

FINANCE COUNCIL

Canon Law requires each parish to have a Finance Council. In addition, under Canon Law Section 1280, regional and secondary schools are required to have a Finance Council. The role of the Finance Council is to advise the pastor, pastoral administrator, or school administrator and Parish Council or School Board in matters of finance and in decisions involving the temporal goods of the parish or school. It is separate from the Parish Council. The Parish Council is a consultative body to the pastor or pastoral administrator in deciding how to meet the needs of the parish as a whole. Both councils are directly accountable to the pastor or pastoral administrator.

Membership of the Finance Council

In addition to the pastor, pastoral administrator, or school administrator, the Finance Council should consist of at least three members who are skilled in financial affairs or civil law. In the event a particular parish or school does not have qualified persons who are willing to serve on the Finance Council, the pastor, pastoral administrator, or school administrator should consult with the Archbishop and Chief Financial Officer of the Archdiocese for assistance in appointing persons from other parishes to serve as regular members of the council.

To minimize the possibility of conflicts of interest, it is recommended that Finance Council members not hold office in parish or school organizations or serve on the Parish Council or School Board, at the same time.

Meetings

Meetings of the Finance Council should be held monthly or as determined by the pastor, pastoral administrator, or school administrator but no less than quarterly. Each member is required to maintain confidentiality on those matters designated as confidential.

It is recommended that the pastor, pastoral administrator, or school administrator select a secretary of the Council who is responsible for recording minutes of the meetings. These minutes should be forwarded to the pastor or pastoral administrator for approval and for distribution to the other members. Copies should be maintained in a permanent file in the parish office.

Duties and Responsibilities

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

- Ensure adherence to Archdiocesan financial policies and procedures.
- Review parish or school and parish/school organizations monthly financial reports compared to budget.
- Review six-month and year end reports that are submitted to the Pastoral Center for the periods ending December 31 and June 30.

- Review fundraising, charitable gaming, and cafeteria (D-2) reports and bank reconciliations for the general account, charitable gaming account, cafeteria account and all imprest accounts.
- Periodically, or on a regular basis, request presentation of reports from representatives of other committees such as building and maintenance, special projects, school board, cemetery board, etc.
- One member of the Parish or School Finance Council should also serve on the Parish or School Audit Committee. Ensure the Internal Control Audit is conducted each year. See Audit Committee Policy for more information.
- Ensure communication of financial information to all parish members and school families at least on a regular basis, no less than annually. See Reporting Requirements Policy for more information.
- Prepare parish or school annual budget in collaboration with the pastor, pastoral administrator, school administrator, Parish Pastoral Council, School Board, and other appropriate parties.
- Be involved in long-range planning, including making recommendations based upon economic climate and financial trends with regard to parish investments, insurance, or other fiscal matters.
- Assist in the ongoing oversight of maintenance of all physical plant facilities and all expansion and renovation or demolition projects.
- Ensure inventory of parish goods is up-to-date and that insurance coverage is adequate.
- Review all unbudgeted expenditures over \$1,000.
- Ensure that bequests/gifts with restricted purposes that are received by the parish or school are administered in accordance with the donor's wishes. Ensure that a permanent file on such gifts is being maintained.
- Ensure that parish or school tax-exempt status is maintained through compliance with federal, state and local laws, statutes, and regulations.
- Ensure that employment and personnel policies conform to church and civil law.
- Ensure that collections mandated for the Archdiocese are announced in advance in the parish bulletin or advertised in other ways, taken-up and forwarded to the Archdiocese within 30 days.

The Finance Council must be kept informed by the pastor, pastoral administrator, or school administrator and bookkeeper of all parish financial matters and be provided with copies of the Archdiocesan Financial Policies and Procedures Manual. **The Manual is also available on the Archdiocese of Louisville website: www.archlou.org.**