

Roman Catholic Diocese of Phoenix

Norms for Finance Committees of Diocesan Schools

Policy Statement

The Norms for Finance Committees of Diocesan Schools have been developed from the Diocese of Phoenix Parish Finance Council Norms. Each Diocesan School shall have an active Finance Committee of the School Advisory Board that incorporates these norms as part of its normal operating processes.

Important policy information

Members of the School Advisory Board Finance Committee are to exercise prudent judgment with regard to the confidentiality of any school financial records to which they have access. Failure to observe this requirement, in the opinion of the Principal or Superintendent, would result in immediate termination of membership on the Finance Committee.

Finance Committee members must be free from any conflicts of interest including but not limited to the following: arising from their occupation, relationship to the Principal; or any condition in which membership in the Finance Committee might be perceived to bring an inappropriate benefit to the individual or their family and/or business. Paid staff may not serve as members of the Finance Committee.

Role of Finance Committee

The Finance Committee is advisory to the School Advisory Board and Principal. The Finance Committee shall have at least three members and the Chairperson shall be a member of the School Advisory Board. Finance Committee members should have an accounting, finance or business background.

The Principal is not considered a member of the Committee and does not have a vote. The Principal or Superintendent must be present at all meetings. The Principal or Superintendent has discretion and may choose not to accept the advice or recommendation of the Finance Committee. If this is the case, the reasoning for the position taken must be explained to the Committee and reflected in the meeting minutes.

Finance Committee Meetings

The Finance Committee must meet as needed, ordinarily monthly, but at least quarterly. The Finance Committee chair is responsible for developing an agenda with the principal and facilitating the meeting. These meetings must include a detailed review of all items listed in the "Responsibility of Finance Committee". Each meeting will be documented by an agenda and set of published written minutes which will be approved with any corrections at the next meeting. The minutes will include attendees, agenda items reviewed (major discussion, conclusions, recommendations, and approvals) and date of the next meeting.

Responsibility of Finance Committee

The following matters are generally the purview of the Finance Committee; many of them are covered in significant detail in other policies.

Tuition Rates

Financial Statement Review (Income and Expenditures/Actual to budget variances)

Timely and Appropriate Communication to the School Community

Debt Repayment

Cash Flows and Accounts Payable

Enrollment

Internal Controls

Capital Campaign

Construction Projects

Long Term Planning

Other related matters deemed appropriate

Approvals

Budget expenses and capital expenditures in the normal course of School operations are approved by the Diocesan School Board during the annual budgeting process. Project and capital expenditures meeting certain thresholds require additional approval prior to expenditure as defined next. Each project/capital expenditure/lease/contract greater than \$30,000 requires approval of the Superintendent. Transactions of \$100,000 or more require approval by the Strategic Planning Committee at the Diocese of Phoenix. Major capital expenditures, contracts, construction projects, real estate and property lease issues, and fundraising efforts, must follow the processes outlined by the Diocesan High School Review Procedures and Requirements.

Contributions

Any gifts or contributions greater than \$5,000 per year to a non-diocesan entity require prior approval from the Superintendent.

Conflicts

There may be occasions when a dispute occurs between the Principal and the Finance Committee. In any such conflict, an effort must first be made to resolve the issue in a spirit of fairness and justice. If a conflict is not resolved, then the Principal and/or the Finance Committee Chairperson may, in writing, notify and seek assistance from the School Board, Superintendent of Schools, the Diocesan School Board or Finance Committee.

Diocesan Policies and Procedures

All members of the Finance Committee, as well as the Principal, are obliged to familiarize themselves with all Diocesan financial policies and best practices. Finance Committee members are encouraged to attend a Diocesan School Board training seminar annually.

The Principal in collaboration with the Finance Committee has the responsibility to ensure that these Norms and other Finance Policies are implemented.

Edward M. McDonough

Edward M. McDonough, President Diocesan School Board

12-1-10

Date

MaryBeth Mueller

MaryBeth Mueller, Superintendent

12-1-10

Date

Thomas J. Olmsted

+Thomas J. Olmsted
Bishop of Phoenix

12-20-10

Date