



DIOCESE OF JOLIET

Finance Council Resources

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(Approved by the Presbyteral Council, October 5, 2005)	

Parish Finance Council Overview

The relationship between the members of the Parish Finance Council and the pastor demonstrates the sense of church as a community. By using the various gifts and skills in a collaborative and faithful manner, the members can fulfill their responsibilities by being directed by the values of the Gospel as well as by good business practices.

Required by Canon Law

The Parish Finance Council was mandated by Canon Law to be established at every parish. The two canons which are referenced in the Diocese of Joliet Parish Finance Council Guidelines as approved by the Presbyteral Council on Oct. 5, 2005 are as follows:

*“The Pastor represents the parish in all juridical affairs in accord with the norm of the law; he is to see that the goods of the parish are administered in accord with the norms of canons 1281 - 1288.”
(Canon 532)*

“Each parish is to have a finance council which is regulated by universal law as well as by norms issued by the diocesan bishop; in this council the Christian faithful, selected according to the same norms, aid the pastor in the administration of parish goods with due regard for the prescriptions of canon 532.” (Canon 537)

Every parish is required by Canon Law to have a Parish Finance Council that is advisory and consultative to the pastor. The Finance Council is to assist the pastor in the administration of the temporal goods of the parish. The Canon makes it clear that the Finance Council does not substitute for the pastor as the chief administrator and legal representative of the parish's goods. The Council should assist the pastor in keeping the financial administration of the parish in harmony with the mission of the parish.

The Finance Council must work in an atmosphere where open and honest discussion is encouraged. The relationship between the pastor and Parish Finance Council should be one of support and collaboration. Although the pastor is obligated to consult the Parish Finance Council, he is not obligated to follow its recommendations. The pastor should not, however, act against such advice, especially when there is a consensus. But, if the pastor in good conscience believes that he cannot accept the recommendations of the Council, he should fully and frankly communicate this disagreement to the Council's members.

Membership

Council members should be drawn from the parish community and have expertise in accounting, finance, management, or a combination of these skills, such as Certified Public Accountants (CPAs), attorneys, and real estate professionals. To fulfill the responsibility of financial oversight, the parish should ensure that the majority of Council members are professionals with experience in financial matters.

The members should consist of individuals who are registered and participating parishioners and should reflect the ethnic make-up and economic strata of the parish community. Members should not be parish staff or be related to any member of staff or the priests. In addition, members should not be related to each other.

Communication

Good communication between the Parish Finance Council and the Parish Pastoral Council is extremely important and essential for the growth and wellbeing of the parish. These councils should work together to avoid conflict. The Parish Finance Council should be aware of the mission and goals established by the Parish Pastoral Council. Finance Council members should also be able to work together with the parish staff, especially the business manager or bookkeeper.

Duties

- 1.** Provide advice to the pastor on any meaningful financial matters including staffing and any significant commitment of parish

resources. (The pastor is obligated to inform the Council of commitments in excess of \$40,000.)

2. Review financial reports.
3. Assist with preparing and finalizing the budget, (parish/school/RE/Cemetery/etc.).
4. Review the parish's annual report submission to the diocese and ensure that a parish financial report is published to the parishioners.
5. Serve as a liaison between parishioners and the pastor.
6. Review the findings of the financial audit and ensure the recommendations are implemented.

Code of Conduct and Confidentiality Conflict of Interest

Members of the Parish Finance Council should observe strict confidentiality concerning all matters discussed at the meetings. Members should always speak and act, both inside and outside of the Finance Council, in a manner supportive of the parish so that parishioners know that they are trustworthy. Members should also be visible in the parish so that parishioners can bring up their concerns to council members.

Members shall avoid conflict of interest or the appearance of conflict of interest with the parish. A conflict of interest is defined as “any business or transaction with the Parish in which a member shall have a beneficial interest, whether between a member or a member’s business and known to the member prior to entering said business transaction.”

The parish should adopt a written agreement that each member should sign prior to accepting his or her position on the council. The agreement should include both the parish’s code of conduct and confidentiality and its policy regarding conflict of interest.

