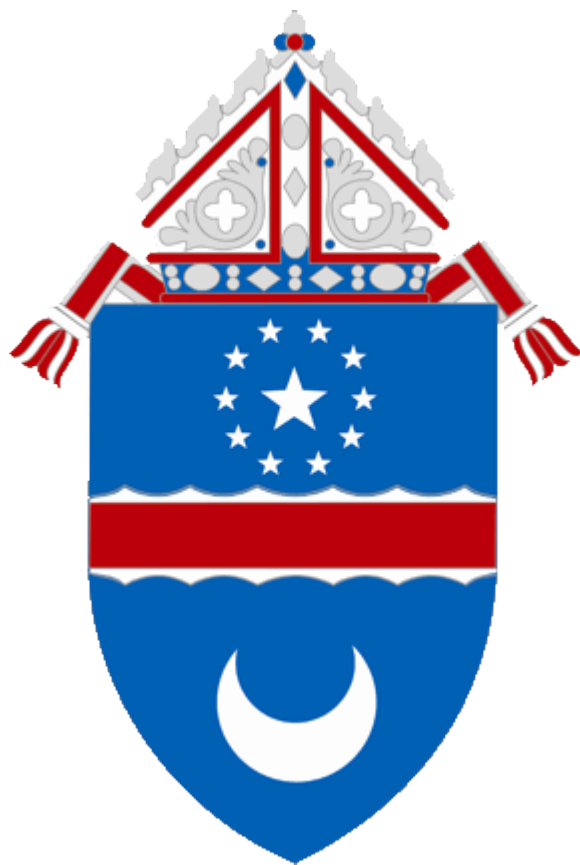


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# Parish Finance Council Guidelines



Catholic Diocese of Arlington

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# Parish Finance Council Guidelines

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## **GENERAL**

This document is intended as an overview of the responsibilities and roles of Parish Finance Councils as defined by Canon Law and best practices of parish administration. An active and well-formed Parish Finance Council is an important and necessary support to the pastor in fulfilling his duty of being a good steward of parish resources. A Parish Finance Council supports the good governance of a parish and helps there be accountability to the diocese and to the parishioners.

These guidelines are designed to aid pastors and Finance Council members in the establishment and productive functioning of the Parish Finance Council and to assist in the administration of parish temporal matters. Also contained in these guidelines is the basic framework of a system that will provide information to assist members in fulfilling their responsibilities.

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# Parish Finance Council Guidelines

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## INTRODUCTION AND BACKGROUND

In the administration of temporal goods of the parish, Canon 532 defines the role of the pastor as the authoritative representative of the parish. Canon 532 says,

“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 canons 1281-1288.”

Canon 537 introduces the Parish Finance Council as a mandated body having an advisory and consultative role with the pastor. Canon 537 says,

“Each parish is to have a finance council which is regulated by universal law 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 canon 532.”

Every parish therefore is required, both by adherence to the Code of Canon Law and diocesan regulation, to have a Parish Finance Council. To be effective, the Parish Finance Council should meet regularly with specific agendas and should have access to all the relevant financial information and policies of the parish.

### Consultative Body to the Pastor

The Finance Council works closely with the pastor, who is accountable to the diocesan bishop for the administration and stewardship of the temporal goods of the parish. The pastor’s responsibilities, according to Canon Law, include the responsibility for parish financial and temporal management. The Parish Finance Council is a consultative body that assists the pastor in meeting these obligations. While the Parish Finance Council does not have decision making authority, consultation is at the heart of the decision-making process – sharing information, listening, contributing to the discussion, and promoting consensus.

Canon law states that the pastor is obligated to consult the Finance Council on certain matters. Although the pastor is not obliged to follow the recommendations of the Finance Council, the pastor generally should not act against such advice, especially when there is consensus, unless there is an overriding reason. In other words, the prudent pastor would not ignore the advice of the Finance Council unless there was a serious reason to do so. When acting contrary to its recommendations the pastor should provide an explanation to the Finance Council regarding the reasons for his decision.

# Parish Finance Council Guidelines

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## **AUTHORITY/ RESPONSIBILITIES**

Canon Law places responsibility for parish financial and temporal management with the pastor. The Parish Finance Council is a consultative group that assists the pastor in the execution of these responsibilities. In order to be effective in their responsibilities as Council members, members should have a thorough understanding of the parish's mission, goals, structure and demographics; knowledge of diocesan statutes and policies regarding temporalities; and a general understanding of the structure and organization of diocesan finances. It is the pastor's responsibility to provide appropriate background information and periodic enrichment about relevant subjects to all Council members.

