



March 30, 2011
Vol. 2, Issue 3

In this issue:

Transformed in the Holy Spirit
(GSN) Unity Requires Fidelity to the
Apostles' Teaching, Fellowship,
Breaking of Bread and Prayer
Strategic Planning – Nurturing
Successful Teamwork
Characteristics of an Effective
Parish Finance Council



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Characteristics of an Effective Parish Finance Council

By Brian Rubino

Canon Law places responsibility for parish financial and temporal management with the Pastor. However, the parish Finance Council is a consultative group that plays a vital role in assisting the Pastor in the execution of these responsibilities. Each Diocese has its own statutes particular to a parish Finance Council, however there are common traits and guidelines to follow across the board to help ensure a properly functioning parish finance council, and in turn a more vibrant parish.

A Finance Council, composed of members with the appropriate expertise and possessing a love for the Church and its mission, can provide the Pastor valuable advice and assistance in the execution of his parish financial administration duties. A competent Finance Council can also help a parish maximize its financial resources and avert potential financial problems. Pastors are strongly encouraged to take advantage of the counsel and advice provided by the Finance Council.

The parish Finance Council does not have decision-making authority. The Council has only those duties and responsibilities envisioned by Canon Law and assigned to it by the Pastor. In order to be effective in their responsibilities as Council members, members should have a thorough understanding of the parish's mission, goals, structure and demographics; knowledge of diocesan statutes and policies regarding temporalities; and a general understanding of the structure and organization of diocesan finances.

There are several Canons that address the administration of parish goods that serve as guides to a pastor and Finance Council.

Canon 532

In all judicial matters, the parish priest acts in the parish, in accordance with the law. He is to ensure that the parish goods are administered in accordance with canons 1282 – 1288.

Canon 537

In each parish there is to be a finance council to help the parish priest in the administration of the goods of the parish, without prejudice to Canon 532. It is ruled by the universal law and by the norms laid down by the diocesan Bishop, and is composed of members of the faithful selected by these norms.

Canon 1282

All clerics or lay persons who through a legitimate title take part in the administration of ecclesiastical goods are bound to fulfill their duties in the name of the Church and in accord with the norm of law.

The following represent key elements that will help to ensure a properly functioning Finance Council:

1. Establishment

While canon law requires a parish to have a Finance Council, good management practice provides ample testimony to the benefits of having an active Finance Council.

2. Provide written guidelines and norms

Clearly define the duties, authority, and responsibility of the Finance Council in documented written guidelines.

3. Hold regular meetings

Meetings should take place a minimum of 4-8 times per year.

4. Prepare record of meetings

Minutes of Finance Council meetings are kept, and maintained on file. Document attendance, main topics reviewed, and any votes taken.

5. Proper Finance Council construction

Parish Finance Council members should be members of the parish and Catholics in good standing. The recommended size is 5-7 members, with various members containing the following areas of expertise:



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Characteristics of an Effective Parish Finance Council (page 2 of 3)

- Finance
 - Civil law
 - Accounting
 - Property management
 - Budgeting
 - Personnel management
6. **Communication of parish financials**
Communicate regularly, but not less than annually, the financial condition of the parish, including sources and amounts of income, parish indebtedness, unpaid bills, and parish savings and investments. A comprehensive report is an important element of accountability. Accountability completes the circle of stewardship and directly impacts people's willingness to give of their time, talent, and treasures.
7. **Discuss relevant topics**
Review and evaluate the internal controls concerning the accounting function, define specific practices, procedures, and techniques. Review and discuss the parish annual report. Monitor actual results to budgeted comparisons. Assess the condition of the buildings and plan for improvements.

The principal duties of a parish Finance Council can be classified into three areas: 1) Capital and Operating Budget; 2) Financial Recordkeeping; and 3) Strategic Planning.

1. **Annual Capital and Operating Budget**
- A.** Assist in establishing timelines for development and implementation of the annual capital and operating budget for parish operations, school(s), other parish organizations and consolidated operations as required by the parish, including all parish organizations/fund raising groups with bank accounts (i.e. athletics, bingo, Life Teen, etc.).
- B.** Determine if the parish and school budgets are prepared in accordance with the accounting

chart of accounts and reporting formats required by the diocese.

C. Review the annual parish, school(s), significant organizations and consolidated capital and operating budgets; and, make recommendations to the Pastor for changes as appropriate.

2. **Financial Records and Reporting**
- A.** Review financial statements, including annual reports, to help determine that diocesan policies regarding fiscal and accounting procedures are being followed.
- B.** Receive and review income and expense reports for the parish and school at least quarterly. Whenever possible, current year results should be compared with the current year budget and prior year results. All significant variances should be explained. Particular attention should be given to expenditures not included in the capital or operating budget.
- C.** Assist with the taking of a detailed inventory of assets annually.
- D.** Review the annual financial report to the diocese prior to submission to help determine accuracy and completeness.
- E.** Review, at least annually, the financial statements; and, verify the cash balances of all parish organizations with cash accounts.
- F.** Assist in preparing/presenting/communicating an annual financial report to all parishioners concerning the parish's financial status. Specific information should be included on parish operations, parish school(s) and other parish organizations/fund raising groups/projects as needed, in addition to consolidated results.
- G.** Monitor payments of all taxes, loans and diocesan assessments to determine that all payments are accurate and paid on a timely basis.
- H.** Monitor parish contribution trends.

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Characteristics of an Effective Parish Finance Council (page 3 of 3)

3. Strategic Planning

A. Assist the Pastor in developing a long-term parish capital improvement, implementation and funding sources plan to fulfill long-term pastoral plan.

B. Assist the Pastor in developing a program for the care and maintenance of all parish facilities.

C. Where possible, help the Pastor establish and manage a parish endowment program.

D. Assist in the development and maintenance of position descriptions for the parish business manager/bookkeeper and other staff level personnel engaged in the management, operation or administration of the parish.

E. Serve as a resource to advise the Pastor on significant expenditures before making a purchase or lease commitment.

The parish Finance Council serves an important role in providing counsel to the pastor. A pastor is not typically trained in business management issues, yet he is entrusted with running what, in many cases, would be considered a good size business operation. The pastor is reliant on his trusted advisors to manage the temporal affairs of the parish. A well structured and effective Finance Council acts as good stewards of the resources that have been entrusted to the parish. This in turn builds confidence and trust, and allows the parish to more fully accomplish its mission.

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