

GUIDELINES
FOR
PARISH COUNCIL FOR FINANCIAL AFFAIRS

Parish Community of St. Joseph

Hillsborough, NJ 08844

Adopted May 10, 2015

GUIDELINES FOR PARISH COUNCIL FOR FINANCIAL AFFAIRS

Table of Contents

Article I - Role.....	1
Article II - Membership	1
Article III - Competence	4
Article IV - Functions.....	5
Article V - Meetings.....	7
Article VI - Relationships	7

Article I - Role

1. **Role.** The Parish Council for Financial Affairs (the ***“Finance Council”***) of the Parish Community of St. Joseph (the ***“Parish”***) is an advisory or consultative body to the Pastor or Parish administrator, deacon, religious or lay person appointed by the Bishop to oversee the Pastoral care of the Parish and to coordinate the life and ministries of the Parish (***“Parish Steward”***); the Pastor and Parish Steward are hereinafter referred to as the ***“Pastor”***) in matters pertaining to the ordinary or extraordinary matters of financial administration. The relationship of the Finance Council to the Pastor is supportive and collaborative and by no means adversarial. The Finance Council is to share, with the Pastor, the responsibility for the prudent administration of Parish financial affairs and to formulate policy and procedures in service to the effective management of Parish assets. The authority of the Pastor is by no means lessened by the establishment and functioning of the Finance Council nor does its existence and functioning in any way militate against or lessen his/her right and duty to act in juridical affairs on behalf of the Parish. The Finance Council is envisioned as a body of Parishioners, known for their spiritual maturity and love of Christ, endowed with either special competence in financial matters or prudent judgment, who offer their time and talent as a Christian service to assist the Pastor in the development and management of the Parish’s financial resources so that the Parish may effectively pursue its mission of spreading Christ’s Gospel and love.
2. **Operations as Influenced by the Gospel.** The Finance Council must operate consistently from what can be described as a value system influenced more by the Gospel than by any secular business philosophy. Efficient use of resources and money management in the context of ***“church”*** must be measured primarily by their ability to contribute to the Christian mission and ministry of the Parish community as opposed to their ability to produce greater ***“profit”*** margins which characterize ***“good business practice.”***

Article II - Membership

1. **Members of the Council.** The Finance Council shall be comprised of the Pastor and at least five (5) but no more than fifteen (15) other persons who (a) volunteer and (b) are approved by the Finance Council chair (each a ***“Member”***) and the Pastor for a renewable term as described in Section 7(b) below. As the Finance Council begins its existence and functioning, the Members may be named to staggered terms so that all appointments will not cease at one time. Each Member shall have one (1) vote.

2. **Ex-Officio Appointee(s)**. The Pastor, at his sole discretion, may appoint ex-officio Members (***“Ex-officio Members”***) to serve on the Finance Council in an advisory capacity. Ex-Officio Members shall not be entitled to vote on matters presented to the Finance Council.

3. **Officers**.

a. The officers of the Finance Council shall be a Chairperson, Vice-Chairperson and Secretary, to be elected by the Board and approved by the pastor, from its membership, to serve for a period of three (3) years or until their successors are elected. The primary duties and responsibilities of the Finance Counsel Officers include but are not limited to, implementation of the directions of the Pastor.

i. **Chairperson**. The Pastor is to serve as presiding officer, i.e., President of the Finance Council, but another Member may serve as Chairperson. The Chairperson, if not the Pastor himself, is to be elected by the Board and approved by the pastor (NB – KEEP THIS CONSISTENT WITH PRECEEDING PARAGRAPH) from among the pool of people who volunteer to serve as Chairperson. The Chairperson has the following duties and responsibilities:

(A) chair all meetings; and

(B) in conjunction with the Pastor, set the agenda for all meetings.

ii. **Vice-Chairperson**. The Vice-Chairperson of the Finance Council shall serve for the Chairperson when requested, and shall perform all of the duties of the Chairperson in the absence of the Chairperson.

iii. **Secretary**. The Secretary of the Finance Council shall record all proceedings of the Finance Council in a book or series of books to be kept therefore and shall file therein all actions by Finance Council and perform other assignments as may be assigned by the Chairperson. In the absence of the secretary from any meeting, a temporary secretary chosen at the meeting, shall record the proceedings thereof.

b. **Ad Hoc Chairpersons and Standing Committees**. In addition to the Chairperson, Vice-Chairperson and Secretary, the Pastor and/or Finance Council may establish other committees and name Chairpersons, officers or committees as needed (each a ***“Standing Committee”***) to fulfill the responsibilities of the Finance Council.