Parish Finance Council Structure

I. Purpose

The pastor is responsible for the administration of all parish goods, and in each parish, there should be an active Parish Finance Council to assist the pastor with this responsibility.

II. Formation of the Parish Finance Council

A. Qualifications of the Council Members

1. Practicing Catholic
2. Expertise and ability to fulfill responsibilities based on background and skills
3. Members should generally have accounting and finance experience
4. Reflect parish diversity
5. Members should not be parish staff or related to staff or priests

B. Term Limits

1. Odd number of members between 3 and 11
2. 3-year terms for a maximum of two terms
3. Terms should be staggered
4. Terms should commence on October 1

C. Non-voting Participants

1. Business manager or bookkeeper should attend every meeting to provide financial information and to answer questions
2. Principal, religious education, music director, and parish staff can attend as needed

D. Member Selection

1. Recruited based on time and talent survey, ministry workshop, by referral, or by personal expression of interest
2. Appointed by the pastor

E. Conflict of Interest

Conflicts of interest or the appearance of conflicts should be avoided. See pages 12 and 13 for examples of agreements.

III. Authority, Duties, and Responsibilities

A. Responsibility for Annual Budget, Capital Projects, and Review of Organizational Accounts

1. Pastor has ultimate responsibility; Business manager/bookkeeper and Finance Council are advisory to pastor
2. Budget for school, religious education, cemeteries etc. must be overseen by number one from above
3. Oversee organizational accounts such as parent groups, athletics, CCW, scouting, etc. and fundraising

B. Financial Records and Reporting

1. Review monthly financial reports
2. Compare current year with budget and previous year
3. Review any unpaid invoices
4. Ensure bank reconciliations are completed and review as needed, including organizational accounts
5. Semi-annual or annual review of parish organizations
6. Review parish annual report
7. Assist with preparing, presenting, and communicating relevant or important financial information (including organizations) to parishioners
8. Monitor payments of taxes, loans and assessments for timeliness
9. Monitor contribution trends and enhance stewardship as needed

C. Strategic Planning

1. Assist the pastor with developing a long-term parish capital improvement, implementation, and funding sources plan
2. Assist the pastor with developing a program for the care and maintenance of all parish facilities

3. For parishes with schools, assist the pastor with ensuring the management and health of its endowment program
4. Assist with developing and maintaining job descriptions for parish staff
5. Serve as a resource to advise the pastor on significant expenditures prior to their purchase or lease
6. Assist the pastor or staff with communicating with the diocesan office where appropriate

D. Internal Controls

1. Assist with developing and reviewing a system of internal controls in accordance with diocesan policy
2. Review and audit financial reports for all parish operations and organizations with bank accounts, as necessary
3. When there is a pastor or administrator change, assist the new pastor or administrator with a complete report of the parish's financial condition

IV. Officers

A. Minimum should be Chairperson and Secretary (Vice Chair where deemed appropriate)

1. Chairperson responsibilities:
 - a. Preside at all meetings
 - b. In consultation with the pastor, be responsible for selecting the hour and location of meetings
 - c. Prepare the meeting agenda
 - d. Other duties as assigned by the pastor
2. Secretary responsibilities:
 - a. Record and distribute council meeting minutes
 - b. Notify members of upcoming meetings
 - c. Maintain a permanent record of business conducted by the council and each member's tenure
 - d. Other duties as assigned by the chairperson
3. Vice Chair (if applicable) responsibilities:
 - a. In the absence of the chairperson, should preside at any meeting
 - b. Perform any other duties assigned by the chairperson or pastor

B. Appointment of Chair and Election of Officers

The pastor shall appoint the chairperson to a three-year term. Each term, the council will elect a secretary (and vice chairperson if applicable) to serve three-

year terms. Terms for officers normally commence at the beginning of the fiscal year.

V. Meetings

Regular meetings shall be held at least quarterly and more frequently if necessary, at a time and place established by the pastor and chairperson. Special meetings may be called by the pastor or the chairperson with the pastor's concurrence upon two days' notice. A majority of the members shall constitute a quorum. A schedule of annual meetings should be proposed and agreed upon at the first meeting of each fiscal year. Minutes of all meetings should be maintained by the parish.

