

# **PARISH FINANCE COUNCIL CHARTER**

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Church of  
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( Parish ) ( City )

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# PARISH FINANCE COUNCIL CHARTER

Church of  
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( Parish ) ( City )

## ARTICLE I – Name and Purpose

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 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 of prudent judgment, who 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 assures "good business practice".

## ARTICLE II – Structure, Membership, and Officers

1. Council members shall be appointed by the pastor as determined by the pastor or recommended to the pastor by members of the parish. Members must be active Catholic parishioners in good standing with the Church. When a pastorate 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, financial, accounting, legal, fundraising, or related fields. The membership of the Council is not to include anyone who could have a conflict of interest from such affiliation including a parish staff member or any relative of the pastor up to the fourth degree of consanguinity (related by blood) or affinity (related by marriage) (Canon 492 §3, *by extension*).

2. There shall be at least three (3) appointed members (Canon 492 §1, *by extension*). More members may be added up to seven (7). Appointed members shall serve for three years, and have the right to a consultative vote (see Article III). 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. In the event a member resigns or is removed by the pastor for a just cause, the replacement shall assume the remainder of the term of the replaced member. A person appointed to complete an unfinished term will first serve for the remainder of that term before being considered for appointment to an additional three-year term. Generally, and where practical, no member should serve for more than two consecutive three year terms without a one-year break; also, no member may serve on the Council simultaneously with another closely related person.

Pastors should include the parish business manager/bookkeeper and should consider 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) should 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 Fargo.
4. An appointed member who misses two regularly scheduled Council meetings in any given year, without giving prior notice to the pastor or Chairperson, shall be removed from Council membership. An appointed member who misses all regularly scheduled Council meetings in any 12 month period shall be removed from Council membership.
5. The pastor shall preside at all meetings. If the pastor cannot attend, the meeting either must not take place, or 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 has not granted proper permission is to be considered null and void.
6. The Council should have the following officers: Chairperson, Vice Chairperson and Secretary. Officers may be re-appointed or re-elected by January 1<sup>st</sup> 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. The Chairperson serves as *ex officio* Treasurer of the parish civil corporation, and is a lay officer and director of the parish corporation board. The

Chairperson serves as an *ex officio* member of the Parish/Parish-cluster Pastoral Council.

- b. The Vice Chairperson, in the absence of the Chairperson, assists the pastor, who presides at all meetings and performs any other duties assigned by the Chairperson or the Pastor.
  - c. 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. The Secretary serves as *ex officio* Secretary of the parish civil corporation, and is a lay officer and director of the parish corporation board. The Secretary serves as an *ex officio* member of the Parish/Parish-cluster Pastoral Council.
7. The Council may establish committees, either standing or ad hoc, to assist in carrying out its responsibilities.

### **ARTICLE III – Voting**

1. Consultative voting may be necessary for the pastor to get the sense of the council. If the advice of the voting members of the Council (see Article II, Section 2) is unanimous on a given matter, the pastor will give serious consideration to the recommendation and not lightly reject it.
2. Although the pastor is not obliged to follow the recommendations of the Council, the pastor should not act against such advice, unless there is an overriding reason, and then he should clearly communicate the reason to the Council.

### **ARTICLE IV – 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, upon two days notice. The presence of a majority of the members shall constitute a quorum.
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 V 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 V – Duties/Responsibilities**

### **A. Budgets**

1. Assist in establishing timelines for development and implementation of the annual capital and operating budget for parish, school, parish organizations, and cemetery association(s). 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 include those with bank accounts and all those in the general operating budget (i.e. Men’s Club, Women’s Club, Altar Society, Bingo, Scrip, Boosters, etc.). Each organization should present its 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 annually.

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.
4. In cooperation with the other Parish Finance Councils in a cluster, assist in determining common costs, and an equitable formula for sharing in the costs.

### **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. Assist with recording detailed inventory of assets annually and update the inventory prepared in accordance with Canon 1283, 2.
4. 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.

