



Statutes of the Diocesan Finance Council of the Diocese of Memphis in Tennessee

ARTICLE I: Name

The name of this body shall be the Diocesan Finance Council (“DFC”).

ARTICLE II: Purposes

- A. **General Purpose:** The Diocesan Finance Council is established by the Diocesan Bishop in accordance with canon 492, §1, for the purpose of advising and assisting him in financial matters. It fulfills the purposes identified in the *Code of Canon Law* and other legislation.
- B. **Specific Purposes:**
1. To prepare an annual diocesan budget of foreseen income and expenditures in accordance with canon 493 (while initially prepared by staff of diocese, final presentation rests with the finance council).
 2. To examine the annual report of income and expenses prepared by the finance officer (c. 493), which may take the form of reviewing the annual audited financial statements.
 3. To review the annual financial reports presented by administrators of any ecclesiastical goods whatsoever which have not been legitimately exempted from the power of governance of the diocesan bishop (c. 1287, §1).
 4. To give or withhold its *consent* to the Diocesan Bishop before he performs the following acts:
 - a. To place acts of extraordinary administration defined by the conference of bishops (c. 1277; see Appendix I)

- b. To alienate goods of public juridic persons subject to his authority, and to alienate diocesan goods, which belong to the stable patrimony and whose value falls between the minimum and maximum amounts established by the conference of bishops (c. 1292, §2; see Appendix II)
 - c. To perform any transaction which can worsen the patrimonial condition of public juridic persons subject to his authority or of the diocese, which belong to the stable patrimony and whose value falls between the minimum and maximum established by the conference of bishops (c. 1295)
 - d. To lease ecclesiastical property owned by the diocese when the market value of the property exceeds \$1,000,000 or is to be leased for three years or longer (USCCB Decree June 8, 2007)
5. To give its *counsel* to the Diocesan Bishop before he performs the following acts:
- a. To appoint and to remove the diocesan finance officer (c. 494, §§2-3)
 - b. To impose a moderate tax upon public juridic persons subject to his authority in the diocese (c. 1263)
 - c. To impose an extraordinary tax upon other juridic persons and upon physical persons subject to his authority (c. 1263)
 - d. To place acts of administration which are more important in light of the economic condition of the diocese (c. 1277; see Appendix I)
 - e. To determine the acts placed by public juridic persons subject to him which exceed the limits of ordinary administration (c. 1281, §1)
 - f. To make a prudent judgment on the investment of money and movable goods assigned to an endowment for the benefit of a foundation (c. 1305)
 - g. To reduce, moderate, or commute obligations attached to a foundation if, through no fault of the administrators, the fulfillment of these obligations becomes impossible because of diminished revenue or some other cause (c. 1310, §2)
 - h. To lease ecclesiastical goods owned by the diocese when the market value of the goods exceeds \$400,000 (USCCB Decree June 8, 2007)

ARTICLE III: Membership

The DFC shall be composed of not fewer than fifteen (15) voting members.

- A. **President:** The president of the diocesan finance council is the Bishop of Memphis in Tennessee. He, or the appointed Chair, shall preside over all its meetings.
- B. **Ex officio Members:** The Vicar General and the Chancellor are *ex officio* voting members.
- C. **Appointed Members:** In accordance with canon 492, §1, the appointed members are to be persons of outstanding integrity who are experts in financial affairs and/or civil law. They are to be practicing Catholics and may be clergy, religious, or laypersons. Persons who are related to the bishop up to the fourth degree of consanguinity or affinity are excluded from the finance council (c. 492, §3). At least one of the appointed members should be a permanent deacon who has expertise in financial matters and/or civil law.
- D. **Finance Officer:** The Diocesan Finance Officer shall attend all meetings of the DFC but shall not be counted as a voting member.
- E. **Observers:** The Diocesan Bishop shall appoint three priests to participate in DFC meetings as non-voting observers.

ARTICLE IV: Term of Office

- A. The term of office of the appointed members of the DFC shall be five years (c. 492, §2), with approximately one-third of those members whose terms expire each year.
- B. Appointed members may be appointed to additional five-year terms.
- C. An *ex officio* member is a member of the DFC as long as he holds the office of Vicar General or Chancellor.
- D. The Chairs of the Council committees and Chair of the Council serve at the discretion of the bishop.

