



NORMS FOR PARISH FINANCE COUNCILS

Diocese of Great Falls-Billings

I. INTRODUCTION

In the parish Christ's faithful are gathered into one, under the headship of the pastor, to fulfill their mission in Christ, prophet, priest and king. The kingly mission includes the assistance which Christ's faithful, according to their gifts, their office in the Church, and their state of life, give to the pastor in the administration of temporal goods of the Church (Second Vatican Council, *Decree on the Apostolate of Lay People*, No. 10).

In order to give form and stability to the assistance offered by Christ's faithful to the pastor in the administration of the parish's temporal goods, The Code of Canon Law requires that each parish in a diocese have a Parish Finance Council (Canon 537). The Parish Finance Council is to be governed by universal Church law and norms given by the Diocesan Bishop (Canon 537).

II. A PARISH

A parish is a community of the Catholic faithful established by the bishop of a diocese. The pastoral care of the parishioners is entrusted by the bishop to the pastor. The primary duties of the pastor are to celebrate the Eucharist, preach the Word of God, administer the Sacraments, and serve the people.

In addition, the pastor is the duly appointed administrator of the temporalities of the parish. Pope John Paul II, in revising the Code of Canon Law, recognizes the complexities of financial administration and management in today's society by mandating a Finance Council in every parish to assist the pastor, but in doing so he in no way lessens the authority or responsibility of the pastor.

Mission churches assigned to a parish for administration should also have a Finance Council composed of parishioners of the mission church if there are sufficient numbers of qualified candidates willing to serve in this capacity.

III. MINISTRY OF THE FINANCE COUNCIL

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 as a Christian service or ministry in 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.



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The Finance Council must serve more by the Gospel than by secular business philosophy. Efficient use of resources and money management in the context of "Church" must be measured primarily by their 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".

IV. STRUCTURE AND MEMBERSHIP

1. Each parish must have a Finance Council. The Finance Council is accountable and advisory to the pastor. Mission churches assigned to a parish for administration should also have a Finance Council composed of its own parishioners if there are sufficient numbers of qualified candidates willing to serve in this capacity. If the number of parishioners is limited, the pastor should appoint at least one qualified member representing the interests of the mission church to a consolidated parish Finance Council.
2. Members should be appointed by the Pastor; they are not to be elected by the parishioners. The pastor may wish to involve the Parish Pastoral Council in the selection of the members of the Parish Finance Council. Canon 537 indicates that membership be limited to Roman Catholics who are members of the parish in full communion with the Catholic Church.
3. Members of the Finance Council should have special competence in financial matters and possess prudent judgment.
4. There must be no fewer than three (3) members exclusive of the pastor. The pastor would normally function in an executive or staff role.
5. The Finance Council has a life of three years so that original appointments and subsequent appointments to fill vacancies would terminate simultaneously at the end of the three-year period. Members may be re-appointed to provide continuity, but no individual should serve for more than six (6) years without at least an interim of one year. A change of pastor has no effect on the life of the council or appointments to it. During an interim between pastors, the Finance Council could assist the administrator; if there is no administrator, the council would not function until an administrator or pastor is appointed.
6. The membership of the Finance Council cannot include anyone who could have a conflict of interest from such affiliation nor can any close relative of the pastor be a member of the Finance Council.



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7. The pastor must consult with the Finance Council concerning any major non-budgeted commitment of parish resources. If there is an extraordinary commitment, budgeted or non-budgeted, exceeding \$10,000, the planned expenditure must also be submitted to the Diocesan Pastoral Office. The Finance Council must play an active role in the preparation of the Budget and the Financial Report of the parish which are to be submitted to the Diocesan Pastoral Office each year. The Finance Council is to help in the formulation of the Parish Financial Report which is to be made available to all parishioners on an annual basis.
8. The members of the Finance Council must have complete and total access to all records and documents which will help them fulfill their responsibilities relating to the financial status and operations of the parish.
9. Members of the Finance Council must be aware of, and be willing to follow, the Diocesan Guidelines for parish finances.
10. In parish communities which have a pastoral administrator appointed by the bishop, such pastoral administrators have the same responsibilities and obligations as the pastor in relationship to the Finance Council.

V. MODE OF OPERATION FOR THE FINANCE COUNCIL

The process of operation for the Finance Council should be conciliar - consensus. While the Code of Canon Law places the authority and responsibility on the pastor, it does not do so to the exclusion of the participative process. The Code intends a cooperative pastor-council relationship for the best interests of the parish/mission community and the diocese. A Constitution or by-laws for the Finance Council beyond these diocesan norms would seem to be unnecessary.

The pastor convenes the Finance Council. The pastor presides over all meetings. The pastor is to seek the prudent judgment of the Finance Council relative to parish/mission administration. Such administration considers the needs of the parish/mission, policies, programs and projects of a financial nature that are related to the fruitful and effective pursuit of the pastoral mission of the Church and the parish/mission. The process is not that of a board of directors or trustees who are charged to do business in the name of the parish/mission.



