



## **St. Joseph Parish Finance Council Guidelines**

### **Introduction and Background**

Parish Finance Council assists the pastor in the administration of parish temporal matters. An active, well-formed Parish Finance Council is a key element for promoting the financial health of a parish, assuring accountability and assisting the pastor with his temporal responsibilities.

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

*“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.

*“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.”*

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 Pastor**

The pastor, according to Canon Law, has among his responsibilities, the responsibility for parish financial and temporal management. The Parish Finance Council is a consultative body that assists the pastor in meeting these obligations.

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 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.

In order to be effective in their responsibilities as members of the Parish Finance Council, members should have a love for the Church and its mission and develop a thorough understanding of the parish’s mission, goals, people and other resources.

## **Areas for Finance Council Consultation**

The Finance Council assists the pastor by:

1. Conducting long-range financial planning with regard to funding operational and capital needs in the parish;
2. Developing and overseeing a parish budget process which results in an annual parish budget. This process should involve the participation of those responsible for parish programs. It should be so designed that it addresses the parish's priorities and goals as determined by the pastor and parish pastoral council;
3. Providing financial analysis of current fiscal status reports;
4. The Finance Council should provide assistance in the formulation and communication of the Annual Financial Report to the parish community, as required by Canon 1287.2. Understandable, regular and complete communication to parishioners is a key responsibility of the parish administrator and an important area for the Parish Finance Council to assist. Communication keeps parishioners informed of the parish's condition, its priorities, its needs, and progress on previously announced initiatives.
5. Providing fiscal analysis of proposed goals, strategies, programs and administrative aspects of parish life. While the finance council has significant responsibility for the stewardship of parish financial resources, it is not the role of the finance council to recommend directions, priorities, or programs other than those related to its delegation: namely, fiscal stewardship. For this reason, the other consultative structures must be in place for the finance council to fulfill its role responsibly and effectively.

## **Membership**

The purpose of the finance council is to provide the pastor, the parish pastoral council, and other leadership bodies with professional financial analysis. For this reason, it is important that the finance council membership should be as balanced as possible (e.g., by gender, age, race, and ethnicity) and composed of people who have had experience in the areas of business, finance, administration and accounting. Staff members appointed by the pastor to the council are ex officio members of the council. Members of the finance council must be:

- Baptized and confirmed Roman Catholics in good standing with the Church;
- Registered and supporting members of the parish;
- Grounded in and committed to an understanding of the Church in accord with the principles of Vatican II;

- Committed to prayer, study, listening, and dialogue;
- Committed to stewardship of time, talent and treasure;
- Not currently employed by the parish or parish school or a close relative or in-law of or living in the same household as a parish or school employee;
- Not simultaneously a member of the parish pastoral council.

### **Number of Members**

The council should be large enough to include a broad representation of expertise, but not so large as to inhibit planning and the development of recommendations. Membership of five to seven persons is recommended. Membership should consist of no less than three members.

### **Selection**

Council members should be solicited through an open search process that begins with an identification of membership needs, followed by recruitment, an application process, interviews, and a selection or discernment process. The pastor makes the final decision concerning the method of selection.

### **Officers**

The officers of the Parish Finance Council shall be a Chairperson and a Secretary. The pastor shall appoint the Chairperson after the members have gone through a period of discernment.

### **Conflicts of Interest / Preclusion to Membership**

Parish Finance Council members owe the parish a duty of loyalty. The duty of loyalty requires a Parish Finance Council member to act in the interest of the parish rather than in the personal interest of the member or some other person or organization. In particular, the duty of loyalty requires a Parish Finance Council member to avoid conflicts of interest that are detrimental to the parish.

Any person who may have a conflict of interest in view of other services, either paid or unpaid, rendered to the parish by the Parish Finance Council member, the member's family or the member's business is ineligible to serve as a member of the Parish Finance Council.

No parish employee or member of the family of an employee or relative of the pastor may serve on the finance council.

Members of the Parish Finance Council may serve in other volunteer service roles in the parish such as other committees or boards if, in the judgment of the pastor, such dual service will not create conflict of interest situations. The role of the Parish Finance Council should not be vitiated.

## **Terms**

Terms of office should be three years, renewable once or twice. After this, there should be a one year break before any new series of terms. Pastoral considerations such as an ongoing building project may benefit from the stability of having some members renew for additional terms.

When there is a change in Parish leadership, it is recommended that the Parish Finance Council remain in place to assist the administrator and to provide continuity in a transition. After a suitable period of transition, the new leadership can ask the council members if they are willing to complete their respective terms or whether he would like some or all of the members to resign so that new members can be recruited to the Parish Finance Council.

## **Meeting Protocols**

In striving for openness and accountability in its practices, meeting minutes summarizing the items discussed and the decisions reached should be recorded. Prepared agendas, distributed in advance, will keep meetings focused. Members are expected to attend at least 75% of the meetings each fiscal year.

*Confidentiality.* Members should maintain confidentiality on those matters designated as confidential. Materials such as agendas, meeting minutes, and review materials should not be disclosed to others if designated as confidential.

Parish Finance Council meetings are typically not open to the parish community. Reports to the community will be shared once decisions are finalized. Communication with the parish should also occur at the onset of studying an issue to solicit needs and concerns, gifts and resources of the parish community. The primary purpose of the Parish Finance Council is to provide open and honest advice to the pastor, if the meetings occurred in a public forum, the discussion may be too limited. The Finance Council should advise the pastor on the best ways to keep the parish informed and involved in key issues and decisions facing the parish.

## **Relationship to Pastoral Council**

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 in order to implement the pastoral plans and priorities.

An appropriate means of communication should be developed between the Parish Finance Council and the Parish Pastoral Council and 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 and specific ministries of the parish.

### **Parish Administrator - Finance Council Relationship**

The Pastor may appoint a Pastoral Assistant for Administration (P.A.A.) as Chief Financial Officer responsible for the day-to-day financial operations of the parish. While the Pastor hires/appoints the P.A.A., the Finance Council should be involved in the selection process for the P.A.A.

The Pastor should solicit Finance Council input when completing the annual performance review of the P.A.A.

If the P.A.A. and the Finance Council are to be of optimal assistance to the Pastor, they should work as a team to assure that the parish is being well managed financially. The working relationship between the Financial Council Chairperson and the P.A.A is particularly important.

The P.A.A. should staff the budgeting process for the Pastor and the Finance Council.

The Finance Council Chairperson and P.A.A. should jointly develop the Finance Council meeting and agenda.

The P.A.A. should be appointed by the Pastor as either staff for the Finance Council or as his delegate to the Finance Council.

The P.A.A. should attend all Finance Council meetings.

While the Finance Council is an autonomous group and has a right to direct communication with the Pastor, its regular communication should go through the P.A.A.

The Pastor should attend the Finance Council meetings when he feels it is necessary, (e.g. when he wants to hear the discussion as well as the decision regarding a particular issue).

Any request from the Finance Council for financial information, data, or assistance from a staff person (e.g., budget status reports), should be made through the P.A.A.

**Sources:** *Archdiocese of Seattle, Many Gifts: Consultative Leadership, Revised edition, 1008; Archdiocese of Seattle, Parish Financial Services Presentation Materials, FC & PAA relationship; The Roman Catholic Diocese of Corner Brook and Labrador Newfoundland 2010; Archdiocese of Chicago.*

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