ARTICLE V: Vacancies

If a vacancy should occur on the DFC resulting in less than thirteen (13) appointed members, the diocesan bishop shall appoint a new member to a five-year term, renewable.

ARTICLE VI: Officer and Duties

The officers of the DFC shall be the Chair and the Secretary.

- A. Unless the Diocesan Bishop decides otherwise, the Chair of the DFC shall conduct all meetings of the DFC and its Executive Committee.
- B. The Budget Committee Chair of the Council shall act in the place of the Chair if absent or unable to attend a meeting of the DFC or the Executive Committee and shall assist the

Chair in the performance of the Chair's duties.

- C. The Diocesan Controller shall serve as the Secretary and is responsible for preparing and distributing agenda for meetings and for recording and distributing the minutes of meetings.

ARTICLE VII: Meetings

Meetings of the DFC shall be held at least quarterly. Additional meetings may be called by the Diocesan Bishop or the Chair. All meetings will be staffed by the Diocesan Financial Officer.

ARTICLE VIII: Committees

There shall be an Executive Committee and four standing committees of the DFC. The standing committees shall be the Budget Committee; the Audit Committee; the Revenue, Banking and Investment Committee; and the Employee Compensation and Benefits Committee. The Finance Department of the Diocese will staff all committees of the DFC. All DFC members shall serve on at least one of the four committees. Members may indicate their committee preference prior to appointment.

A. Executive Committee

1. The Executive Committee shall consist of the Diocesan Bishop, the Chair of the DFC, and the Chairs of the other committees.
2. The Diocesan Bishop shall attend all meetings of the Executive Committee, unless he is legitimately impeded.
3. The Executive Committee shall be responsible for:
 - a. the affairs of the Council between meetings,
 - b. adoption of a yearly schedule of DFC meetings,
 - c. preparing the agenda for the DFC meetings,
 - d. recommending to the Bishop the Chair for each standing committee,
 - e. assigning DFC members to the standing committees,
 - f. approving the annual plans and schedules of standing committees and operations of the DFC, and
 - g. creating ad hoc committees as need arises and for determining the purpose, membership, and term of each ad hoc committee and reporting all of its activities and action to the DFC at the next meeting of the DFC for ratification.

B. The Budget Committee

1. The Budget committee shall consist of a Chair and up to two members of the DFC appointed by the Executive Committee.
2. The Budget Committee shall be responsible for:
 - a. annually reviewing and recommending an operating funding proposal that balances funding with expenses, including comments on existing, expanded, and new programs, and submitting it to the DFC;
 - b. recommending policies and procedures guiding the budget process;
 - c. determining the need for a capital budget, and if advisable, submitting it to the DFC; and
 - d. reviewing requests for budget changes during the fiscal year and recommending such changes to the DFC as it deems necessary.

C. The Audit Committee

1. The Audit Committee shall consist of a Chair and up to two members of the DFC appointed by the Executive Committee.
2. The Audit Committee is involved in audit planning for all diocesan audits, monitors progress of the audits, and receives the audit report of the Diocese and makes recommendations regarding it to the DFC. The Audit Committee also recommends to the DFC the annual report of the Diocese prepared after receipt of the audit report.
3. The Audit Committee is available to hear the concerns of the audit firm developed during the audit. It also proposes the hiring and discharge of the audit firm to the DFC.
4. The Audit Committee is the appropriate body to review all financial reporting of the diocese. This Committee is responsible for oversight of the diocesan system of internal controls at the parish and Catholic Center levels.

D. The Employee Compensation and Benefits Committee

1. The Employee compensation and Benefits Committee consists of a Chair and up to two members of the DFC appointed by the Executive Committee.
2. The Committee is responsible for making recommendations concerning health insurance, retirement plans, other employment benefits, and the providers of service.

E. The Revenue, Banking and Investment Committee

1. The Revenue, Banking and Investment Committee shall consist of a Chair and at least three members of the DFC appointed by the Executive Committee.
2. The Committee shall review and coordinate revenue projections or all sources of operating and capital funds and assist and advise on revenue enhancement and collection policies.
3. The Revenue, Banking, and Investment Committee makes recommendations regarding:
 - a. banking relations;
 - b. treasury management;
 - c. debt management;
 - d. investment policy, investment managers and their performance for investment assets of parishes and the Diocese;
 - e. the employee retirement plans;
 - f. the priest retirement plan;
 - g. risk management;
 - h. property management; and
 - i. construction, acquisition, alteration, or alienation of property of the Dioceses.