5. 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.
6. 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 and operating monies must be properly accounted for and cannot be used for any other purpose. Written permission of the Bishop is required for use of earnings other than for the specific cemetery.
  - b. Other parish organizations, at the end of their fiscal year, are to donate to the parish all monies on hand in excess of \$2,500 to be used for parish purposes only, giving consideration to the wishes of the members of the parish organization.
7. Assist in preparing/presenting/communicating an annual financial report (Balance Sheet and Statement of Activity/Cashflow) to all parishioners. Specific information should be included on the parish, school, parish organizations, and cemetery association(s).
8. Monitor accuracy and timeliness of payments for all parish bills and/or obligations.
9. 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, affiliated groups/organizations, and cemetery association(s).
  - b. In conjunction with the Parish/Parish-cluster Pastoral Council, educate parishioners with regards to stewardship, and consider periodic increased stewardship programs.
  - c. Ensure Complementary Norm on Fundraising, and Fund Raising Policy are followed.

### **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. Consultation with the Diocesan Human Resource Coordinator is encouraged.
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. After consultation with the Diocesan Finance Office, the parish may engage an outside CPA firm to perform an annual audit. [An audit is recommended if possible.]
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).
4. When a change of Pastor or Parish Administrator occurs, assist and cooperate with a financial review of the parish, school, organizations and cemetery association(s) by the Dean, Diocesan Finance Officer or other Diocesan representative.

**E. Insurance Issues**

1. Review property valuations annually to determine if adequate.
2. Assist in completing Self-Inspection Reports or assist with on-site inspection by a loss control representative, and assist with follow-up items.
3. Ascertain that required policies are implemented and enforced.
4. Assist with reporting claims that may arise.
5. Ascertain that background checks are completed for all church workers, as defined by the *The Diocese of Fargo and Its Affiliates' Code of Conduct*, and also for those with access to parish funds.

## **F. Other Considerations**

1. Follow established Diocesan guidelines and participate in Diocesan training sessions and/or workshops.
2. Ascertain that all employees have been offered the opportunity to participate with their own contributions in the Diocesan coordinated retirement program, and that all employees meeting eligibility receive the employer (parish or entity) contribution of six percent (6%) to the Diocesan coordinated retirement program, to ensure proper benefits and guarantee compliance with tax and employee benefit laws.
3. Ascertain that independent contractors comply with Internal Revenue Service regulations; retain a copy of a signed statement stating they are independent contractors as defined by the IRS.
4. Review all parish, school, parish organizations, and cemetery association(s) banking and financial institution arrangements, including signature cards (pastor must be one of the signatures on all accounts), bookkeeping and record keeping procedures, capital expenditures, and contracts of a fiscal nature subject to Diocesan regulations. Make recommendations for improvement or changes to align practices with Diocesan Statutes, Regulations or Policies.
5. The Parish Corporate Board must approve all authorized accounts and signers on the accounts annually.
6. Members of the Council must be given complete access to all records and documents relating to financial status and operations of the parish.
7. The Pastor must consult the Council concerning any major commitment of parish funds in excess of established limits for all construction, renovation, additions and/or building type projects or property transactions or a series of small amounts for a single purpose that will exceed established limits. The Council shall assist, if needed, with obtaining the required authorization from the Bishop for amounts exceeding the established limits, and with adherence to the Contract Review Policy and Approval Limits Policy.

## **ARTICLE VI – Communication**

Recognizing that the Parish Finance Council and the Parish/Parish-cluster Pastoral Council are distinct consultative bodies, good communication between both entities is important for the well being of the parish. It is to the Pastor's benefit that the Chairperson and Secretary are *ex officio* members of the Parish/Parish-cluster Pastoral Council to assist the Pastor with communication between them. As *ex officio* lay officers of the parish civil corporation, the Chairperson and Secretary join with the Bishop, Vicar General, and Pastor in the sacred privilege and duty of administering the temporal possessions of the parish pursuant to state law.



If concerns exist within the parish, they should be resolved by contacting in this order: 1) Pastor; 2) Dean; 3) Vicar General and/or Diocesan Finance Officer, if finance related. All attempts to resolve an issue should be taken at the lowest level possible under the principle of subsidiarity.

#### **ARTICLE VII – Confidentiality**

Members of the Parish Finance Council must observe strict confidentiality concerning all matters discussed at Council meetings noted as confidential 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.

#### **ARTICLE VIII – Charter Review and Change**

This charter is to be reviewed annually by the Council. Recommendations for changes may be submitted to the Diocesan Bishop for his review and written approval. Since this charter is particular law of the Diocese of Fargo, the Diocesan Bishop may amend it from time to time, as conditions warrant.

Promulgated on June 16, 2015