

Holy Trinity Finance Council Guidelines

Holy Trinity Somerset, Ohio

Parish Finance Council Guidelines

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I. ROLE OF THE PARISH FINANCE COUNCIL

A. DEFINITION

The Parish Finance Council is a consultative body of the Christian faithful established to advise the Pastor in matters pertaining to the financial affairs of the parish. The Council's function is to assist the Pastor in the prudent planning and administering of all parish financial matters and in the setting of policy and procedure to provide effective management of parish assets.

Canon 537 of the 1983 Code of Canon Law requires the creation of a Parish Finance Council, placing in it the competence to advise the pastor in the administration of parish temporalities.

In fulfilling its responsibilities, the Parish Finance Council must be directed by the values of the Gospel as well as by good business practice. Efficient and effective use and management of parish resources must be measured as much by their contribution to parish mission and ministry as by commonly accepted business standards.

B. COMPETENCE OF THE PARISH FINANCE COUNCIL

The Pastor has authority from the Bishop and the universal law of the Church to decide and act on behalf of the Parish (Canon #532). The Parish Finance Council works closely with the pastor and is a consultative body that assists the pastor in fulfilling his responsibilities.

For the Parish Finance Council to fulfill its mission, it must have access to the financial information which it will need for its deliberations including parish financial accounts, balances, income and expenditure statistics and other matters related to the financial status and operation of the parish. Such information must be received and given in a spirit of confidentiality and prudence.

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Although the pastor is not obligated to follow the counsel of the Parish Finance Council, the pastor should not act against such advice, especially when there is consensus, unless there is an overriding reason. When acting contrary to its counsel, the pastor should provide an explanation to the Parish Finance Council regarding the reasons for his decision.

C. DUTIES

1. To assist in establishing and maintaining a system of internal controls which provide a clear audit trail, particularly in the following areas:
 - a) Cash Receipts (particularly, Offertory Accounting, Tuition Accounting and Proper Documentation)
 - b) Cash Disbursements (Check Requisition, Documentation, Separation of Duties, Check Limits, Petty Cash).
 - c) Banking Authority
2. To see that a suitable and safe archive is provided for the important financial documents and records which must be maintained by the parish.
3. To review a complete annual financial report of the parish that is to be submitted to the diocesan bishop and presented in summary form for the parish community.
4. To review and advise in the areas of stewardship, development and special collection programs administered in the parish.
5. To provide counsel to the Pastor in acts of extraordinary administration related to parish financial transactions.

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6. To develop and maintain policies regarding provision of sufficient capital reserves for the purpose of capital equipment repair and replacement and an adequate working capital balance which is appropriate to the size of the parish budget.
7. To establish and direct a sound budgeting process including the publication of the budget for the parish community.
8. To provide consultation in the hiring and dismissal of all parish financial and office staff.
9. To review and advise in the areas of cash flow analysis, purchasing, and investment management.
10. To ensure that proper payroll accounting and record keeping is implemented and that appropriate employer reports are filed in a timely manner.
11. To provide the Parish Pastoral Council with periodic reports (at least quarterly) on the financial status of the Parish.
12. To ensure that the parish fulfills all requirements of federal and state tax laws and maintains an accurate record of payment.
13. To ensure that diocesan policies relative to financial matters are being followed.

Pastors and parish administrators are obliged to administer parish goods, according to the church law as found in Canon 1281-1288. The Parish Finance Council shall assist the Pastor/Administrator in fulfilling these responsibilities by fully implementing their duties.

II. STRUCTURE OF THE PARISH FINANCE COUNCIL

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A. MEMBERSHIP

1. The Parish Finance Council shall be composed of the Pastor/Administrator, not less than five members of the Christian faithful that are appointed by the Pastor.
2. The Pastor/Administrator is an ex officio member of the Parish Finance Council and serves as the president.
3. The Pastor/Administrator will recruit a secretary to the Parish Finance Council who shall serve as note-taker and prepare and file "Notes of Actions Taken" for the record He/she must demonstrate a history of confidentiality, a willingness to serve and the abilities necessary to perform in this capacity.
4. The Pastor/Administrator shall appoint Executive Officers of the Parish Finance Council recommended from among the members. The First Officer chairs the council, prepares for meetings, ensures meetings remain on task, monitors time for each item on the agenda, and implements those proposals of the Council which have been accepted and ratified by the Pastor. The Executive Officers shall perform other tasks that are delegated by the Pastor. The Second Officer will assume the duties of the first officer when the officer is unavailable. The Executive Officers shall be appointed for a two-year term. The Second Officer shall succeed to the position of the First Officer.