ARTICLE IX: Quorum and Voting

A majority of the full membership shall be necessary and sufficient to constitute a quorum for the transaction of business at all meetings of the DFC and its committees so long as all the members of the council or committee were properly notified of meeting in accordance with canon 127. The act of a majority of the members present at any meeting at which there is a quorum shall be the act of the DFC or its committees.

- A. Votes that are necessary for consenting to proposed actions by the Diocesan Bishop (see II.B.4 above), shall be made by secret ballot. Two members shall serve as tellers for counting the ballots.
- B. All other votes shall be made *viva voce*.

ARTICLE X: Amendments

- A. These Statutes may be amended by the Diocesan Bishop on his own initiative or upon an affirmative vote of two-thirds of the full membership of the DFC.
- B. No amendment of Statutes shall be effective without approval by the Diocesan Bishop.

Approval

The foregoing statutes are approved by the undersigned Bishop of Memphis in Tennessee, this 5th day of July 2023.

Most Rev. David P. Talley, M.S.W., J.C.D.
Bishop of Memphis in Tennessee

Very Rev. James M. Clark, J.C.L.
Chancellor

Appendix I

USCCB Decree Regarding Canon 1277 Acts of Extraordinary Administration by the Diocesan Bishop

On November 13, 2007, the members of the United States Conference of Catholic Bishops legitimately approved complementary legislation for the implementation of canon 1277 of the Code of Canon Law for the dioceses of the United States. In accord with article 82 of the Apostolic Constitution Pastor Bonus, the action was granted recognitio by the Congregation for Bishops in a decree dated December 19, 2009 (N. 778/2005), and signed by His Eminence Giovanni Battista Cardinal Re, Prefect, and Monsignor Giovanni Maria Rossi, Subsecretary.

Wherefore, the United States Conference of Catholic Bishops, in accord with the norm of canon 1277, decrees that the following are to be considered acts of extraordinary administration, the canonical validity of which requires the diocesan bishop to obtain the consent of the diocesan finance council and the college of consultors:

- (1) Initiating a program of financing by the issuance of instruments such as bonds, annuities, mortgages or bank debt in excess of the minimum amount set in accord with canon 1292, §1.
- (2) Resolving an individual or aggregate claim(s) by financial settlement in excess of the minimum amount set in accord with canon 1292, §1.
- (3) Engaging in the regular management or operation of a trade or business that is not substantially related to the performance of the religious, spiritual, educational or charitable purposes of the Church, for the purpose of generating income to carry on such activities.
- (4) Entering into any financial transaction or contractual agreement, the terms of which address matters involving an actual or potential conflict of interest for the diocesan bishop, auxiliary bishop(s), vicar(s) general, episcopal vicar(s), or diocesan finance officer.

As President of the United States Conference of Catholic Bishops, I decree that the effective date of the norms for all dioceses of the United States Conference of Catholic Bishops will be April 5, 2010.

Given at the offices of the United States Conference of Catholic Bishops, in the city of Washington, the District of Columbia, on the 3rd day of March, in the year of our Lord 2010.

Francis Cardinal George, O.M.I.
Archbishop of Chicago
President, USCCB

Reverend Monsignor David J. Malloy
General Secretary, USCCB

Appendix II

USCCB Decree Regarding Canon 1292, §1 Minimum and Maximum Sums for Alienation of Church Property

On November 13, 2002, the Latin Church members of the United States Conference of Catholic Bishops approved complementary legislation for the implementation of canon 1292, §1 of the Code of Canon Law for the dioceses of the United States. The action was granted recognition by the Congregation for Bishops in accord with article 82 of the Apostolic Constitution Pastor Bonus, issued by a Decree (Prot. N. 296/84) of the Congregation for Bishops, dated June 3, 2003, and signed by His Eminence Giovanni Battista Cardinal Re, Prefect, and His Excellency Most Reverend Franciscus Monterisi, Secretary. On March 31, 2004, a subsequent Decree with the same Protocol Number was issued granting recognition to the norms ad biennium. Through subsequent Decrees, dated January 31, 2006 and March 31, 2008, again with the same aforementioned Protocol Number, the same Congregation decreed the extension of its previously granted recognition for two additional two-year periods. By means of a Decree, dated March 31, 2010 (Prot. N. 778/2005), signed by His Eminence Giovanni Battista Cardinal Re, Prefect, and His Excellency Most Reverend Manuel Monteiro de Castro, Secretary, the Congregation for Bishops granted definitive recognition to the following defined sums. A subsequent Decree, dated May 10, 2011, with the same aforementioned Protocol Number, signed by His Excellency Most Reverend Manuel Monteiro de Castro, Secretary, and His Excellency Most Reverend Giovanni Maria Rossi, Subsecretary, granted definitive recognition to the sums defined in norm 3 of the complementary legislation.

