

Parish Finance Councils Guide for Council Members

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Introduction

As defined by Canon Law, a parish is a definite community of the Christian faithful established on a stable basis within a particular church; the pastoral care of the parish is entrusted to a pastor as its own shepherd under the authority of the diocesan bishop (canon 515 #1).

The Christian faithful are obliged to assist with the needs of the Church so that the Church has what is necessary for divine worship, for apostolic works and works of charity and for the decent sustenance of ministers (canon 222 #1).

The Christian faithful are free to make known their needs, especially spiritual ones, and their desires to the pastors of the Church (canon 212 #2).

In accord with the knowledge, competence and preeminence which they possess, they have the right and even at times the duty to manifest to the sacred pastors their opinions on matters which pertain to the good of the Church, and they have a right to make their opinion known to the other Christian faithful, with due regard for the integrity of the faith and morals and reverence toward their pastors, and with consideration for the common good and the dignity of persons (canon 212 #3).

The Financial Responsibilities of the Pastor

- All administrators are bound to fulfill their office with the diligence of a good householder (canon 1284 #1).
- For this reason they must (canon 1284 #2):
 - o Take care that the ownership of ecclesiastical goods is safe guarded through civilly valid methods.
 - o Observe the prescriptions of both canon and civil law or those imposed by the founder, donor or legitimate authority; they must be especially on guard lest the Church be harmed through the non- observance of civil laws.
 - o 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.
 - o 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.
 - o Keep well ordered books of receipts and expenditures.
 - o Draw up a report on their administration at the end of each year.
 - o 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 how they are to be presented.
- 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 (canon #1286 -1).
- Both clerical and lay administrators are bound by their office to present the local ordinary with an annual report (canon #1287-1).
- Administrators are to render an account to the faithful concerning the goods offered by the faithful to the Church, according to the norms determined by particular law (canon 1287 #2).
- Each parish is to have a finance council which is regulated by universal law as well as by norms issued by the diocesan bishop (canon 537).

The parish Finance Council

The role of the Parish Finance Council is to assist and advise the pastor, administrator or other person in charge of the parish in overseeing and controlling the financial affairs of the parish, including any schools or after school programs operated by or in conjunction with the parish or school (see canon 127 regarding the requirement of advice and consent).

The Parish Finance Council is accountable to the pastor or administrator of the parish who has the legal responsibility for final decisions, subject to the laws of the universal Church as well as all Archdiocesan policies and procedures and civil laws.

When the Parish Finance Council acts unanimously on a given matter, the pastor or administrator should not act easily in a manner contrary to the recommendation.

For more information regarding who can serve on the council, qualifications of members, terms of service on the council and how to establish a Parish Finance Council refer to the Guidelines For Parish Finance Councils promulgated December 17, 2019.

Role of the Finance Council Members

- Establish a timeline for the development of a balanced budget and for its implementation by the parish/school staff.
- Ensure that the Parish and School follow the Chart of Accounts provided by the Archdiocese to facilitate budgeting and reporting conformity.
- Review proposed operating and capital budgets.
- Review significant budget variances and develop a plan of action to address and resolve or correct the issues causing the variance. If the variances cannot be corrected, the Parish Finance Council should recommend amending the budget to reach a balanced budget.
- Review the proposed expenditures not included in the approved budgets.
- Review the proposed budgets for all parish and school-related organizations handling significant sums of money, including groups that purport to operate independently. Financial statements from these organizations should be submitted monthly to the Parish Finance Council and included in the quarterly review.
- Provide parishioners, and as appropriate, the school community with approved budgets for the parish and the school and periodic financial reports, at least annually.
- Review monthly financial statements, including annual reports, prior to submission to the Archdiocesan Catholic Center. Compare all reports to budget and previous year results.
- Review bank statements and bank reconciliation for each account on a quarterly basis.
- Perform annual self-audits of the Parish and School to determine that proper accounting procedures are being followed.
- Evaluate and make recommendations for maintaining and enhancing parish and school revenue, including investments, fund raising and stewardship programs.

- Review all banking and financial institution relationships, follow Archdiocesan Catholic Center protocols concerning banking and financial institutions relationships and make recommendations for improvements if needed.
- Ensure all Archdiocesan policies and procedures are being followed at all times with regard to fiscal and accounting activities.
- Advise the pastor or Administrator in developing a program for the care and maintenance of all Parish and School facilities. Assist the pastor in developing a long-range plan for funding and implementing a long-term capital improvement campaign.
- Plan and oversee the execution of a campaign to increase the weekly Sunday offertory at least once every 3 years.