Each month a member from Parish Finance Council shall attend the Parish Pastoral Council and the Advisory Board meeting.

QUALIFICATIONS FOR MEMBERSHIP

Those to be appointed to the Parish Finance Council should meet the following criteria:

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- a) Good communication and oral presentation skills
- b) Initiative
- c) Integrity
- d) Analytical ability
- e) Sensitivity
- f) Leadership
- g) Good decision making ability
- h) Planning skills
- i) Ability to organize and monitor work

Each member must be a member of the Christian faithful whose family is active in the parish.

RESPONSIBILITIES

Members of the Parish Finance Council are expected to:

1. Maintain discretion and confidentiality.
2. Attend all Parish Finance Council meetings.
3. Serve on at least one committee and attend all committee meetings.
4. Actively participate in the Parish stewardship program.
5. Participate in the Bishop's Annual Appeal.
6. Assist with parish social activities involving fund raising.
7. Learn all duties of membership.
8. Have a good understanding of all aspects of parish life .
9. Be a goodwill ambassador of the parish.
10. Be active in decision making.
11. Be willing to assume leadership positions.
12. Continue their development and education in the Catholic faith.
13. Be prepared to discuss the agenda.

B. MEETINGS

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The Parish Finance Council shall meet monthly. Meetings and agenda shall be arranged by the Pastor-and the First Officer. The agenda, the previous meeting's minutes, and pertinent financial reports will be distributed at the monthly meetings.

C. COMMITTEES

Committees are to be formed as needed. The First Officer shall designate committee membership. If the work of the committees warrant additional membership, these committees may seek additional parishioners to provide expanded membership upon approval of the PFC.

III. RELATIONSHIPS OF PARISH FINANCE COUNCIL

A. The Pastor and Staff relate to the Parish Finance Council by:

1. Consulting with the Parish Finance Council in acts of ordinary administration described in the duties of the Parish Finance Council.
2. Seeking counsel of the Parish Finance Council in all acts of extraordinary administration such as:
 - Acquisition or disposal of property (restriction of use; sale, purchase, mortgagee, etc.)
 - Leasing
 - Acceptance or refusal of a major gift or bequest (over \$10,000)
 - Implementation of special collections or fund drives
 - Approval of the Annual Budget
 - Material variances to the operating or capital budget (single occurrence in excess of \$2,500 or aggregate annual variances in the amount of \$25,000).

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B. The Parish Pastoral Council relates to the Parish Finance Council by:

1. Involving the Parish Finance Council in long-range planning to assist in the financial implication of the goals/objectives and to comment on the allocation of the resources available.
2. A member of the Parish Pastoral Council is invited to and encouraged to attend the Parish Finance Council's monthly meetings in order to maintain proper communication between the two Councils.

C. The Parish Finance Council relates to the Diocese of Columbus by:

1. Interacting with appropriate diocesan offices and governance bodies.
2. Acting on recommendations of Diocesan parish review process, i.e. review comments.

IV. OPERATING PROCESSES AND PROCEDURES

The Pastor consults with the Parish Finance Council for advice on issues affecting the financial welfare of the parish. The Parish Finance Council can be of great service to both the Pastor/Administrator and the parish by seeking the guidance of the Holy Spirit and acting in their advisor capacity in a true spirit of Christian community.

Honor, personal accountability and an understanding of the mission of today's Church and his/her parish are as important to the Parish Finance Council member as are efficiency and effectiveness. It must be remembered that this work is that of the Lord.

This is not to be interpreted to mean that a parish should not strive to become more business like in its management of resources. The Pastor/Administrator, staff and

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Parish Finance Council must find the balance that best combines a sense of mission with a sense of business.

V. AGENDA PREPARATION

The Pastor and the First Officer shall prepare the agenda.

A possible format may be:

1. Opening Prayer
2. Introduction of new members and or visitors
3. Approval of minutes from the last meeting
4. Committee reports
5. Old Business
6. New Business
7. Closing Prayer

The opening prayer for this and all committee meetings should not be one that only reminds us of our obligation to do all in His name. Rather, this period should be one of reflection where each member is able to reflect prayerfully, even quietly, and seek the guidance of the Lord.

Because we are Church and because each committee functions on behalf of the parish, it is essential that the core, root and focus of our activities be in prayer and in recognition of His will for the parish.