

# ARCHDIOCESE OF HALIFAX-YARMOUTH

## PARISH FINANCE COUNCIL

November 7, 2020

### Preamble

The Church calls for the establishment of a parish finance council to assist the parish priest in his responsibility of caring for the administration of the temporal goods of the parish in which he is pastor. This administration must be understood within the context of the mission of the Church.

### Article 1: The Mission of the Church

A parish finance council is to function according to the following regulations and with the understanding of the missionary nature of the parish.

The very nature of the parish is to be missionary. The life of the parish does not rest on the shoulders of a few volunteers, but on all the baptized, whose gifts are essential to the parish's mission. When people are able to share their God-given gifts and respond to their baptismal vocation, they offer themselves more fully to the task at hand. In this regard, the faithful of the parish community should as much as possible be involved in creating a missionary plan for their parish....<sup>1</sup>

Moreover, the Church has provided some reflection on the call of the priest.

Catholic doctrinal tradition describes the priest as teacher of the Word, Minister of the Sacraments and Leader of the Christian community entrusted to him. This is the starting point of all reflection on the identity and mission of the priest in Church. In the light of new evangelization, to which the Holy Spirit calls all the faithful through the person and authority of the Holy Father, this unchanging yet ever-new doctrine must again be reflected upon with faith and hope.<sup>2</sup>

All of this can best be accomplished through pastoral and financial councils working in collaboration with the pastor and the parish leadership team.

### Article 2: Role, Function and Constitution of the Parish Finance Council

The Parish Finance Council assists the pastor/administrator in the administration of parish

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<sup>1</sup> CCCB Episcopal Commission for Doctrine, *The Missionary Dynamic of the Parish Today*, 2014, no. 22.

<sup>2</sup> Congregation for the Clergy, *The Priest and the Third Millennium: Teacher of the Word, Minister of the Sacraments and Leader of the Community*, March 19, 1999, Introduction.

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/administrator in using the financial resources to carry out the mission and the proper objectives of the Catholic Church as stated in Canon 1254, and in the document *Communities of Missionary Disciples*.

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.

Every parish therefore is required to have a Parish Finance Council, as required by the Code of Canon Law and by local norms issued by the diocesan bishop. 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.

### **Article 3: Function of the Parish Finance Council**

The Finance Council works closely with the pastor/administrator, who is accountable to the diocesan bishop for the administration and stewardship of the temporal goods of the parish. The pastor/administrator, 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/administrator and his key collaborators in meeting these obligations.

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. The members should have knowledge of diocesan statutes and policies regarding temporal issues and other financial matters. It is the pastor's/administrator's responsibility to give the members appropriate background and enrichment so they are able to carry out their duties.

Considering the responsibility entrusted to them, Parish Finance Council members are expected to attend meetings of the council and to participate in any ongoing formation process, which at the parish level may include an annual evening of recollection, a formation gathering of key leaders and other prayers experiences. Some ongoing formation can take place with the assistance of Archdiocesan staff when it seems necessary and appropriate. Finance Council Members must take the formation provided at the beginning of the new term (new members must complete the finance training module within 3 months of being appointed and existing members must also complete the module every 3 years).

### **Article 4: Areas of Concern and Consultation for the Finance Council**

The advice of the Finance Council should be sought for all acts of parish administration in keeping with Archdiocesan policy. For certain actions of day-to-day administration, the pastor/administrator may not need any specific authorization to carry out such acts, but may find

it helpful to seek the advice of the Parish Finance Council even in these matters.