The Finance Council does not have decision-making authority. The Council has only those duties and responsibilities envisioned by Canon Law and assigned to it by the pastor. A Finance Council, composed of members with the appropriate expertise and possessing a love for the Church and its mission, can provide the pastor with valuable advice and assistance in the execution of his parish financial administration duties. A competent Finance Council also can help a parish maximize its financial resources and avert potential financial problems. Pastors are strongly encouraged to take advantage of the counsel and advice provided by the Finance Council.

The principal duties of a typical Parish Finance Council are to assist in creating and/or monitoring:

### **A. Annual Capital and Operating Budget**

- Assist in establishing timelines for development and implementation of the annual capital and operating budget for parish operations, school(s), other parish organizations and consolidated operations as required by the parish. The pastor is responsible for the actual coordination/preparation of all parish budgets. The pastor is encouraged to elicit the assistance of the parish business manager/bookkeeper to prepare the parish budget, as well as, the advice of the Finance Council.
- Determine if the parish and school budgets are prepared in accordance with the accounting chart of accounts and reporting formats required by the Diocese.
- Review the annual parish, school(s), significant organizations and consolidated capital and operating budgets; and, make recommendations to the pastor for changes as appropriate.

### **B. Financial Records and Reporting**

- Review financial statements, including annual reports, to help determine that diocesan policies regarding fiscal and accounting procedures are being followed.
- Receive and review income and expense reports for the parish and school at least quarterly. Whenever possible, current year results should be compared with the current year budget and prior year results. All significant variances should be explained. Particular attention should be given to expenditures not included in the capital or operating budget. If variances cannot be corrected, the Council should

## Parish Finance Council Guidelines

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- recommend budget amendments to bring revenues and expenditures into balance.
- Review the annual financial report to the Diocese prior to submission to help determine the accuracy and completeness; and, that the report is submitted by the prescribed due date.
- Review, at least annually, the financial statements and verify the cash balances of all parish organizations have been reconciled.
- Assist in preparing/presenting/communicating an annual financial report (Balance Sheet and Statement of Activity) to all parishioners concerning the parish's financial status. Specific information should be included on parish operations, parish school(s) and other parish organizations/fund raising groups/projects as needed, in addition to consolidated results.
- Monitor payments of all loans and diocesan assessments to determine that all payments are accurate and paid on a timely basis.
- Monitor parish contribution trends.

### **C. Strategic Planning**

- Assist the pastor in developing a long-term parish capital improvement, implementation and funding sources plan.
- Assist the pastor in developing a program for the care and maintenance of all parish facilities.
- Assist in the development and maintenance of position descriptions for the parish business manager/bookkeeper and other staff level personnel engaged in the management, operation or administration of the parish.
- Serve as a resource to advise the pastor on significant expenditures before making a purchase or lease commitment.

### **D. Internal Controls**

- Assist in developing a system of internal controls in accordance with diocesan policy.
- Review/audit the financial reports for parish general operations, parish school(s) and other parish organizations/fund raising activities with bank accounts, as deemed necessary, to determine that proper accounting practices and internal control procedures have been implemented and are being followed.
- When a change of pastor or parochial administrator occurs, assist with providing the new pastor or administrator a complete report of the parish's financial condition.

# Parish Finance Council Guidelines

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## **MEMBERSHIP**

The Parish Finance Council is about the life of a community of faith so its members should be confirmed practicing Catholics, representing the diversity of the parish as a whole. The pastor uses his discretion in selecting reputable, qualified members from the parish community. Since the Finance Council serves in an advisory capacity to the pastor, the pastor is an ex-officio member of the Parish Finance Council. Ideally, members shall have a limited term to provide for both continuity and rotation.

### **1. Representation**

Members should be selected from the parish community and reflect its diversity. Where appropriate, outside advice and counsel may also be engaged to obtain needed specific expertise.

Members should be chosen based on skills or expertise in management and/or finance. Skill sets to consider include business, law, accounting, and communications. Additionally, persons with professional knowledge and experience in banking, computer systems, fundraisers, marketing, property management, engineering, construction, maintenance, and purchasing could also make a significant contribution and should be recruited when available. Expertise can vary widely and include a business executive, accountant, lawyer, and small business owner. Prospective members should have demonstrated financial and business management backgrounds.

