

DIOCESE OF MEMPHIS
NORMS FOR PARISH FINANCE COUNCILS

What is the Parish Finance Council?

The universal legal requirement for establishing a Parish Finance Council (c537) states that this council is to be a group of the faithful who aid the pastor in the administration of the parish goods. The pastor is the person who is responsible “to see to it that the goods of the parish are administered in the accord with the norms” of the law. (c532) He represents the parish in all juridic affairs, subject to the norms established by the universal Church law and the diocesan bishop.

The council itself has a consultative vote which essentially means that in certain financial matters the pastor may act only after having consulted with the council (reference section 4). However, if counsel is required, the action of the superior is invalid if the superior does not listen to those persons; although in no way obliged to accede to their recommendation, even if it be unanimous, nevertheless the superior should not act contrary to it, especially when there is a consensus, unless there be a reason which, in the superior’s judgment, is overriding. (c127, 2.2).

To serve the needs of the parish, care should be taken that the Parish Finance Council avoids both extremes: It should not serve as a “Board of Directors” as a parish is not a business entity. At the same time, real input should be sought from the Parish Finance Council- rather than merely asking them to affirm decisions that have already been made. The council is to meet a minimum of four times per calendar year and is called to serve honestly and competently in the dialogue and process of true consultation; the pastor also is to engage in the dialogue and process. A summary communication shall be provided at a minimum quarterly to the parish.

Relationship of Parish Finance Council and Other Church Organizations

Parish Pastoral Council

The Parish Finance Council serves the parish in matters of finance and business administration by offering counsel and service as will hereinafter be outlined.

The Parish Pastoral Council has the more general responsibility of collaborating with the pastor in terms of examining pastoral activities and discerning the needs of the apostolate, and evaluating pastoral plans and activities. (See Diocesan Norms for the Parish Pastoral Council).

It is expected that the pastor in consultation with the Parish Pastoral Council will offer to the Parish Finance Council proposed pastoral plans in sufficient time for the development of the annual budget. The Parish Finance Council collaborates with the various parish staff members, the Parish Pastoral Council, the pastor and other appropriate parties for the development of the new parish budget. Parish priorities are set by the pastor in consultation with the Parish Pastoral Council and the Parish Finance Council.

The Parish Finance Council is to have regular communication with the Parish Pastoral Council throughout the year. Together with the pastor, the Parish Finance Council is to make available to the Pastoral Council regular and adequate financial reports.

Other Parish Organizations

The Parish Finance Council is available to assist other parish organizations in the development of their annual budgets and review their regular financial reports. The financial activities of all parish organizations will be reviewed annually by the pastor and the Parish Finance Council.

Diocesan Finance Council

The Parish Finance Council is supported in its work by the Diocesan Finance Council and the Diocesan Department of Financial Administration which provide information, review, training and oversight to Parish Finance Councils.

Membership in the Council

Criteria for Membership

The pastor appoints members to the Parish Finance Council. As a general note, appointees should be Catholic with a zeal for the apostolate of the Church and in good standing, must be skilled in banking, investments, facilities, risk management, audit, civil law or management, be outstanding in character; prudent in judgment based on ecclesiastical law (Can.490); not be related to diocesan bishop or pastor closer than the fourth degree and be available for service.

Terms of Service

Members are named for a five-year term, which may be renewed for subsequent five-year term. Terms begin on the first day of the new fiscal year. In cases when a parish is without a pastor or when a pastor is reassigned to another parish, the Parish Finance Council ceases to exist. The new pastor is to appoint a new Parish Finance Council no later than three (3) months after he has taken canonical possession.

Composition of Membership

Membership on the Parish Finance Council is to be open to all who meet the qualifications stated above, and should reflect the general composition of the parish to the greatest extent possible. If the parish has a school, the principal should be an ex-officio non-voting member of the council. The membership of the Parish Finance Council is to consist of no less than three persons. The pastor or his delegate is to preside at all meetings of the council. The Parish Finance council will not meet without the presence of the pastor or his designee.

Organization and Functions

Organization

The Parish Finance Council is to be organized as a council separate and distinct from the Parish Pastoral Council as well as every other parish council, committee or organization. Cross membership between the Pastoral Council and the Finance Council shall be allowed, but in no event shall members of the Pastoral Council exceed one-third of the membership of the Finance Council.

Once the Finance Council's membership has been established and regular meetings initiated, a chairperson, vice-chairperson, and secretary should be elected. The council shall have written bylaws which should be reviewed and revised if necessary and forwarded to the Bishop in a timely manner upon completion.

Orientation and preliminary preservice training will be required of all who wish to serve on a Parish Finance Council. This training will be made available through the Diocese by the Diocesan Finance Department.

Duties and Responsibilities of the Pastor and Parish Finance Council

The basic functions that are to be performed by the Parish Finance Council in consultation with the pastor are the following:

- a) Review the parish's annual budget in accordance with the guidelines provided by the diocesan bishop. The annual parish

- budget shall subsequently be submitted by the pastor to the diocesan bishop for approval.
- b) Review the complete annual financial report of all parish activities at the end of the fiscal year. Interim financial reports shall be published in written form every six months and submitted to the diocesan bishop. A published report shall be presented to the parish at least annually.
 - c) Insure the development of job descriptions for all administrative and bookkeeping personnel.
 - d) Review financial reports of the various parish organizations, projects, activities, etc. and assist in offering financial and management advice.
 - e) Offer the pastor and the administrative staff counsel on any significant administrative issues.
 - f) Provide for the ongoing maintenance of all physical plant facilities and all expansion and reconstruction or demolition.
 - g) Handle all administrative acts as follows:
 - (i) In matters of financial administration, the pastor can act on his own authority for ordinary administrative acts which shall consist of projects costing less than 5% of the previous year's ordinary parish revenue but not exceeding \$10,000.00
 - (ii) For projects costing more than the above threshold in (i), but not more than \$25,000 the pastor can act only after consultation with the parish finance council.
 - (iii) For projects costing more than \$25,000, the pastor must consult with the Parish Finance Council and receive the written permission of the Bishop before proceeding.
 - h) Offer counsel and assist the pastor in conducting the fund raising activities needed in the parish so that the work of the Church can be achieved and members of the Church fully participate with their fair share and stewardship.

Approved and promulgated this twenty-sixth day of September 2011 at Memphis, Tennessee.



The Most Reverend J. Terry Steib, S.V.D.
Bishop of Memphis in Tennessee

Rev. Michael P. Joyce, C.M.
Chancellor