1. The Finance Council must ensure that the pastor/administrator of a parish seeks approval of the Archbishop of Halifax-Yarmouth in accordance with Archdiocesan policy, prior to performing acts of administration beyond the normal requirements of a parish.
2. The advice of the Finance Council needs to be sought in the management of parish funds and banking arrangements in accordance with Archdiocesan Policy.
3. The Finance Council should ordinarily be consulted, involved and give approval to the parish annual budget. The Council shall also receive and approve the parish annual financial report, copies of which need to be submitted to the Archdiocesan finance office.
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 pastor / administrator and a responsibly shared by the Parish Finance Council. Communication keeps parishioners informed of the parish's condition, its priorities, its needs, and progress on previously announced initiatives. This also helps to keep the link between financial giving and the task of evangelization in the forefront.
5. The Finance Council should regularly review periodic (at least quarterly) financial reports – balance sheet, income statements, comparisons to budget as well as prior year results and cash flow analysis. There should be a mid-year budget review with necessary adjustments to the budget for going forward.
6. The Finance Council assists the pastor/administrator, or his delegate, in planning for repair, replacement, or service of property and equipment to ensure that the parish buildings and property are adequately maintained. The Finance Council shall review maintenance and utility costs in an effort to minimize costs through preventative maintenance, energy conservation, and the implementation of risk management programs and recommendations. The Finance Council makes sure that Archdiocesan policies are followed for major renovations, new buildings and major repairs.
7. The Finance Council supports parish and archdiocesan fundraising initiatives, as well as cultivates and develops generous givers.

## **Article 5: Membership**

The Parish Finance Council is a service concerned with the life and mission of a community of faith and, as such, its members should be practising members of that community of faith. As in other matters, the Pastor/Administrator may use his discretion in the selection of qualified members from the parish community. Members are drawn from parishioners to reflect its diversity and giftedness, as well as to support fully the mission and vision of the parish as a

community of communities with a missionary thrust.

1. The Parish Finance Council should be composed of persons with demonstrable skills or expertise in management and/or finance. Skill sets to consider include business, law, accounting, and communications. Additionally, persons with professional knowledge and experience in engineering, construction, maintenance, and purchasing could also make a significant contribution and should be recruited when available.
2. A parish staff person responsible for the day to day administration of finances and buildings may serve at the discretion of the pastor as a non-voting member of the council.
3. Number of Members: The Council should consist of no less than five (5) and no more than nine (9) voting members. A quorum shall consist of the majority of members. It is recommended that the Parish Finance Council have an odd number of members. As a consultative body, the Council must keep in mind that any vote taken is indicative of the Council's advice but not deliberative in its effect. If a pastor does not receive the advice of the Council, then his reasons for doing so must be clearly stated to the Council and reported to the Archbishop.
4. Members are to be appointed by the pastor/administrator for a term of 3 years (renewable once). Members may, at any time, resign or be asked to step down by the pastor.
5. When a parish becomes vacant, it is recommended that the Parish Finance Council remain in place to provide continuity in a transition. However, keeping in mind that without a pastor in place, no decisions or recommendations made by the Finance Council are valid. After a suitable period of transition with a new pastor / administrator, the new pastor can ask the council members if they are willing to continue.

#### **Article 6: Officers**

The officers of the Parish Finance Council shall include a Chairperson, Vice-Chairperson and a Secretary. By virtue of his office, the Pastor is not a member of the Council, but presides over the Council and the Council cannot meet without him.

1. Chairperson: The pastor shall appoint the Chairperson after the members have gone through a period of discernment. The Chairperson, in consultation with the Pastor/Administrator, will be responsible for selecting the hour and location of meetings, preparing the meeting agenda, calling the meeting to order, overseeing the deliberations, and fulfilling any other duties so assigned by the Pastor / Administrator.
2. Vice-Chairperson: The Vice-Chairperson will have delegated responsibilities and fulfill the responsibilities of the Chairperson when that person is absent.
3. Secretary: The Secretary will be responsible for the recording and distribution of minutes,

notifying members of upcoming meetings, maintaining a permanent record of each member's tenure and of the business conducted by the Parish Finance Council, and any other duties so assigned by the Chairperson.

#### **Article 6: 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 / administrator 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 Councils or boards if, in the judgment of the pastor / administrator, such dual service will not create conflict of interest situations. The role of the Parish Finance Council should not be vitiated.

#### **Article 7: Meeting Protocols**

All meetings of the Finance Council are conducted respectfully and in a spirit of confidentiality. 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. Meetings shall be prepared in advance and an annual schedule of meeting dates and times should be prepared. This will increase participation by members.