### **2. Number of Members**

The Council should have at least three members and it would be wise to have no more than nine members to prevent its operations from becoming unmanageable. Since it is an advisory body, a quorum is not an issue. However, for matters of greater importance, it is wise to ensure that there is an actual majority of the members present.

### **3. Officers**

The person who chairs the meeting should do so in a parliamentary manner at all meetings and, in consultation with the pastor, will be responsible for selecting the time and location of meetings, preparing and providing the meeting agenda in advance of the meeting, and any other duties so assigned by the pastor or the committee.

A secretary should be appointed to record minutes. Minutes should be a record of recommendations made to the pastor, rather than a record of the discussion which takes place.

### **4. Conflict of Interest / Preclusion to Membership**

No parish employee or family member of an employee or relative of the pastor or any parochial vicars may serve on the Finance Council. Such people, however, may assist in an advisory capacity. To the extent possible, parochial vicars should be invited to attend meetings as a way of exposing them to the administration of the temporalities of the parish.

## Parish Finance Council Guidelines

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Members of the Finance Council should not serve in other capacities in the parish which would conflict with their duties as members of the Council.

On an annual basis, Parish Finance Council members should confirm, in writing, that there are no known conflicts of interest, or disclose any potential conflict of interest, such as a financial interest that the individual, or a member of the individual's family, has in an entity that transacts business with the parish. In the event a change in circumstances gives rise to a real or potential conflict of interest, the situation should be disclosed in writing and submitted to the pastor in a timely fashion.

### 5. **Role of Parish Employees**

Parish employees should not be considered for membership of the Parish Finance Council; however, they may serve as staff to support the Finance Council, and should be available to answer questions regarding parish programs, accounting, financial reporting, and internal controls. The Finance Council should be provided with relevant and timely information, including financial reports (balance sheet, income statement, budget to actual comparisons, debt service schedules, investment schedules, and status reports on fundraising activities) to review. The parish accountant (or business manager or bookkeeper) should normally attend meetings and be able to assist in answering questions, and illuminate complex transactions and the reporting thereof.

### 6. **Terms**

Members should be appointed for fixed terms. It is helpful to stagger the terms so that there is continuity of service and no disruption to the function of the Finance Council. Terms should be limited, but not so limited as to impede the effectiveness of the members. Three years, for example, would be a reasonable term of service, with potential of three reappointments.

If the pastor is incapacitated, or reassigned, the Parish Finance Council should continue working for the benefit of the parish and to provide continuity throughout the transition. The newly assigned pastor has the option of confirming the members of the Council, or may elect to recreate it. Ordinarily, however, it would be unwise simply to dismiss the members without having worked with them for a period of at least some months.

Since it is consultative to the pastor, the Council ordinarily should not meet without the pastor present. If it becomes evident that the pastor is missing meetings unduly and without what appears to be a valid cause, the members of the Council have a duty to notify the Diocesan Finance Officer about that fact. Given the consultative nature of the Parish Finance Council, the pastor should be engaged in the proceedings of the Parish Finance Council meetings.

The pastor would always retain the right to remove a member of the Finance Council prior to the expiration of his or her term of appointment. Ideally, removal should always be for a substantive cause, e.g. missing a majority of the meetings.

# Parish Finance Council Guidelines

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## **MEETING PROTOCOLS**

### **1. Scheduling of Meetings**

Meetings should be scheduled in advance for a specified period, typically a year. Meetings should be held no less frequently than once a quarter. More frequent meetings are an option, especially if local circumstances dictate. As the purpose of the Parish Finance Council is to provide advice and support to the pastor, the pastor should be present at all Parish Finance Council meetings.

### **2. Use of Agendas and Review Materials**

Meeting agendas should be prepared in advance of the meeting by consultation between the pastor and Parish Finance Council Chair, as well as assigned staff. The agenda should list the major items for discussion. Supplying information in advance to members will lead to more productive meetings.

### **3. Recording of Meeting Minutes**

Minutes should be recorded by the Parish Finance Council secretary, circulated among the members for their review and officially accepted by majority vote. They should be archived as part of the parish permanent record.

### **4. Confidentiality**

Members are obliged to maintain confidentiality on those matters designated as confidential, including employee salaries and parishioner contributions. Materials such as agendas, meeting minutes, and review materials should not be disclosed to others if designated as confidential. Violation of this confidentiality would be a cause for dismissal of a member.

