

**Diocese of Phoenix
Parish Finance Councils
Norms**

As stated in Canon 532, the Pastor represents the Parish in all juridic matters. He is the person ultimately responsible and accountable in ordinary matters for all spiritual and financial actions of the Parish.

However, as stated in Canon 1287, §2, “administrators are to render an account to the faithful concerning the goods offered by the faithful to the Church...”

Canon 537 states, each Parish must have a Finance Council, and its authority, its policies, and its procedures, are regulated by norms “...issued by the diocesan Bishop...”

The following are the norms issued by the Bishop of Phoenix, after consultation with his Presbyteral Council and Diocesan Finance Council.

Any exceptions to these norms are to be approved by the Vicar General / Moderator of the Curia. These requests must be submitted in writing.

I. Confidentiality

Members of the Parish Finance Council are to exercise prudent judgment with regard to the confidentiality of any church (or school) financial records to which they may have access. Failure to observe this requirement, in the opinion of the Pastor, would result in immediate termination of membership on the Parish Finance Council.

II. Membership

A. The Parish Finance Council must have at least three members (and ordinarily not more than seven) freely appointed by the Pastor in consultation with the Parish Pastoral Council. The Pastor may form a nominating committee to assist him in selecting Parish Finance Council members. Appointments are to be for a term of three years. Initially, the terms are to be staggered to provide continuity. These appointments and their terms must be recorded in the minutes. During his or her term of office, a member may be replaced, at the discretion of the Pastor, for any just cause. No member may serve more than three consecutive terms.

Members of the Parish Finance Council may not serve simultaneously on the Parish Pastoral Council. It is recommended, however, that one member of the Parish Finance Council be designated as a liaison to the Parish Pastoral Council, or vice versa.

With a change of Pastor, it is advisable, when prudent, to retain as many Parish Finance Council members as possible. In the first year of his assignment as Pastor, the Pastor should not remove Parish Finance Council members but may do so with permission from the Bishop’s Office.

B. Membership requires:

- 1) Being a member of the Parish and in full communion with the Catholic Church.
- 2) Having expertise in regard to temporalities (e.g. finance, accounting, management, law, etc.).
- 3) Being endowed with an overall knowledge of Parish life and sensitivity to pastoral values.
- 4) Being free from any conflicts of interest arising from his or her occupation, or relationship to the Pastor; or any condition in which membership in the Parish Finance Council might be perceived to bring an inappropriate benefit to the individual or his(her) family and/or business. Paid staff may not serve as members of the Parish Finance Council.

C. Officers of the Parish Finance Council

- 1) The Pastor will appoint or the members of the Parish Finance Council will elect annually a Chairperson to preside over all meetings, as well as a Vice-Chair to preside in the absence of the Chairperson, and a Secretary to be responsible for recording and maintaining minutes for each meeting of the Parish Finance Council. Copies of the minutes are kept in a secure location in the Parish Office. Paid staff may attend the Parish Finance Council meetings but are not considered voting members.
- 2) Because the Parish Finance Council is advisory to the Pastor, the Pastor is not a member of the Parish Finance Council and does not have a vote. At his discretion, he may choose not to accept the advice of the Parish Finance Council. If he does so, he must explain his reasoning to the Council. The Pastor must be present at all meetings.

III. Duties

- A. The Pastor must consult with the Parish Finance Council prior to committing to any extraordinary expenditure or alienation of stable patrimony (selling or transferring goods) of the Parish (ref. Canon 1291) in excess of \$5,000 for small Parishes and \$10,000 for medium and large Parishes.

For this purpose, the size of a parish is based on its annual Sunday and Holy Day regular collection (both envelope and loose) as follows:

Large Parish	Annual Plate greater than \$400,000
Medium Parish	Annual Plate between \$150,000 and \$400,000
Small Parish	Annual Plate up to \$150,000

Extraordinary expenditures relate to non-budgeted expenditures, construction projects, real estate and property lease issues, and fundraising efforts. The stable patrimony of a

parish is its imperishable goods, i.e.; real estate, buildings, furniture, fixtures, artwork, etc. In emergency situations, the Pastor may wish to call a special Parish Finance Council meeting for immediate consultation.

The Pastor and the Parish Finance Council must seek the prior approval of the Bishop for any extraordinary expenditure as defined above in excess of \$10,000 for small Parishes and \$20,000 for medium Parishes and large Parishes. All real estate and property transactions and leases must be approved by the Bishop's Office. Replacement type purchases such as for a vehicle or furnishings do not have to be approved by the Bishop's Office unless the purchase requires a loan or significantly diminishes the Parish's financial capability.

Any gifts or contributions greater than \$5,000 per year to a non-diocesan entity require the permission of the Bishop's Office other than tithing programs and special collections approved by the Parish Finance Council.