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VI. RELATIONSHIP TO THE PARISH PASTORAL COUNCIL

The Parish Finance Council and the Parish Pastoral Council are distinct consultative bodies in the parish. The Parish Finance Council has responsibility to give counsel to the pastor regarding the administration of the parish's/mission's temporal goods. The Parish Pastoral Council has responsibility to give counsel to the pastor regarding the pastoral activity in the parish.

VII. RESPONSIBILITIES OF THE FINANCE COUNCIL

The Parish Finance Council is a consultative body which helps the pastor to act justly and prudently in the administration of the parish's/mission's temporal goods. It is to be informed and inspired by the vision of the Church exemplified in the teachings of the Second Vatican Council.

The ways by which it fulfills its shared responsibility are: the spiritual enrichment and growth of the members; formation of financial policies, including the devising and regular monitoring of a parish/mission budget, and of policies for the proper maintenance of the buildings and grounds of the parish/mission; long-range financial planning; preparation of an annual financial report; and attention to civil law pertaining to the administration of the temporal goods of the parish/mission.

The clear distinction between financial policy formation, the proper work of the Parish Finance Council, and administration, the proper work of the pastor and the parish/mission staff, should be maintained. At the same time, members of the parish/mission staff should offer to the Finance Council their knowledge and judgment regarding questions under discussion.

VIII. TYPICAL FUNCTIONS OF THE FINANCE COUNCIL

1. To prepare and present the parish's/mission's annual budget for both operating and capital expenditures based upon goals and objectives determined by the pastor and Parish Council. This approved budget is published and made available to parishioners.
2. To review income and expenditures at least semi-annually to determine if the parish/mission is operating within the approved budget. It is recommended that the parish/mission Finance Council meet at least quarterly.



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3. To provide parishioners with periodic reports on the financial position of the parish/mission and to assist in the publication of an annual financial report available to parishioners.
4. To approve financial statements for submission to the Diocesan Pastoral Office.
5. To assist Parish Pastoral Council committees and commissions in preparing and submitting annual budget requests.
6. To study parish/mission revenues and make recommendations to the pastor and Parish Pastoral Council for maintaining or increasing revenues and controlling expenses to meet parish/mission objectives and priorities.
7. To educate parishioners to the need for Church support.
8. To review the fiscal dimensions of all fund-raising programs such as pledges, raffles, bingo, socials, etc.
9. To assist the pastor in overseeing the maintenance of the parish/mission physical plant.
10. To review the financial reports, budgets, and condition of the parish school, if one is present in the parish, in cooperation with the parish school board and the Education Commission of the Parish Pastoral Council.
11. To assist in the annual Diocesan CARE AND SHARE Appeal and special collections.

IX. REGULATIONS FOR FINANCIAL ADMINISTRATION

1. An accurate and detailed inventory must be maintained which lists all assets of the parish/mission, movable and immovable, and must be signed by the pastor and all future pastors. A copy of this inventory should be kept in the parish/mission files. A pastor and associate pastor or other parish/mission staff members in residence at a rectory or parish/mission-owned facility should have an accurate and detailed inventory of personal and private assets and possessions on the premises.



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2. The assets of the parish/mission must be safeguarded from loss or damage. Revenues must be carefully deposited and disbursed according to the intention of the donor or approved budget. Surplus revenues must be invested in accordance with diocesan regulations.
3. Parish/mission debts should be amortized as a goal of the parish/mission community and all interest on debts should be forwarded to the Diocesan Pastoral Office on a regular basis as indicated by diocesan policy.
4. Complete and accurate books on all financial transactions must be maintained and a report sent to the Diocesan Pastoral Office annually.
5. No parish/mission is permitted to borrow funds from any commercial lending institution. All borrowing is to be done through the Diocesan Pastoral Office.
6. All contracts involving property or legal transactions on the part of any parish/mission community need the signature of the Diocesan Bishop in light of the Corporation Sole status of the Diocese.
7. Checks should be signed personally by the pastor, associate pastor or pastoral administrator. If there is need for another signature for parish/mission checking accounts, permission should be obtained through the Diocesan Pastoral Office.
8. Diocesan regulations governing employment and contracts must be observed with exactness.
9. In order for an organization to be considered a fully integrated component of a parish/mission, it must be recognized as such by the pastor and/or Parish Pastoral Council as a matter of its written record, and it must be subject to the ultimate fiscal control of the pastor. Examples would be organizations such as Parents' Clubs, CYO, Altar and Rosary Societies, DCCW, Parish Pastoral Council, etc. An itemized record of receipts and expenditures must be filed in the parish office annually or made available upon request of the Parish Finance Council. Organizations not complying with these requirements do not enjoy the tax exempt status afforded to Catholic institutions unless their status is approved by the Bishop and the United States Catholic Conference, or unless it is otherwise obtained from the Internal Revenue Service.



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This is not a complete list of diocesan regulations governing parish finances. Relevant canons include nos. 532, 537, 1279-1298.

If there are provisions in this policy with which there is disagreement, and after all reasonable attempts at reconciliation have been exhausted, please refer to the diocesan policy *Conciliation and Arbitration Procedures*, dated May 30, 1996, to proceed with due process.

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