### **5. Record Retention**

The parish should retain meeting minutes, agendas, handouts, reports and materials reviewed during the meeting for future reference by either internal or external parties.



# Parish Finance Council Guidelines

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## **RELATIONSHIP TO PASTORAL AND OTHER COUNCILS**

Since the Parish Finance Council relates to the administrative responsibilities of the pastor, it should not be a part of the Parish Pastoral Council structure. However an officer from the Parish Finance Council may serve as an ex-officio member of the Parish Pastoral Council. Communication between the two councils is essential to share information regarding the parish finances and to implement pastoral plans.

The Finance Council is distinct from the Parish Pastoral Council. An appropriate means of communication should be developed between the Parish Finance Council and the Parish Pastoral Council. This should be done so as to ensure that the Parish Finance Council does not enter into areas of policy and mission, which are the prerogative of the Parish Pastoral Council. The Parish Finance Council advises on the adequacy of resources to accomplish the mission of the parish, and on the financial policies and procedures, such as internal controls.

An appropriate means of communication should be developed between the Parish Finance Council and other parish boards and parish councils. It may be useful to assign a liaison between councils. The Finance Council should interact with parish groups/councils to study, create, and revise plans for the effective management and use of parish resources.

# Parish Finance Council Guidelines

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## CANON LAWS RELATED TO TEMPORALITIES

### **Canon 532**

In all judicial matter, the parish priest acts in the parish, in accordance with the law. He is to ensure that the parish goods are administered in accordance with canons 1282-1288.

### **Canon 537**

In each parish there is to be a finance council to help the parish priest in the administration of the goods of the parish, without prejudice to Canon 532. It is ruled by the universal law and by the norms laid down by the diocesan Bishop, and is composed of members of the faithful selected by these norms

### **Canon 1281**

With due regard for the prescriptions of their statutes, administrators invalidly posit acts which go beyond the limits and procedures of ordinary administration unless they first obtain written authority from the ordinary.

The acts which go beyond the limits and procedures of ordinary administration are to be defined in the statutes; if, however, the statutes do not mention such acts, it is within the competence of the diocesan bishop to determine such acts for persons subject to him after he has heard the finance council.

Unless and to the extent that it is to its own advantage, a juridic person is not held to answer for acts invalidly posited by its administrators. A juridic person, however, is responsible for acts illegitimately but validly posited by its administrators with due regard for the right to sue or to have recourse against administrators who have damaged it.

### **Canon 1282**

All clerics or lay persons who through a legitimate title take part in the administration of ecclesiastical goods are bound to fulfill their duties in the name of the Church and in accord with the norm of law.

### **Canon 1283**

Before administrators take office:

- They must take an oath before the ordinary or his delegate that they will be efficient and faithful administrators;
- They are to prepare, sign and subsequently renew an accurate and detailed inventory of immovable goods, movable goods, either precious or of significant cultural value, or other goods along with a description and appraisal of them;
- One copy of this inventory is to be kept in the archives of the administration; the other, in the curial archives; any change whatever which the patrimony may undergo is to be noted on each copy.

# Parish Finance Council Guidelines

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## **Canon 1284**

All administrators are bound to fulfill their office with the diligence of a good householder.

For this reason they must:

- Take care that none of the goods entrusted to their care is in any way lost or damaged and take out insurance policies for this purpose, insofar as such is necessary;
- Take care that the ownership of ecclesiastical goods is safeguarded through civilly valid methods;
- Observe the prescriptions of both canon and civil law or those imposed by the founder, donor or legitimate authority; they must especially be on guard lest the Church be harmed through the non-observance of civil laws;
- Accurately collect the revenues and income of goods when they are legally due, safeguard them once collected and apply them according to the intention of the founder or according to legitimate norms;
- Pay the interest on a loan or mortgage when it is due and take care that the capital debt itself is repaid in due time;
- With the consent of the ordinary invest the money which is left over after expenses and which can be profitably allocated for the goals of the juridic person;
- Keep well-ordered books of receipts and expenditures;
- Draw up a report on their administration at the end of each year;
- Duly arrange and keep in a suitable and safe archive the documents and deeds upon which are based the rights of the Church or the institution to its goods; deposit authentic copies of them in the archive of the curia when it can be done conveniently.