Wherefore, and in accord with the prescripts of canon 1292, §1, the United States Conference of Catholic Bishops decrees that:

(1) The maximum limit for alienation and any transaction which, according to the norm of law, can worsen the patrimonial condition is \$7,500,000 for Dioceses with Catholic populations of half a million persons or more. For other Dioceses the maximum limit is \$3,500,000 (cf. can. 1295).

(2) The minimum limit for alienation and any transaction which, according to the norm of law, can worsen the patrimonial condition is \$750,000 for Dioceses with Catholic populations of half a million persons or more. For other Dioceses the minimum limit is \$250,000.

(3) For the alienation of property of other public juridic persons subject to the Diocesan Bishop, the maximum limit is \$3,500,000 and the minimum limit is \$25,000 or 10% of the prior year's ordinary annual income, whichever is higher.

As President of the United States Conference of Catholic Bishops, I hereby decree that these norms are effective immediately for all dioceses of the United States Conference of Catholic Bishops.

Given at the offices of the United States Conference of Catholic Bishops, in the city of Washington, the District of Columbia, on the 1st of December, in the year of our Lord 2011.

Most Reverend Timothy M. Dolan
Archbishop of New York
President, USCCB

Reverend Monsignor Ronny E. Jenkins
General Secretary, USCCB

Appendix III

USCCB Decree Regarding Canon 1297 Leasing of Church Property

On November 13, 2002, the members of the United States Conference of Catholic Bishops legitimately approved complementary legislation for the implementation of canon 1297 of the Code of Canon Law for the dioceses of the United States. The action was granted recognitio by the Congregation for Bishops in accord with article 82 of the Apostolic Constitution Pastor Bonus and issued by Decree N. 778/2005 of the Congregation for Bishops signed by His Eminence Giovanni Battista Cardinal Re, Prefect, and His Excellency Most Reverend Francesco Monterisi, Secretary, and dated May 2, 2007.

Wherefore, and in accord with the prescripts of canon 1297, the United States Conference of Catholic Bishops decrees that the following norms shall govern the leasing of Church property:

(1) Prior to leasing of ecclesiastical goods owned by a diocese, the diocesan bishop must hear the finance council and the college of consultors, when the market value of the goods to be leased exceeds \$400,000.

(2) Prior to leasing of ecclesiastical goods owned by a diocese, the diocesan bishop must obtain the consent of the finance council and the college of consultors when the market value of the property to be leased exceeds \$1,000,000 or the lease is to be for 3 years or longer.

(3) The valid leasing of ecclesiastical goods owned by a parish or other public juridic person subject to the governance of the diocesan bishop requires consent of the diocesan bishop when the market value of the goods to be leased exceeds \$100,000 or the lease is to be for 1 year or longer.

(4) The valid leasing of ecclesiastical goods owned by a pontifical institute of consecrated life or society of apostolic life requires, in addition to the consent of the competent major superior and council, the nihil obstat of the diocesan bishop when the market value of the property to be leased exceeds \$1,000,000 or the lease is to be for 3 years or longer.

(5) The valid leasing of ecclesiastical goods by any public juridic person requires the consent of the Holy See when the market value of the goods exceeds \$5,000,000.

As President of the United States Conference of Catholic Bishops, I hereby decree that the effective date of this decree for all the dioceses of the United States Conference of Catholic Bishops will be August 15, 2007.

Given at the offices of the United States Conference of Catholic Bishops in the city of Washington, the District of Columbia, on the 8th day of June, in the year of our Lord 2007.

Most Reverend William S. Skylstad
Bishop of Spokane
President, USCCB

Reverend Monsignor David J. Malloy
General Secretary, USCCB