VI. Council Committees

The chairperson with the consent of the pastor may establish such subcommittees or task forces as are necessary to conduct the parish finance council's business.

VII. Communication

A. Parish Council and Finance Council

1. Recommended Finance Council member be appointed to Parish Council and vice versa
2. Recommended School Board member be appointed to Finance Council and vice versa (if parish operates a school)

VIII. Confidentiality

A. Strict Confidentiality

1. See sample agreements on pages 12 and 13
2. Limited access to parishioner contribution records

IX. Meeting Management and Decision-making

A. Robert's Rules of Order (majority vote)

1. Determine who is a voting and non-voting member
2. Establish level of vote: resolution, recommendation, approvals

B. Consensus (reach common ground)

C. Pastor is final decision maker

X. Bylaws

Recognize that councils conduct business more efficiently if performed within defined parameters. There are no specific parameters to follow. Each council/pastor may enact their own protocols. Parishes should determine.

XI. Financial Policies

Diocesan financial policies can be found on the Diocese of Joliet Web site at:
<http://www.dioceseofjoliet.org/financeparish/sectioncontent.php?secid=6>

Finance Council Calendar of Meeting Dates

Term of office: October 1, 20__ – September 30, 20__

Fiscal year: July 1, 20__ – June 30, 20__

MONTH	DATE	LOCATION
OCTOBER *	October 25	Parish Center
	Agenda: Welcome new members Review financial report to be published in bulletin	
November	November 15	Parish Center
	Agenda:	
December	NO MEETING	
JANUARY *	January 24	Parish Center
	Agenda: Verify that required year-end filings are complete Semi-annual review of parish organization accounts	
February	February 28	Parish Center
	Agenda: Budget preparation begins	
March	March 27	Parish Center
	Agenda: Continuation of budget process	
APRIL *	April 24	Parish Center
	Agenda: Finalize budget for next fiscal year	
May	May 22	Parish Center
	Agenda: Approve budget for next fiscal year	
June	June 26	Parish Center
	Agenda:	
JULY *	July 24	Parish Center
	Agenda: Election of officers for the fiscal year Review meeting calendar for the fiscal year Semi-annual review of parish organization accounts	
August	August 23	Parish Center
	Agenda: Review and sign diocesan annual report	
September	September 27	Parish Center
	Agenda:	

* **Quarterly meetings** – If the council meets only four times per year, financial information should be sent to members monthly for their review. Additional meetings may be necessary to approve the budget and to review the diocesan annual report.

Note: The calendar begins in October because that is the beginning of the suggested term year. Many committees and councils change members in the late spring or summer. But that does not work well with the finance council because members should finish their term after the fiscal year ends and after the final activity for the year is reported which does not happen until late summer. Therefore, it makes sense to have new members join in the fall.

Finance Council Meeting Agenda

EXAMPLE

Time	Topic	Person
7:00	Call Meeting to Order	Chairperson
7:00 – 7:05	Opening Prayer	Pastor
7:05 – 7:10	Review and approve prior meeting minutes	Secretary
Etc.	Review meeting agenda and change as agreed	Chairperson
	Old Business Updates	Individual
	Committee Reports	Committee Chairs
	Financial Reports	Parish Finance Administrator
	New Business	Council members
	Pastor's Comments	Pastor
	Closing Prayer	Pastor
	Adjournment	Chairperson

Note:

Financial reports along with the agenda and other pertinent information should be provided to the Council members at least one week before the meeting. The meeting is more productive if each member reviews this information prior to the meeting. The time allotted for each topic should be used for answering questions, clarifying points, and discussion. Financial reports should consist of:

- Statements of income and expenses that include current year activity, current year budget, and prior year activity
- Statement of Position
- Listing of any unpaid invoices
- Additional information at the request of the council that is necessary to fulfill their responsibility and to accurately advise the pastor

Bank statements with reconciliations and a listing of the balance of parish accounts at month end should be available for review at the meeting.