4. The Pastor, at his discretion, may consult with the Parish Pastoral Council relative to the appointment of the Members of the Finance Council. The Pastor may, at his discretion, accept nominations for Membership on the Finance Council from the Members of the Parish Pastoral Council and/or from the Parishioners at large.

5. Members of the Finance Council are to be appointed solely on the basis of their spiritual maturity and dedication and for their special competence in financial matters. If a Parish trustee does indeed have these qualifications, he or she may be eligible for appointment to the Finance Council.

6. The Parish staff such as bookkeepers, accountants, principals and Parish Pastoral Council Chairpersons, when they are not Members of the Finance Council, may be invited to attend meetings when their expertise is required.

7. The Finance Council should be, at least partially, comprised of individuals with backgrounds and/or knowledge of managing an institution's financial affairs. The following is a partial list of suggested occupations of Members:

- | | |
|------------------------|---------------------------------------|
| Accountant | Human Resources / Personnel Executive |
| Management Executive | Lawyer |
| | Engineer or Construction / Property |
| Pastoral Person | Manager |
| | Non-Academic, Good Common Sense |
| Purchasing Agent | Person |
| Banker with Investment | |
| Experience | Insurance Agent |

8. Membership.

a. Members of the Finance Council are to be named for up to a three (3) year term, which can be renewed. Approximately one-third (1/3) of the number of the Members shall be appointed each year on a rolling basis by the Pastor such that the terms of the Members shall be staggered.

b. The term of each Member, excluding officers, as noted in Section 3.2 below, is the three (3) year period that begins on July 1 and ends on the third succeeding June 30. If a vacancy shall occur among the Members of the Council prior to the expiration of the term thereof, the Pastor shall appoint a successor or replacement Member (***“Replacement***

Member”), and such Replacement Member shall serve for the balance of the unexpired term so vacated and may be reappointed as provided for herein.

9. The following matters should be considered when determining Membership of the Finance Council:

a. Members of the Finance Council must be active Members of the Parish, knowledgeable in the scope of Parish programs and services;

b. The Finance Council shall have the number of Members suitable for the population of the Parish and shall consist of no fewer than five Members. The Finance Council must include the Pastor/administrator, the Parish accountant/bookkeeper and, subject to Paragraph II(4), at least one trustee; and

c. The Finance Council shall not include: (i) persons related to the Pastor; or (ii) staff Members (except accountant/bookkeeper).

10. As required by the Diocesan Office of Finance, upon the appointment of Members to the Council, names and home addresses of the Finance Council Members are to be forwarded to the Diocesan Office of Finance.

11. Minutes of the meetings of the Finance Council should be prepared to outline the significant actions taken at each meeting. The minutes should be maintained by the Secretary of the Finance Council. A copy of all Finance Council Minutes should be kept on file at the Parish.

Article III - Competence

1. The Pastor has authority from the Bishop and the law of the Church to decide and act on behalf of the Parish. His is a canonical authority. (Canon 532).

2. The Finance Council enjoys authority only when its recommendations are accepted and ratified by the Pastor.

3. In service to their effectiveness and competence as a consultative body, the Members of the Finance Council must have access to the fiscal information which shall be needed for their deliberations, such as, Parish financial accounts, records, documents, statistics and other matters related to the financial status and operations of the Parish. Such information should be received in spirit of confidentiality and prudence.

4. Although the Pastor is held by no obligations to accede to the recommendations of the Finance Council, unless required by some particular diocesan legislation in the future, he should not depart from such recommendation without some prevailing rationale or explanation for his decision.

