

Diocese of Saginaw

Parish Finance Council Norms

“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 Pastor¹ in the administration of the goods of the parish, without prejudice to the prescript of canon 532” (i.e., the Pastor represents the parish in all juridic affairs.) *Code of Canon Law*, 537. This consultative body is called the Parish Finance Council.

I. Purpose

- A. The Council is advisory to the Pastor. The Pastor or Director of Parish Life is to be present at all Council meetings.
- B. The Council shall be the consultative body in parish financial matters, which are both ordinary and extraordinary.
- C. The Council shall provide advice and guidance to the Pastor in the ordinary administration² of parish assets and in the maintenance of the stable patrimony of the parish. The Pastor is required to seek the counsel and/or consent of the Council with regard to acts of extraordinary administration.
- D. The Council reviews the parish budget, budgets for extraordinary expenditures, receipts (including offertory collection summaries), allocation for extra expenditures not included in the parish budget, financial statements and the annual year-end statement of income and expenditures, in correlation with Mass attendance and parishioner increases or decreases.
- E. The Council monitors the financial condition of the parish, including regular financial reviews and internal financial control and procedures reviews.
- F. The Council reviews any indebtedness of the parish and assists the Pastor in fulfilling his obligation under canon 1284 §2, 5° (“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”).
- G. Under the guidance of the Diocesan Finance Office, the Council provides assistance in the formulation and communication of an annual financial report to the local ordinary and to parish community as required by canon 1287 §1, 2. See Section V.

¹ Whenever the word “Pastor” appears, the titles parochial administrator or rector may be substituted.

² “*Ordinary administration*” means acts relating to the business and financial affairs, including: the day-to-day operations of the parish; the payment of outstanding indebtedness in the ordinary course; the hiring and payment of reasonable compensation to employees necessary or desirable for the orderly operation of the Parish in agreement with the policies of the Diocese; entering into contracts and agreements regarding routine maintenance, provided that no contract or agreement will commit or oblige the Parish for an expenditure in excess of the minimum without the prior review of the expenditure by the Parish Finance Council.

H. The Pastor³ is to seek the advice of the Council in planning long-range financial and business practices of the parish.

1. The Pastor is to consult with the Council regarding money that can be usefully set aside for the purposes of the parish (1284 §2, 6°).
2. The stable patrimony consists of the goods which enable the parish to fulfill its mission. The Council is to assist the Pastor to ensure the stable patrimony (property and assets) entrusted to the parish is maintained and protected with the appropriate practices according to Diocesan norms (1284 §2, 1°).
3. The Council is also to assist the Pastor to ensure that the means used to protect the parish patrimony are civilly valid (1284 §2, 2°).
4. Acts of extraordinary administration are those acts whose monetary value exceeds the minimum limits⁴ set by the Diocesan Bishop or whose purposes lie outside the ordinary or daily fulfillment of the mission of the parish, such as alienation of property or the expansion of a Church building.
5. The minimum limits of expenditures for the Diocese of Saginaw are defined by the Diocesan Bishop on a periodic basis.
6. The Pastor is to seek the counsel and/or consent of the Council in the event of extraordinary acts of administration, careful to observe the Diocesan guidelines⁵ and limits.

II. Membership

- A. The Council shall be comprised of 5 - 7 members, all of whom must be practicing Catholics and registered members of the parish, participants in the parish worship life and at least 21 years of age. Members are selected by the Pastor because of their financial expertise and familiarity with financial matters. Education and experience in public accounting, banking, law, facility or maintenance management, entrepreneurship, structural engineering, and management are beneficial.
- B. Each Council member may serve a 3-year term, renewable one time. Acceptance of an incomplete term does not count toward the 6-year maximum in continuous Council service. Following completion of 2 terms, a member may not be appointed to another term for at least 1 year, but may be of service in other parish councils and commissions. The terms are to be staggered to avoid unnecessary turnover in Council membership, with new terms beginning July 1 each year.

³ Consultation may occur through the Director of Parish Life.

⁴ The minimum limit pertains to any transaction with an amount set periodically by the Bishop in which the Pastor is required to consult with the Parish Finance Council. The minimum at this time is \$25,000.00.

⁵ An example of Diocesan guidelines is: Preserving Parish Property. The Bishop also must give consent for certain decisions, such as to sell property or to close a church.

- C. In order to benefit from others' expertise, the Finance Council may consult with resource persons, including former members.
- D. The bookkeeper serves as a resource to the Council and must be present in the portion of the meeting which pertains to the presentation or discussion of the financial statements, budget or other financial reporting responsibilities.
- E. Parish employees and their immediate families, and the Pastor's family may not serve on the Council. Spouses, siblings, and parent/adult child may not serve on the Council simultaneously. A retired or terminated parish bookkeeper cannot serve on the Finance Council until at least one year after termination.
- F. The Pastor shall appoint one member of the Finance Council to be on the Parish Pastoral Council.
- G. Any member may resign by providing written resignation to the Pastor. For a just cause, at his discretion, a Pastor may remove a member.