- B. The Pastor must consult with the Parish Finance Council when faced with expenditures which exceed the approved budget by 10%.
- C. The Pastor must seek the advice and counsel of the Parish Finance Council to buy or sell any property which requires the permission of the Bishop.
- D. The Parish Finance Council must be involved in the budgeting process and must approve the annual Parish budget. The Parish budget includes the school budget.
- E. The Parish Finance Council is responsible for overseeing the preparation of the annual financial report to the Bishop (required by Canon 1287) by July 31 of each year (i.e., 30 days after the end of each fiscal year) and the publication of an annual Financial Report to the faithful (within 120 days of the end of each fiscal year). The report to the faithful is to be in the Parish bulletin. The report to the Bishop must be certified by the Pastor and by the Parish Finance Chairperson on behalf of the Parish Finance Council; this is done by providing each signature in the annual report.
- F. A member of the Parish Finance Council must review the bank account(s) reconciliation monthly. As part of this process the complete check register must be made available.
- G. The following matters are generally the purview of the Parish Finance Council; many of them are covered in significant detail elsewhere in the Parish Finance Guide.
 - Construction Projects
 - Cash flows and accounts payable
 - Fundraising
 - Internal Controls (including the proper handling of the Sunday Collection)
 - Charity and Development Appeal
 - Other related matters deemed appropriate

IV. Meetings

- A. The Parish Finance Council must meet as needed, ordinarily monthly, but at least quarterly. These meetings must include a detailed review of financial statements, i.e. balance sheet and income statement (statement of activities) which includes a comparison of actuals to budget. A detailed ledger and trial balance must also be available for review.
- B. The Parish Finance Council has the right to conduct its meetings, or any part of them, in executive session when matters necessitate it. During executive session only Parish Finance Council members and the Pastor are present. No minutes are taken.

V. Dispute Resolution

There may be occasions when a dispute occurs between the Pastor and the Parish Finance Council. 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 Pastor and/or the Parish Finance Council Chairperson may, in writing, notify and seek assistance from the Dean, the Diocesan Chief Financial Officer, or the Diocese Vicar General.

VI. Compliance

- A. All members of the Parish Finance Council, as well as the Pastor, are obliged to familiarize themselves with all Diocesan financial policies and best practices.

In order to ensure this familiarity, all new Pastors, members of Parish Finance Councils, as well as parish staff members concerned with finances, will be required to attend educational seminars appropriate to their separate duties and responsibilities provided by the Finance Department of the Diocese of Phoenix. These seminars will be provided at least once a year, or whenever sufficient need for training exists in the Parishes. Parish Finance Council members must attend a training seminar during the first year of their initial appointment and then once every three years thereafter.

- B. The Pastor in collaboration with the Parish Finance Council has the responsibility to see to it that these Norms and other Finance Policies are implemented.
- C. Each year in July, the Parish Finance Council Annual Report is sent to the respective Dean with a copy to the Chief Financial Officer of the Diocese. Appendix A, attached, provides a sample of that report.

+ Thomas J. Olmsted
Bishop of Phoenix

Date

Appendix A

Sample Parish Finance Council Annual Report

(The annual report must take this or a similar form, it must address at least those areas contained in this sample, and be submitted on parish letterhead.). Sample text is shown here; please modify the text as needed to accurately report your information.

July nn, (year)

Dear Rev. (Dean),

We are pleased to submit this report of the annual activities of the Finance Council of (Parish) for the Fiscal Year ended June 30, (year).

The names, terms and qualifications of our Finance Council members are as follows:

Name of Member Term # (1, 2, or 3) Current Term (begins/ends) Qualifications

The dates and attendance numbers (Finance Council members) of our meetings during the Fiscal Year being reported were as follows:

Meeting Date Attendance Meeting Date Attendance

Our pastor attended all meetings.

We approved an operating budget for the past Fiscal Year ended June 30, _____ and the coming Fiscal Year ending June 30, _____.

We reviewed interim financial statements as a group at least quarterly. Those statements that included (at a minimum) the Balance Sheet and the actual Statement of Activities (revenues & expenses) compared to budget.

If an audit/financial review was performed in the parish during the past Fiscal Year we were given access to the report.

Additionally, we have operated our Council in accord with the Norms issued by the Bishop of Phoenix as set forth in the Norms of Parish Finance Councils of the Diocese of Phoenix.

Though we may not have agreed with the pastor on all finance related decisions affecting the parish, we feel that our advice was listened to and that we received the information from the pastor and parish staff that we needed in order to give informed counsel.

Respectfully submitted by,

Pastor

(Chairperson)

(Member)

(Member)

(Member)

(Member)

(Member)

(Member)

cc: Joseph C. Anderson, CFO
Roman Catholic Diocese of Phoenix