

DIOCESE OF VENICE IN FLORIDA
PARISH FINANCE COUNCIL CHARTER

(Parish)

(City)

- ARTICLE I: Name and Purpose
- ARTICLE II: Structure, Membership, and Officers
- ARTICLE III: Voting
- ARTICLE IV: Meetings
- ARTICLE V: Duties/Responsibilities
- A. Budgets
 - B. Financial Records and Reporting
 - C. Strategic Planning
 - D. Internal Controls
 - E. Insurance Issues
 - F. Other Considerations
- ARTICLE VI: Communication
- ARTICLE VII: Confidentiality
- ARTICLE VIII: Charter Review and Change

ARTICLE I: Name and Purpose

The Parish Finance Council (hereinafter referred to as "Finance 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 Finance Council exists to assist the Pastor by providing advice in regards to financial matters of the parish. The Finance Council is accountable to the Pastor/Administrator.

The Finance 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/Administrator 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 Finance 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.

- A. Finance Council members shall be appointed by the Pastor/Administrator in writing. Members must be active parishioners in good standing with the Church. When a pastorate changes, the new Pastor/Administrator is to meet with the current Finance Council. Within ninety (90) days, the Pastor/Administrator is to decide whether to reappoint the Finance 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. Examples of professions with such background/skills include, but are not limited to: accountants, bankers, business owners, computers/systems managers, construction project managers, engineers, financial managers, fundraisers, lawyers, marketing personnel, human resources and property managers. The membership of the Finance Council is not to include anyone who could have a conflict of interest from a business relationship or from such affiliation including a parish staff member or any relative of the Pastor/Administrator up to the fourth degree of consanguinity (related by blood) or affinity (related by marriage) (Canon 492 §3, *by extension*). The names of the members are to be communicated to the parishioners (e.g. listed in the parish bulletin) at least annually.

- B. There shall be at least three (3) appointed members (Canon 492 §1, *by extension*). More members may be added, up to eight (8). Appointed members shall serve for three (3) years, and have the right to consultative vote. The terms of the Finance Council will be staggered to ensure continuity. Upon initial formation of the Finance Council, the Pastor/Administrator 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 (3) years. Within three months of taking possession of the parish, a new Pastor/Administrator must confirm the existing appointments or make new appointments of the Parish Finance Council. Generally, and where practical, no member should serve for more than two (2) consecutive three (3) year terms without a one (1) year break; also, no member may serve on the Council simultaneously with another closely related person by consanguinity or affinity. Pastors/Administrator's should include staff resource persons, such as the parish business manager/bookkeeper, the school principal, etc. in meetings, who are responsible for supplying information needed by the Council to perform its tasks. When present at a session of these meetings, staff resource persons do not vote. The Parochial Vicar(s) should be present at all Finance Council meetings.
- C. The Pastor/Administrator may remove a member from the Finance Council prior to the expiration of his/her term of office, with or without 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 Venice.
- D. An appointed member who misses more than three (3) regularly scheduled Council meetings in any given year, without giving prior notice to the Pastor/Administrator or Chairperson, shall be removed from Finance Council membership.
- E. The Pastor/Administrator shall preside at all meetings. Any meeting held when the Pastor/Administrator is not present is to be considered null and void.

- F. The Council should have the following officers: Chairperson, Vice Chairperson, and Secretary. Officers may be re-appointed by January 1st of each year.
- I. The Pastor/Administrator is the President of the Council, and according to Canon 532, represents the Parish in all financial matters. The Chairperson assists the Pastor/Administrator, who presides at all meetings, and in consultation with the Pastor/Administrator, is responsible for selecting the hour and location of meetings, preparing the meeting agenda and effecting any other duties assigned by the Pastor/Administrator. The Chairperson serves as an *ex officio* member of the Parish Pastoral Council, if one exists (Canon 536).
 2. The Vice Chairperson, in the absence of the Chairperson, assists the Pastor/Administrator, who presides at all meetings and performs any other duties assigned by the Chairperson or the Pastor/Administrator.
 3. 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 Finance Council and each member's tenure, and any other duties assigned by the Chairperson or the Pastor/Administrator. The Secretary serves as an *ex officio* member of the Parish Pastoral Council, if one exists.
- G. The Council may establish committees, either standing, such as budget, maintenance, civil issues, inventory, school, parish organization, or ad hoc, such as building and renovation, to assist in carrying out its responsibilities.

ARTICLE III: Voting

- A. Consultative voting may be necessary for the Pastor/Administrator to get the sense of the Council. If the advice of the voting members of the Finance Council is unanimous on a given matter, the Pastor/Administrator will give serious consideration to the recommendation and not lightly reject it.
- B. Although the Pastor/Administrator is not obliged to follow the recommendations of the Council, the Pastor/Administrator should not act against such advice, unless there is an overriding reason, and then he should clearly communicate the reason to the Council (Canon 127, 2.2).