III. Meetings

- A. The Council selects from among its members a chair, who serves a 1-year term, up to 3 consecutive terms.
- B. The chair moderates the meetings of the Council by:
 1. Knowing the tasks and responsibilities of the Council
 2. Preparing the meeting agenda in consultation with the Pastor and submitting the agenda to the Council members at least 1 day, preferably 5 to 7 days in advance of meeting
 3. Facilitating meetings in order to promote participation in discussions and consensus
 4. Maintaining an official list and terms of Council members
 5. Assuring that Council notes are maintained and making the notes available to members
 6. Assuring that the record of meetings are given to the parish business manager⁶, once the minutes are approved, so that a complete record of Council activities are maintained in the parish
 7. Performing additional duties as requested by the Council
- C. When a matter of a sensitive nature arises, the Chair, Director of Parish Life, or Pastor may move into executive session during a regular board meeting. This must occur when discussing matters relative to persons' reputation or employment.
 1. The executive session would include solely the pastor and the chair in case of an urgent, confidential matter, such as an investigation by law enforcement of possible fraud.
 2. The executive session would include solely the pastor and the Finance Council in the case in which a matter should be discussed apart from the presence of others. The pastor and chair of the Finance Council will decide together whether the bookkeeper should be present.
- D. The Council typically meets 4 - 6 times per year; it must meet a minimum of 4 times per year in order to properly monitor the budget and properly advise the Pastor. Where parishes

⁶ If there is no parish business manager, the parish bookkeeper assumes these responsibilities.

are linked⁷, the linked Parishes' Finance Councils typically meet on the same date at a common location (while maintaining separate meetings) in order to assist the Pastor's participation. In circumstances of inclement weather or other significant need, participation by telephone conference or other electronic media is encouraged. Each meeting's agenda should include prayer, most recent financial report(s), and other financial items.

- E. The parish business manager serves as a resource to the Council, and is accountable to the Pastor.
- F. It is recommended that the Finance Council and Pastoral Council meet together 1 or 2 times each year.
- G. At the direction of the Pastor, the chair may invite commission/committee chairs to attend a portion of the meeting and serve as a resource on a particular issue.
- H. Special meetings may be called by the Pastor, chair or quorum (majority of members).
- I. The Finance Council collaborates with standing commissions/committees in its gathering of information and dialogue on financial matters.

IV. Committees

- A. The Pastor may establish committees to assist the Finance Council and Parish Pastoral Council with their responsibilities. These committees include the building and grounds committee and the parish cemetery committee, which provide financial information to the Finance Council and information helpful for long-term and short-term planning to the Parish Pastoral Council.
- B. These committees should be formed from among parishioners, appointed by the Pastor, with expertise in the appropriate areas.

V. Annual Parish Financial Report

- A. The Pastor is to review the Annual Parish Financial Report to the Diocese with the Council before submitting the report. The Report is to be signed by the Finance Council chair, the business manager, and the Pastor.
- B. The Diocesan Finance Office will periodically revise the diocesan accounting guidelines and will provide resources and training opportunities to the Parish Finance Councils. The Diocesan annual report requirements will include:
 - 1. Reporting of all parish cash and other financial accounts, including accounts of each organization established by the parish
 - 2. Information of reporting to governmental agencies, including payment of taxes
 - 3. Confirmation by the Pastor and business manager that payments are current for employee benefits and salary, including payments to the Michigan Catholic Conference, issuance of W-2s and other statements
 - 4. Confirmation that the parish is following diocesan policies in handling financial and business matters

⁷ A linked parish shares a pastor with another parish.

5. A statement that there has been proper accounting for donations, with tax statements as needed
6. A statement that there has been proper accounting for contractors, with 1099 forms issued appropriately
7. A confirmation by the business manager of payment of compensation and taxable benefits for priests, deacons and religious serving the parish, according to the policies of the Diocese of Saginaw
8. A statement regarding indebtedness, capital campaigns, income from rental or lease, current legal issues, endowments, and other significant financial or business information
9. Proof of insurance coverage for those areas required by diocesan policy

VI. Change in Administration

- A. In the event that the Pastor or Director of Parish Life dies, resigns, or is transferred, the Finance Council ceases to function unless called upon to do so by the Regional Vicar (who will preside during the interim period).
- B. It is the prerogative of the newly appointed Pastor to confirm the present membership or to appoint new members. This should occur within 6 months of his installation as Pastor.