The pastor, and therefore the council, is responsible for reviewing the activity of all parish bank accounts. This includes organization accounts (CCW, Parent/Teacher Assoc., Athletics, etc.). The school principal, DRE, music director, and any other ministry or parish organizations whose activity affects the financial position of the parish should update the Finance Council about their activity. The frequency of these reports should be determined by the pastor and Council. These reports could be made after the opening prayer and then the representatives can be excused from the remainder of the meeting. Alternatively, these reviews could be done at a separate meeting.

Typical Parish Financial Filings

MONTHLY	
Pension Filings	Monthly report to Christian Brothers. Payments to Christian Brothers and the diocese
Financial Reports	For the pastor and finance council's review
QUARTERLY	
Payroll Filings - Federal & Illinois Unemployment	Filing completed by 3rd party payroll vendor, Paylocity
Financial Reports	For the pastor and finance council's review
YEARLY - Calendar year-end (Dec. 31)	
W-2 / W-3 / 1095 Payroll Filings - Federal and Illinois	Filing completed by 3rd party payroll vendor, Paylocity
Filings - Federal	1096 and 1099 forms filed according to IRS requirements. (Completed by parish.)
Payroll Filings - Diocese	Copy of W-2 for all clergy to Finance Office
YEARLY - Fiscal year-end (June 30)	
Parish Budget	Due in June to the Diocesan Finance Office.
Diocesan Annual Report	Due in September to the Diocesan Finance Office. Includes the reporting of the fiscal year actual information
Parishioner Report	Published in the bulletin by December

FUNDRAISERS

Depending on the fundraiser, a license and Federal and Illinois filings may be required. Refer to the IRS and Illinois guidelines to ensure compliance.

ADOPTION AGREEMENT
Conflict of Interest, Code of Conduct and Confidentiality
(Name of Parish) Finance Council

The undersigned Member of the Finance Council of *(Name of Parish)*, hereby agrees to be bound by the Conflict of Interest, Code of Conduct and Confidentiality as adopted by the *(Name of Parish)* Finance Council on the _____ day of _____, 20 __, and all amendments thereto and agrees to honor said Code, its amendments and all Finance Council policies adopted in promulgation and modification thereof.

IN WITNESS THEREOF, the undersigned has set his or her hand in acknowledgement and agreement of on this _____ day of _____, 20 ____.

(SIGNATURE)

(PRINTED NAME)

CONFLICT OF INTEREST
CODE OF CONDUCT AND CONFIDENTIALITY
For the
(Name of Parish) Finance Council

It shall be the obligation of the Finance Council and its sub-committees to subscribe to the following:

While serving and thereafter, Members shall keep confidential all matters of record or reference, whether or not communicated or discussed in meetings or among those serving, until such time as such matters are officially publicized. Trust, sensitivity and candor shall be observed.

Members shall always speak and act, inside and outside of the Finance Council or its subcommittee meetings, in a manner supportive of the Parish. While honest and healthy reflection is respected, comments of derision or embarrassment to the Parish shall be avoided.

Members shall avoid conflict of interest, or the appearance of conflict of interest with the Parish. A conflict of interest is defined as, any business or transaction with the Parish, in which a Member shall have a beneficial interest, whether between a Member or a Member's business (defined as ownership of over 5% of the entity by a Member or Member's family, the fourth degree of consanguinity or affinity) and known to the Member prior to entering said business transaction. Any business engagement resultant from prior competitive bidding, or qualifying Requests for Proposal, secured by the best acceptable bid with at least two other competitive entities bidding shall not require prior disclosure. Any such transaction or series of transactions in any one year shall be reported by the Member to the Pastor and the Finance Council at prior to March 1 of the following calendar year. The monetary limitation shall be established periodically by the Finance Council.

IN WITNESS THEREOF, on the ____ day of _____, 20__ the Reverend _____, Pastor of *(Name of Parish)*, has promulgated the foregoing Code of Conduct and Confidentiality which shall be adopted and subscribed to by the members of the *(Name of Parish)* Finance Council and its subcommittees.