ARTICLE IV: Meetings

- A. Regular meetings shall be held at least quarterly, and more frequently if necessary, at a time and place established by the Pastor/Administrator. Special meetings may be called by the Pastor/Administrator. The presence of a majority of the members shall constitute a quorum.

- B. An annual calendar of meetings and an outline of major action items should be proposed and agreed upon at the first meeting of each fiscal year.
- C. The agenda and study material should be communicated to the members prior to the regular meetings.
- D. The Secretary is responsible for taking minutes at each Finance 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, and any parish organizations. The Pastor/Administrator is responsible for the actual coordination/preparation of all parish budgets, but is to seek the advice of the Finance Council. The Pastor/Administrator 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.) should submit the organization's budget to the Bookkeeper. 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 Parish Finance Council at least quarterly.

2. Determine if the parish and/or school budgets are prepared in accordance with the uniform chart of accounts and reporting formats required by the Diocese of Venice.
3. Review the proposed annual parish, school, and organizations' capital and operating budgets and make recommendations to the Pastor/Administrator for changes as appropriate.
4. Assist in presenting an annual budget report to the parish.

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/or school. Regularly 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 Finance 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 Parish/Mission/Chapel assets annually and update the inventory prepared in accordance with Canon 1283, 2.
4. Review the quarterly financial statements, prior to submission to the Diocesan Director of Internal Financial Services, 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/Administrator 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/Administrator 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 open under the parish Federal Employer Identification Number (for the parish and for each parish organization) are included on the annual financial report.
 - a. Memorial garden/columbarium 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 memorial garden/columbarium.
7. As required by canon 1287 paragraph 2 and Particular law of the Diocese, assist in preparing/presenting/communicating an annual financial report (assets, liabilities, net assets, revenues and expenses) to all parishioners published in the parish bulletin by September 30 of each year. Specific information should be included on the parish, school, parish organizations, and memorial garden/columbarium.

8. Monitor accuracy and timeliness of payments for all parish bills and/or obligations including debt service payments on parish loans.
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.
 - b. In conjunction with the Parish Pastoral Council, if one exists, educate parishioners with regards to stewardship and consider periodic increased stewardship programs.

C. Strategic Planning

1. Assist the Pastor/Administrator in developing a long-term parish capital improvement plan, including implementation and funding sources.
2. Assist the Pastor/Administrator 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 highly recommended.
4. Serve as a resource to advise the Pastor/Administrator on significant expenditures before making a purchase or lease commitment in accordance with Financial Policies & Procedures for Parishes.

D. Internal Controls

1. Assist in developing a system of internal controls in accordance with Diocesan policy.
2. Review 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. Every three (3) years, each parish/mission/chapel or other diocesan entities are required to have parish financial reviews approved by the diocese' outside CPA firm. Parish/Mission/Chapel may choose to have financial reviews as overseen by the Director of Internal Financial Services more often than three (3) years.

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 an operational review of the parish, school, organizations and memorial gardens/columbarium by the Diocesan Director of Internal Financial Services.

E. Insurance Issues

1. Review property valuations of furnishings/contents to be sure that all parish/mission/chapel buildings are included with the insurance invoices.
2. Assist in completing Self-Inspection Reports or assist with on-site inspection by a loss control representative, and assist with follow-up times.
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 Diocese of Venice and Its Affiliates' Code of Conduct*, and also for those with access to parish funds.
6. Assist with proper planning of parish events requiring an insurance liability certificate.

F.O 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 appropriate employer (parish or entity) contribution to the Diocesan defined benefit (pension) 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 parish, school, parish organizations, banking and financial institution arrangements, including signature cards (Pastor must be one of the signatories on all accounts as the primary authorized signatory. The Bishop must also be a signatory on the account.) Make recommendations for improvement or changes to align practices with Diocesan Policies and Procedures.
5. The Parish Finance Council must review all authorized accounts and signers on the accounts annually.
6. Members of the Finance Council must be given access to quarterly financial statements.
7. The Pastor/Administrator must consult the Finance Council concerning any major commitment of parish funds in excess of \$30,000 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 \$30,000. A project cannot be broken down to smaller components to avoid this requirement. The Finance Council shall assist, if needed, with obtaining the required authorization from the Bishop for amounts exceeding \$15,000 and with adherence to the Diocesan Financial Policy and Procedures.
8. Review the status of parish borrowing obligations.

ARTICLE VI: Communication

Recognizing that the Parish Finance Council and the Parish 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/Administrator's benefit that the Chairperson and Secretary are ex-officio members of the Parish Pastoral Council, if one exists, to assist the Pastor/Administrator with communications between them.

If concerns exist within the parish, they should be resolved by contacting in this order: 1) Pastor/Administrator; 2) Dean; 3) Vicar General and/or Diocesan Finance Director, 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 Finance Council meetings and provided to them in confidence. Finance 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 Finance 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 Venice, the Diocesan Bishop may amend it from time to time, as conditions warrant.