



## ***Pastor and Parish Finance Council Responsibility in the Archdiocese of Newark***

As Secretary-Treasurer of the Parish Corporation, the Pastor is responsible for the management of Parish finances (canon 532). He is accountable for competent and dependable stewardship.

Canon law specifically outlines a requirement that each Parish must have a Finance Council to help with managing Parish finances. The relationship between the Pastor and the Finance Council is one of support and collaboration.

### **Parish Finance Council and Parish Pastoral Council**

The Parish Pastoral Council is responsible to assist the Pastor with the pastoral life and worship ministries of the parish. The Finance Council is responsible to assist the Pastor with parish financial administration with the specific mandate to assist the pastor in the administration of temporal goods. While the Pastoral Council is to be representative of the whole parish membership, the Finance Council is to be composed of persons skilled in finances, civil law and business practices.

### **Functions of the Finance Council**

The Finance Council has a consultative vote and assists the Pastor in the administration of Parish goods. The primary functions of a Finance Council are as follows:

- Advise the Pastor in all financial matters
- Be responsible for long-range financial planning
- Coordinate with all elements of Parish operations and prepare the total Parish budget for presentation to and approval by the Pastor

- Monitor all revenues and expenditures regularly to check compliance with the budget
- Monitor and evaluate the financial record keeping systems and procedures in observance of the requirements of both canon and civil law
- Determine that budget and financial reports are prepared accurately and regularly and submitted to the Pastor, Parish Council, and the Archdiocese as required.
- Ensure annual disclosure of financial position to Parishioners.
- Note and evaluate major deviations from actual vs. budget comparisons for income and expense categories.
- Suggest revenue generation and/or expense containment measures if the Parish encounters difficulty meeting expenses.
- Review controls over cash and other assets to ensure that money is being properly handled.

### **Members of Finance Council**

The Pastor is an ex-officio member. The Finance Council should be composed of Parishioners. However, if necessary, persons with expertise in financial affairs and civil law may be drawn from beyond the Parish.

### **Membership, Appointment, and Terms of the Parish Finance Council**

The Finance Council should have between five and twelve members, among them must be the two Parish trustees. Members should possess varied gifts: sensitivity to spiritual and Pastoral issues, sound business sense, financial or legal skills, and knowledge of Church developments. Representation of the composition of the parish base should be a consideration.

The Pastor consults with the Parochial Vicars, other staff members and advisors in selecting Finance Council members, who he himself will appoint.

Initially, half the members serve for three years and half for two. After that, the ordinary term is two years. Each Parish Finance Council should adopt its own operating procedures, i.e., attendance requirements and filling of vacancies.

The parish business manager, accountant and/or bookkeeper or any other individual employed by the parish may serve as staff persons to the Finance Council and shall not be a member. Employees present reports to the council but are not to be in attendance for the entirety of the meeting.

Person related by blood or marriage to the Pastor or assigned parochial vicars may not serve on the Finance Council.

The names, addresses and professional title/experience of each member shall be submitted annually upon request to the Office of the Vicar General.

The names of the Finance Council are to be made known to the parishioners, preferably by publishing the names in the bulletin with the parish annual financial report.

### **Officers**

The Pastor shall appoint a Finance Council Chairperson for a term of one year, renewable for one additional year. The chairperson assists the Pastor in coordinating the meeting agendas, and schedules and chairs the council meetings.

The Pastor shall also appoint a Finance Council Secretary. There is no term limit for this position. The Secretary shall keep minutes of the council meetings and distribute the minutes to all members.

### **Meetings**

The Finance Council should meet at least four times per year. The Pastor and all members are expected to attend.

To be effective in their consultation to the Pastor, the Finance Council must have access to records and documents relating to the financial status of the parish. The meeting agenda must include a review of the parish finances. This will include the Parish Finance & Budget Reports and interim actual vs. budget fiscal report.

Any capital expense in excess of \$5,000 must have the consensus agreement of the Parish Finance Council.

A copy of meeting minutes must be maintained in the parish's permanent files.

Each member is required to maintained confidentiality on matters designated as sensitive.