



Policies of the Diocese of Kansas City ~ St. Joseph

Policy #: 230.2

Parish Finance Council Guidelines

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Approved By: Most Reverend Raymond J. Boland, DD

Approved: May 2004

Effective: May 2004

Revised:

I. What is the Parish Finance Council?

It is a consultative body of the Christian Faithful established to advise Pastor/Pastoral Administrator and Pastoral Council in matters pertaining to the financial affairs of the parish. (Canon #537)

II. The function and competence of the Parish Finance Council?

The Parish Finance Council assists the Pastor/Pastoral Administrator in the responsible planning and administering of all parish financial matters and in setting of parish financial policy and procedures to provide effective management of parish assets.

The Pastor/Pastoral Administrator has authority from the Bishop and the universal law of the Church to decide and act on behalf of the Parish (Canon #532). The Parish Finance Council is advisory to the Pastor/Pastoral Administrator and its recommendations are valid only when accepted and endorsed by the Pastor/Pastoral Administrator. Therefore, it is important that the Pastor/Pastoral Administrator be involved in the deliberations and functioning of the Parish Finance Council. The relationship between this Council and the Pastor/Pastoral Administrator is meant to be supportive and, by no means, adversarial.

In order for the Parish Finance Council to fulfill its mission, it must have access to the financial information needed for its deliberations, i.e., parish operating statements, account balances, revenue and expenditures statistics, and other information related to the financial status and operation of the parish. Such information must be shared in confidence, with prudence as a guideline for discussion.

Although the Pastor/Pastoral Administrator is not held by any strict obligation to the recommendations of the Parish Finance Council, he/she should not depart from the Council's recommendations unless required by some particular Diocesan law or some grave reason of conscience. If the Pastor/Pastoral Administrator, in good conscience, feels he/she cannot accept the recommendations of the Council, he/she shall fully and frankly communicate his/her reservations to the Council's membership.

The Parish Finance Council is directed by the faithful stewardship of the gospel as well as by sound business practice. *Efficient and effective use/management of parish resources must be measured as much by their contribution to parish mission and ministry as by commonly accepted business standards.*

III. How the Parish Finance Council relates to:

a. Pastor/Pastoral Administrator & Pastoral Staff

The Pastor/Pastoral Administrator and Pastoral Staff should consult with the Parish Finance Council in certain acts of ordinary administration described in Section IV of this document.

The Pastor/Pastoral Administrator and Pastoral Staff may choose to seek consent of the Parish Finance Council in certain acts of extraordinary administration, such as (but not limited to):

- purchase of significant unbudgeted goods/services
- alienation of property
- leasing arrangements
- implementation of special parish collections
- acceptance/refusal of major bequest

It should be noted that receiving consent on certain acts of extraordinary administration does not grant Pastor/Pastoral Administrator final authority to execute. Pastor/Pastoral Administrator will receive final approval from the Bishop, and in many cases, it will be the Bishop as President of the Diocesan Corporation who executes the administrative act.

b. Parish Pastoral Council

The Pastoral Council **encourages** the Parish Finance Council to proper stewardship of resources rather than the determination of priorities. The role of the Pastoral Council is to set priorities.

The Pastoral Council **involves** the Parish Finance Council in long-range, strategic planning in order that the Pastoral Council can understand the financial implications of the long-range goals of the parish plan.

The Pastoral Council **reviews** the annual budget in light of priorities and reviews quarterly and annual statements. The Parish Finance Council creates options for income enhancement and expense allocation that support the priorities of the parish.

The Pastoral and Finance Councils strive for effective, clear communication between each other, the parish at large and the Diocese.

c. The Diocese

The Parish Finance Council notifies the Diocese of Finance Council membership through the Annual Financial Report.

The Parish Finance Council may from time to time interact with Diocesan Offices and governing bodies as appropriate, e.g., Finance Office, Insurance and Benefits Office, Management Information Systems (MIS), Building Commission, Diocesan Finance Council.

The Parish Finance Council ensures completion and approves all required financial reports.

The Parish Finance Council adheres to:

- appropriate diocesan fiscal policy
- norms stated in Canon Law

d. Stewardship Committee

The Parish Finance Council makes the Parish Stewardship Committee aware of general income needs as well as, possibly, contributed services/volunteer opportunities. The input of the Finance Council is vital to the stewardship plan for the parish. The Parish Finance Council and the Pastoral Council work with the Stewardship Committee to help establish stewardship goals and priorities for the parish stewardship plan.

IV. Specific duties of a Parish Finance Council are:

1. To become aware of and adhere to (a) diocesan fiscal policy and (b) norms as stated in Canon Law (Canons 1281-1288 are presented as an attachment to this document);
2. To review parish accounting function;
3. To establish and maintain a system of internal controls for the proper handling of collections/cash;
4. To ensure completion of an accurate inventory of the parish's movable contents;
5. To establish and direct a sound budgeting process, interacting appropriately with the Pastoral Council;
6. To review operating statements on a monthly basis;
7. To provide Pastoral Council with periodic reports (at least quarterly) on the financial status of parish;

8. To review and approve a completed annual parish financial report to be submitted to the Diocesan Bishop; to prepare and present an annual financial report to the parish at large;
9. To provide for proper accounting and fiscal reporting for authorized parish groups that rely on the tax exempt status of the parish but hold and maintain their own funds;
10. To provide consultation in the hiring and dismissal of the parish business manager and/or bookkeeper;
11. To provide sufficient capital reserves.

Pastors and Pastoral Administrators are obliged to administer parish goods according to the Church Law found in Canons 1281-1288. The Parish Finance Council assists the Pastor/Pastoral Administrator in fulfilling these responsibilities by fully implementing its duties. (Canons 1281-1288 are provided as an attachment to this document).

V. Parish Finance Council membership

1. The Parish Finance Council shall be composed of the Pastor/Pastoral Administrator and not less than three lay members of the parish who are knowledgeable and skilled in financial matters and are active members of the parish. Membership is appointed by the Pastor/Pastoral Administrator and shall be for a term of three years, renewable for a second three years. Appointments should not be relatives of Pastor/Pastoral Administrator or other parish employees.
2. The Pastor/Pastoral Administrator is a member of the Parish Finance Council and serves as the convener.
3. The parish bookkeeper or business manager shall not be a member of the Parish Finance Council. However, his/her attendance at meetings should be required.
4. The Pastor/Pastoral Administrator may appoint a Chairperson of the Parish Finance Council. The Chair assists the Pastor/Pastoral Administrator with coordinating the work of the Finance Council, preparing for the meetings and implementing those proposals of the Council which have been accepted and ratified by the Pastor/Pastoral Administrator.