It is strongly recommended that administrators prepare annual budgets of receipts and expenditures; however, it is left to particular law to issue regulations concerning such budgets and to determine more precisely how they are to be presented.

## **Canon 1285**

Within the limits of ordinary administration only, it is permissible for administrators to make donations for purposes of piety or Christian charity from movable goods which do not pertain to the stable patrimony.

## **Canon 1286**

Administrators of goods:

- Are to observe meticulously the civil laws pertaining to labor and social policy according to Church principles in the employment of workers;
- Are to pay employees a just and decent wage so that they may provide appropriately for their needs and those of their family.

## Parish Finance Council Guidelines

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### **Canon 1287**

Both clerical and lay administrators of any ecclesiastical goods whatsoever which have not been legitimately exempted from the governing power of the diocesan bishop are bound by their office to present the local ordinary with an annual report, which in turn he is to present to the finance council for its consideration; any contrary custom is reprobated.

Administrators are to render an account to the faithful concerning the goods offered by the faithful to the Church, according to norms to be determined by particular law.

### **Canon 1288**

Administrators are neither to initiate nor to contest a lawsuit on behalf of a public juridic person in civil court unless they obtain the written permission of their own ordinary.

Definition: A juridic person is an artificial person constituted by competent ecclesiastical authority for an apostolic purpose, with a capacity for continuous existence and with canonical rights and duties like those of a natural person. Like a civil-law corporation, it is a legal construct which can and must be conceived of apart from the natural persons who constitute it, administer it, or for whose benefit it exists. Of its nature, a juridic person is perpetual and, once established, it can outlast all natural persons or material goods which formed it.

# Parish Finance Council Guidelines

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## **Sample Parish Finance Council Meeting Agenda**

(Parish Name)  
Finance Council  
Meeting on (Date)  
(Location) – (Time)

1. Opening Prayer
2. Review and approve minutes of Prior Meeting
3. Review Meeting Agenda
4. Review Financial Statement
  - Observations/Questions
  - Identification and discussion of unusual items
  - Discuss significant variances from budget
5. Review other financial reports/information (examples)
  - Loan Report
  - Bank Accounts
  - Offertory Trends
6. Committee Reports (examples)
  - Building and Grounds
  - Fundraising/Development
  - School Committee
  - Offertory Program
7. New Business
8. Consideration of the Agenda for the next meeting
9. Closing Prayer

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### **Member Information**

*Information to be mailed to members no less than 7 days in advance of meeting:*

- Agenda
- Minutes from prior meeting
- Most current financial statements
  - a. Balance Sheet
  - b. Income Statement
  - c. Cash Flow
  - d. Budget Analysis/Variance Report

## Parish Finance Council Guidelines

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### Sample Parish Finance Council Proposed Calendar

|           |   |
|-----------|---|
| July      | <ul style="list-style-type: none"> <li>• Yearly review – Financial Performance vs. Budget</li> <li style="padding-left: 40px;">Election of officers and/or members for the current fiscal year</li> </ul> |
| August    | <ul style="list-style-type: none"> <li>• Review and sign annual Financial Report to the Diocese</li> </ul>  |
| September | <ul style="list-style-type: none"> <li>• Review and approve annual Financial Report to Parishioners</li> </ul>  |
| October   | <ul style="list-style-type: none"> <li>• Quarterly review – Financial Performance vs. budget</li> <li>• Offertory Program</li> </ul>  |
| November  | <ul style="list-style-type: none"> <li>•</li> </ul>   |
| December  |   |
| January   | <ul style="list-style-type: none"> <li>• Quarterly review – Financial Performance vs. budget</li> <li>• Semi-annual report due to Diocese</li> <li>Facility needs reviewed</li> </ul>                     |
| February  | <ul style="list-style-type: none"> <li>• Bishop’s Lenten Appeal</li> </ul>  |
| March     | <ul style="list-style-type: none"> <li>• Begin Budget Process – determine goals with pastor, review parish staffing requirements and program needs.</li> </ul>  |
| April     | <ul style="list-style-type: none"> <li>• Quarterly review – Financial Performance vs. budget</li> <li>• Submit Draft 1 of Parish Budget to Finance Council</li> </ul>                                     |
| May       | <ul style="list-style-type: none"> <li>• Submit final draft of budget to Finance Council</li> <li>• Develop annual calendar of meetings and action items</li> </ul>                                       |
| June      | <ul style="list-style-type: none"> <li>• Pastor presents budget to staff</li> </ul>   |
|           |   |