1. **Schedule Meetings:** Schedule meeting times at least once a quarter, or more frequently if required. Some parishes use a format of the Finance Council meeting every other month with subcommittees meeting during the off months. Meeting times and dates should be predictable, such as a day and week of each month. Since the purpose of the Parish Finance Council is to provide advice and support to the pastor/administrator, the pastor/administrator must be present at the Parish Finance Council meetings.
2. **Use of Agendas and Review Materials:** Meeting agendas should be prepared in advance of the meeting by consultation between the Pastor/Administrator and Parish Finance Council Chair. The agenda should list the major items for discussion. Supplying information in advance to members will lead to more productive meetings.

3. Recording of Meeting Minutes: Minutes should be recorded by the Parish Finance Council Secretary and archived as part of the parish permanent record.
4. 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.
5. Relationship with Parish Community: 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/administrator; if the meetings occurred in a public forum, the discussion may be too limited. The Finance Council should advise the pastor/administrator on the best ways to keep the parish informed and involved in key issues and decisions facing the parish.
6. Record Retention: The parish should retain meeting minutes, agendas, handouts, reports, and materials reviewed during the meeting for future reference by either internal or external parties. Minutes are permanent records and need to be retained indefinitely.

#### **Article 8: Committees**

It often makes sense to divide the Finance Council into committees to deal with responsibilities and duties. The magnitude and complexity of the different committees depends upon the size, resources, obligations, and needs of each particular parish. The Finance Council, following the priorities established by the Parish Pastoral Council, coordinates the work of these committees. The following Committees may be helpful:

1. Budget Committee
  - a. To assist the pastor in the preparation, presentation, and review of an annual budget for both operating and capital expenditures based upon the goals and objectives determined by the Parish Pastoral Council. This approved budget should be published and made available to parishioners.
  - b. To study parish revenue and make recommendations to the Parish Pastoral Council for maintaining and increasing revenues in order to meet parish objectives and priorities.
  - c. To periodically (e.g. monthly or quarterly) review income and expenditures and make recommendations as necessary to see that expenses are within set limits. Monitor parish contribution trends. To yearly conduct an internal audit as outlined by diocesan policy and address any issues identified.
  - d. To provide parishioners with periodic (e.g. semi-annual or annual), comprehensive written reports on the parish's financial position, including a

statement of activity and balance sheet accounts. Consider oral reports to parishioners to elaborate on key results and issues.

- e. To review periodic financial audits of the parish performed by an independent auditor and advise on how to address and correct identified weaknesses. Assist in communicating results of audits to parishioners.
  - f. To educate parishioners about stewardship and the need for parish involvement and support. If a parish has a separate stewardship Committee this responsibility would fall to that Committee.
  - g. To review cost-cutting measures when necessary.
2. Facilities and Maintenance Committee
- a. To advise the Pastor regarding the results of quarterly inspection of all parish facilities.
  - b. To recommend repairs or replacements based on priorities established by these inspections.
  - c. To assist in the development of guidelines concerning use of parish facilities.
  - d. To assist in the development of parish energy conservation programs.
  - e. To develop teams of parishioners who will donate time and talents for parish maintenance tasks, taking note of the extent to which, such work is allowed to be performed by volunteers under the guidelines of the diocesan risk management and insurance programs.
  - f. To review the parish's risk management and loss prevention reports in order to ensure corrective action is taken where necessary.
  - g. To ensure that the safety and security of the parish campus is addressed and reviewed regularly.
3. Financial Planning and Development Committee
- a. To provide long-range planning for both the financial and physical needs of the parish, in a way that serves the vision and mission of the parish.
  - b. To work closely with the budget and maintenance committee, the Parish Pastoral Council, and other parish organizations to adequately plan and identify for the long-range missionary, pastoral, financial and physical needs of the parish.

### **Article 9: Relationship to Pastoral Council**

Since the Parish Finance Council relates to the administrative responsibilities of the pastor / administrator, 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 so that both Councils can be effectively and passionately committed to the fulfillment of the missionary goals of the parish. While it is the role of the Pastoral Council to dream about what could be, it is the role of the Finance Council to determine what can be accomplished with the available means for its realization.