Reverend (Name)
Pastor
(Name of Parish)

Diocese of Joliet
Parish Finance Council Guidelines

Approved by the Presbyteral Council October 5, 2005

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“Each parish is to have a finance council which is regulated by universal law as well as by norms issued by the diocesan bishop; in this council the Christian faithful, selected according to the same norms, aid the pastor in the administration of parish goods with due regard for the prescriptions of canon 532.” (Canon 537)

A) General

1. Every Parish is required by Canon Law to have a Parish Finance Council that serves in an advisory and consultative role to the pastor.
2. The pastor, in consultation with the Parish Pastoral Council, should develop specific guidelines for the Parish Finance Council adapted to local needs.

B) Membership

1. After consultation with the Parish Pastoral Council, members are appointed by the pastor for a three year term and may be reappointed for one additional term or removed in this role by the pastor.
2. Members of the Parish Finance Council should be drawn from the parish community and be chosen based on demonstrable skills or expertise in management and/or finance. The requirement of membership in the parish community may be waived in the event of special expertise if all other conditions of membership are met.
3. Membership should consist of no less than three members and should not include as members any persons who may have a conflict of interest in the view of other services, paid or unpaid, rendered to the parish, nor of any person related to a parish employee or the pastor.
4. Members of the Parish Finance Council may serve in other volunteer service roles in the parish on other committees or boards such as the Parish Pastoral Council Administration Commission if, in the judgment of the pastor, such dual service will not create conflict of interest situations.
5. Officers of the Parish Finance Council may be chosen, as determined by guidelines established by the Parish Pastoral Council (see A.2 above).

C) Duties

1. The pastor is obligated to consult with the Parish Finance Council in the following matters, although he remains the juridical authority for final decisions.
 - a) Any commitment of parish resources in excess of \$20,000.00 before permission for such expenditure is requested of the Chancery. **(Bishop Conlon approved Presbyteral Council's recommendation to increase the amount to \$40,000 in Sept 2017.)**
 - b) Review of the annual budget and annual parish report before submission to the Chancery. To the extent practical, they should be involved in the preparation of both reports.
 - c) Provide assistance and review of the annual parish financial report to parishioners, as required by canon 1287.2.
2. The Parish Finance Council and the Parish Pastoral Council should work together so as to insure the work of the Parish Finance Council does not overlap or conflict with that of the Parish Pastoral Council. To facilitate ongoing interaction, members of the Parish Finance Committee may serve on committees or subcommittees of the Parish Pastoral Council according to the needs of each particular parish.

D) Other Considerations

1. The purpose of the Parish Finance Council is to assist the pastor in his administrative responsibilities through fiscally prudent management of parish finances and in the administration of parish goods and resources.
2. Good communication between the Parish Finance Council and the Parish Pastoral Council is essential for the growth and well being of the parish. The Parish Finance Council should be aware of the mission and goals established annually by the Parish Pastoral Council.
3. The pastor is obligated by Canon Law to consult the Parish Finance Council on certain matters (see C.1 above). Although the pastor is not obliged to follow the recommendations of the Parish Finance Council, the pastor should not act against such advice, especially when there is a consensus, unless there is an overriding reason. A prudent pastor would not ignore the advice of the Parish Finance Council unless there is a serious reason to do so.
4. When appropriate, outside advice and counsel can be sought when specific expertise is needed. The Parish Finance Council may draw upon the skills of parishioners who are knowledgeable in business, law, accounting and communication. Persons with professional knowledge and experience in engineering, construction, maintenance and purchasing could also make a significant contribution and should be consulted when advisable.
5. Meetings should be convened at least four times per year, or more frequently as deemed necessary by the pastor.

6. Members of the Parish Finance Council should observe strict confidentiality concerning all matters discussed at Council meetings, or provided to them in confidence. Members shall always speak and act, inside and outside of the Parish Finance Council in a manner supportive of the Parish.
7. Diocesan Financial Policies should be available to assist the work of the Parish Finance Council.
8. The Dean may be consulted in areas not addressed by these guidelines.