1) In drawing up an annual parish budget of income and expenditures. (Canon 1284.3)
- 2) In preparing the annual report on the parish for review of the diocesan finance committee (Canon 1287.1)
- 3) In rendering an account to the faithful concerning the goods they give to the parish (Canon 1287.2) in the manner to be determined which will include presentation to the parochial pastoral council and a written or printed form provided to the parishioners along with a copy of the annual budget.

- 4) In offering to the Bishop, through the pastor, the opinion of the parish finance council on the “more important” financial business of the parish; i.e. those matters which exceed the pastor’s approved level of ordinary administration. (See Diocesan Policy Manual Article XI No 3)
- 5) In developing an inventory of parochial movable and immovable goods (See Diocesan Statutes Nos. 41 and 42.
- 6) In reviewing from time to time and at the discretion of the pastor any particular items of administration beyond the budget, which seem of greater significance or for which the pastor wishes advice.
- 7) In reviewing the annual budget for a parish school or the budget for a school with which a parish is regionalized before pastor gives his approval for such a budget.
- 8) In reviewing all parish facilities for proper maintenance.

Guidance

The parish finance council has three main areas of responsibility: 1) Administration and Finance, 2) Facility Management, and 3) Stewardship and Development. Following is a detailed list of the general duties that fall within each area of responsibility.

Administration and Finance

- Review of general financial condition – Review parish finances taking into consideration historical and current trends in parish revenue and expenses, to ensure that financial resources are in accordance with parish pastoral plan and good fiscal management.
- Development and subsequent monitoring of annual operating and capital budgets in light of goals and objectives of the pastoral plan.
- Maintain a current long range plan for debt repayment.
- Ensure that proper internal controls and procedures are in place so that cash and other resources are used for their intended purposes.
- Review, in their entirety, and sign all financial reports prior to submission to the Diocesan Finance Office, ensuring timely and accurate reporting.
- Prepare and deliver financial reports to the parish congregation on at least an annual basis.
- Ensure familiarity with Diocesan financial requirements, policies and procedures.
- Review and advise on all contracts being entered into by the parish.
- Review audit reports and recommendations and assist drafting appropriate response.
- Assist in the evaluation of accounting and bookkeeping support at the parish and make recommendations as to the need to strengthen or provide assistance to this function.
- Perform follow-up to audit recommendation and related responses to ensure issues are addressed.
- Advise pastor on issues involving salary administration and employment practices.

- Review and opine on parish fund raising programs (bingo, 50-50, script, dinner dance, etc.).

Facilities Management

- Review and update the inventory of fixed assets annually including buildings, furniture and equipment, fine arts, etc.).
- Monitor parish's maintenance plan to ensure routine and periodic maintenance is being performed and the condition of parish facilities are good. Plan should include the required annual contributions to the parish reserve fund for future repairs in accordance with diocesan recommendations.
- Ensure parish compliance with diocesan construction and renovation policy and procedures as reflected in Article 11 of the Diocesan Policy Manual.
- Ensure procedures are in place for reporting maintenance and safety issues to the committee on a timely and ongoing basis.

Stewardship and Development

The following duties will fall to the parish finance council for oversight and control:

- Programs that focus on increased levels of giving based on individual parish needs.
- Capital campaign or debt reduction programs designed to raise funds for parish facilities, which consist of solicitation for one-time gifts or multi-year pledges.
- Programs designed to provide long-term financial support involving planned giving or endowment vehicles.

D) Meetings

Meetings of the parish finance council are to be held when necessary, but not less than quarterly. Meetings are to be attended by the pastor, officers and at least a quorum of the council membership. A summary of topics discussed are to be recorded and distributed to all members prior to the next regularly scheduled meeting.

Guidance

A quorum of the membership is the minimum number of members who must attend and which members are to be included

- Minimum number is over one half the membership
- Attendance must include pastor

Meetings should have an agenda that consist of the following:

- Opening prayer
- Approval of the summary report from the previous meeting
- Review of monthly or quarterly financial statements
- Old business (to include discussion and/or disposition of issues raised previously)

➤ New Business

Mode of Operations

The mode of operations for the finance council should be conciliar-consensus. While the Code of Canon Law places the authority and responsibility on the pastor, it does not do so to the exclusion of the participative process. The Code intends a cooperative pastor-council relationship for the best interests of the parish community and the diocese.

The parish finance council collaborates with the parish pastoral council so that the parish's pastoral plan is financially feasible, and that the budget which the parish finance council develops provides sufficient support, insofar as is economically feasible, for implementation of the parish's pastoral plan.

A representative of the parish finance council should be in attendance at each Pastoral Council meeting.

Constitution or by-laws for the parish finance council beyond these diocesan norms would seem to be unnecessary.

Note: Canons are from the Code of Canon Law, Latin-English Edition, Washington, D.C.: Canon Law Society of America, 1998, and used with permission.