**Sample parish finance council charter**

Church of  
(Parish) (City)

ARTICLE I – Name and Purpose

ARTICLE II – Structure, Membership, and Officers

ARTICLE III – Meetings

ARTICLE IV – Duties/Responsibilities

A. Budgets

B. Financial Records and Reporting

C. Strategic Planning

D. Internal Controls

ARTICLE V – Confidentiality

# Parish Finance Council Guidelines

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## **Sample parish finance council charter**

Church of

(Parish) (City)

The Parish Finance Council (hereinafter referred to as “Council”) is established pursuant to the requirements of Canon 537 of the 1983 Code of Canon Law for the Roman Catholic Church, and is subject to the provisions of Canon Law. The Council exists to assist the pastor in the administration of the goods of the parish. The Council is accountable to the pastor.

The Council is envisioned as consisting of a select group of parishioners known for their spiritual maturity and love of Christ and the Church, endowed with special competence in financial matters and with prudent judgment. This group should offer their time and talents in Christian service to assist the pastor with the development and management of the parish's financial resources so that the parish may effectively pursue its proper mission of spreading Christ's Gospel and love.

The Council must serve in accord with the Gospel, over any secular business philosophy. Efficient use of resources and money management, in the context of the Catholic Church, must be measured primarily by the ability to nurture and foster the Christian mission and ministry of the parish community and diocese. A truly Catholic understanding of the mission of the Church insures "good business practices".

### ARTICLE II – Structure, Membership, and Officers

1. Appointment of Council members shall be made by the pastor as determined by him or as recommended to him by members of the parish. Members must be active Catholic parishioners in good standing with the Church. When a pastor changes, the new pastor is to meet with the current Council. Within 90 days, the pastor is to decide whether to reappoint the Council’s current membership to complete the balance of the respective term of office or to appoint new members to complete the respective term of office of each replaced Council member.

Members should be skilled in business and have some expertise in management, finance, accounting, law, fundraising, or related fields. The membership of the Council is not to include anyone who could have a conflict of interest from any affiliation including a parish staff member or any relative of the pastor up (Canon 492 §3, by extension).



## Parish Finance Council Guidelines

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2. There shall be at least three (3) appointed members (Canon 492 §1, by extension). More members may be added up to nine (9). Appointed members shall serve for three years. The terms of the Council will be staggered to ensure continuity. Upon initial formation of the Council, the pastor shall designate either a one, two, or three year term, in succession, for each appointed member. Thereafter, members who are appointed or re-appointed shall serve for three years.

Pastors should include the parish business manager/bookkeeper and should consider including other staff resource persons, such as the school principal, in meeting discussions. If present at meetings, these individuals do not vote.

The Parochial Vicar(s) are encouraged to be present at all meetings.

3. The pastor may remove a member from the Council at any time for cause. Cause is defined here as no longer being a member of the parish, physical or mental incapacitation, public non-support of Church teaching or participation in public scandal, or acting contrary to the Code of Canon Law of the Catholic Church and/or rules and regulations of the Diocese of Arlington. However the pastor retains the authority to remove and/or add members at will.
4. The pastor shall preside at all meetings. If the pastor cannot attend, the meeting either must not take place, or may take place with the pastor's prior permission and subsequent positive or negative acknowledgement of recommendations made to the pastor. Any meeting held when the pastor is not present or that has not granted proper permission is to be considered null and void.
5. The Council should have the following officers: Chairperson and Secretary. Officers may be re-appointed or re-elected by July 1st of each year.
  - a. The chairperson assists the pastor, who presides at all meetings, and in consultation with the Pastor, is responsible for selecting the hour and location of meetings, preparing the meeting agenda and effecting any other duties assigned by the pastor.
  - b. The secretary is responsible for the recording and distribution of Council meeting minutes, notifying members of upcoming meetings, maintaining a permanent record of business conducted by the Council and each member's tenure, and any other duties assigned by the chairperson or the pastor.
6. The Council may establish committees, either standing or ad hoc, to assist in carrying out its responsibilities.

### ARTICLE III – Meetings

1. Regular meetings shall be held at least quarterly, more frequently if necessary, at a time and place established by the pastor and chairperson. Special meetings may be called by the pastor or the chairperson, with the pastor's concurrence.