Article IV - Functions

1. The Finance Council should meet at least quarterly, preferably monthly, to review the financial condition of the Parish, including available cash funds, outstanding liabilities, actual vs. budgeted revenues and expenditures, and/or recently completed and future events or transactions affecting the finances of the Parish. The ability of the Finance Council to review such information will depend greatly on financial information being available for Finance Council meetings. A timely and accurate financial report, in substantially the form determined by the Council, should be given to the Finance Council prior to or at each of their regular meetings. If a special meeting is scheduled for a non-financial designated purpose, a financial report does not need to be prepared.

2. Pastors are obliged to administer Parish goods according to Canons 1281 -1288. The Finance Council can be delegated by the Pastor to assist him in the implementation of the following responsibilities related to financial administration on the Parish level:

a. To prepare annually a budget for all aspects of the Parish's financial operations and a separate school budget if applicable;

b. To review the monthly/quarterly financial reports and the Parish's adherence to the approved budget;

c. To prepare an annual Financial Statement and Report for each fiscal year and forward it to the Diocesan Office of Finance by August 31st of each year;

d. To prepare and publish an annual Financial Statement and Report for the Members of the Parish community;

e. To initiate and maintain a detailed inventory of all Parish assets, movable and immovable, to be signed by the Pastor and all future Pastors each year. A copy of the inventory should be filed, with subsequent changes, with the Diocesan Office of Insurance;

- f. To safeguard the assets of the Parish from loss or damage by appropriate insurance policies;
- g. To assist with coordinating all fundraising activities with specific emphasis on the implementation of strong internal controls over such activities;
- h. To assist with providing guidance in the financial management of the Parish (i.e. investment options, purchasing decisions, stewardship and giving issues, and personnel matters);
- i. To assist in the area of facilities management (i.e. preventative maintenance, compliance with inspection reports, and capital expenditures);
- j. To assist with the implementation and maintenance of a solid system of internal financial controls and personnel files and policies;
- k. To establish salary and benefit policies for Parish employees, including disability and unemployment;
- l. To provide guidance to insure the Parish meets all requirements of federal and state tax laws and maintains an accurate record of related reporting and payments;
- m. To file and maintain records of tax-exemption papers for all Parish-owned properties;
- n. To provide direction to ensure the safeguarding of Parish assets from loss or damage through cooperation and consultation with the Diocesan Office of Property & Facilities Management as well as the Office of Insurance;
- o. To assist with implementing all diocesan policies relative to financial matters;
- p. To assist with developing and adhering to long-range financial and administrative planning efforts for the Parish;
- q. To assist with developing a capitalization policy as well as the proper recording of capital expenditures and related depreciation expense in the accounting records of the Parish;

r. To develop a plan, as needed for the systematic repayment of the Parish debt;
and

s. To evaluate the effectiveness of the Parish's efforts at support of the Parish by means of the Sunday Offertory and to develop strategies, stressing spiritual values, as needed.

Article V - Meetings

1. The Finance Council shall meet at least quarterly at a time and place determined by the Pastor.

2. Meetings and agendas shall be arranged by the Chairperson in consultation and with the approval of the Pastor.

3. The Pastor and all Council Members are expected to attend all meetings. If any Member misses three (3) or more meetings in a fiscal year, then such Member shall be subject to removal from the Council by the Pastor in concert with the Chairperson.

Article VI - Relationships

1. Parish Finance Council

a. The 1983 Code of Canon Law clearly grants competence to the Finance Council to assist the Pastor in the administration of Parish temporalities (Canon 537).

b. If for purposes of planning, accountability, etc., the Pastor considers it important for the Parish Pastoral Council to be informed of the status of Parish fiscal resources, he may appoint a Member of the Finance Council, if not the Pastor himself, to serve, ex-officio, on the Parish Pastoral Council.

2. Parish Staff

a. The Members of the Finance Council, when authorized by the Pastor, may seek information related to financial matters from Members of the Parish staff, such as bookkeepers, accountants, secretaries, principals, directors of religious education, etc., as needed for effective deliberation and study. This shall be done with respect and sensitivity to the demand of time and work such requests represent to Parish staff.