# Parish Finance Council Guidelines

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2. An annual calendar of meetings and outline of major action items should be proposed and agreed upon at the first meeting of each fiscal year (see Article IV Duties/Responsibilities).
3. The agenda and study material should be communicated to the members prior to the regular meetings.
4. The secretary is responsible for taking minutes at each Council meeting. The minutes should be kept as a permanent record.

## ARTICLE IV – Duties/Responsibilities

### A. Budgets

1. Assist in establishing timelines for development and implementation of the annual capital and operating budget for the parish, the school, parish organizations, and cemetery (if applicable). The pastor is responsible for the actual coordination/preparation of all parish budgets, but is to seek the advice of the Council. The pastor is to elicit the assistance of the parish business manager, bookkeeper and/or Parish Finance Council Chairperson to prepare the parish budget. Parish organizations should present their plans and a summary of expected cash receipts and disbursements to the Council during the budget cycle. All are an integral part of parish life and provide services to parishioners and/or general operations/special funding. Financial statements shall be submitted to the Council at least quarterly.
2. Determine if the parish and school budgets are prepared in accordance with the chart of accounts and reporting formats required by the diocese.
3. Review the proposed annual parish, school, and organizations' capital and operating budgets; and make recommendations to the pastor for changes as appropriate.

### B. Financial Records and Reporting

1. Review financial statements, including annual reports, to help determine that diocesan policies regarding fiscal and accounting procedures are being followed.
2. Review monthly and/or quarterly income and expense reports for the parish and school. Whenever possible, compare actual results to budget and prior year numbers. All significant variances should be explained with particular attention given to expenditures not included in the capital or operating budget. The Council should recommend budget amendments to bring revenues and expenditures into balance or propose a plan to correct the problem(s).
3. Review the annual financial report, prior to submission to the Diocese, to help determine the accuracy and completeness; ensure that it is submitted by the prescribed due date.
4. Annually, after the end of the fiscal year, each pastor is asked to send a letter together with the financial report to the bishop containing:
  - a. the names and professional titles of the members of his parish finance council;
  - b. the dates on which the parish finance council has met during the preceding fiscal year and since the end of that fiscal year;
  - c. a statement signed by the parish finance council members and the pastor stating that they have met, reviewed, and discussed the financial report of the parish, and that it includes all parish related matters, and is accurate and complete.

## Parish Finance Council Guidelines

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5. Review, at least annually, the financial statements and verify the cash balances of all parish organizations with cash accounts. Make sure all accounts for the parish and for each parish organization are included on the annual financial report.
  - a. Cemetery perpetual care must be properly accounted for and cannot be used for any other purpose.
6. Assist in preparing/presenting/communicating an annual financial report (Statement of Financial Position and Statement of Activity) to all parishioners. Specific information should be included on the parish, school and cemetery.
7. Monitor accuracy and timeliness of payments for all parish bills and/or obligations.
8. Monitor parish contribution trends by studying sources of parish revenue: make recommendations for maintaining and enhancing parish revenue, assist in the development of programs and processes to that end, and coordinate fundraising programs.
  - a. Oversee and review fundraising programs and expenditures for the parish, school, and affiliated groups/organizations.

### **C. Strategic Planning**

1. Assist the pastor in developing a long-term parish capital improvement plan, including implementation and funding sources.
2. Assist the pastor in developing a program for the care and maintenance of all parish facilities.
3. Assist in the development and maintenance of position descriptions for the parish business manager/bookkeeper and other staff/personnel engaged in the management, operation or administration of the parish.
4. Serve as a resource to advise the pastor on significant expenditures before making a purchase or lease commitment.
5. Assist the pastor in soliciting assistance and/or information from the Diocesan Finance Officer and members of the Finance Office staff as appropriate.

### **D. Internal Controls**

1. Assist in developing a system of internal controls in accordance with diocesan policy.
2. Review/audit the financial reports for parish general operations, school and other organizations with bank accounts to determine that proper accounting practices and internal control procedures have been implemented and are being followed.
3. When a change of pastor or parish administrator occurs, assist with providing a complete report of the parish's financial condition and inventory of parish assets for the new pastor or administrator (in accordance with Canon 1283, 2).

## ARTICLE VI- Confidentiality

Members of the Parish Finance Council must observe strict confidentiality concerning all matters discussed at Council meetings and/or provided to them in confidence. Council members generally should not have access to the records of individual parishioners which pertain to their financial contributions or other confidential information.