



SECTION 202 THE PARISH FINANCE COMMITTEE

The following section explains the purpose, selection and responsibilities of the Parish Finance Committee.

In the administration of the temporalities of the parish, Canon 532 defines the role of the pastor/pastoral life director (pld) as the juridical representative of the parish. Canon 537 introduces the element of a Parish Finance Committee as a mandated body having an advisory and consultative role on behalf of the pastor/pld.

202.1 Policy All parishes are required to have a finance committee All parishes are required to have a finance committee. See revised Code of Canon Law, Canon 537. Established by the universal law of the church, the finance committee is regulated by the norms of the Code of Canon Law as by those issued by the Archbishop.

202.2 Policy Membership The parish finance committee is made up of members of the Christian faithful selected according to the norms of law.

Procedures:

- The pastor/pld, lay corporators and parish staff (paid or volunteer) may not serve on the finance committee.
- The pastor/pld shall appoint or reappoint a member to the finance committee in writing stating clearly the term of office and the member is asked to accept in writing.
- For just cause, the pastor/pld may remove a member from office and the pastor/pld should appoint another to complete the unexpired term.
- Persons are to be selected for their expertise in general business management, banking, law, insurance and members are to have prudence, uprightness and a knowledge of the Catholic faith that will enable them to put in to practice the message of the Gospel.
- There should be no fewer than three official members of the parish finance committee.
- The finance committee gives advice to the pastor/pld and corporators. Parish staff should serve as advisors or staff to assist the finance committee in this role.

202.3 Policy Organization and Meetings The finance committee should select a chairperson, a vice chairperson and a secretary. The committee should meet at least quarterly and is required to take written minutes of its discussions, actions and its recommendations and minutes should be kept on file at the parish office.



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Procedures:

- The chairperson, vice chairperson, and the secretary, together with the pastor/pld, shall plan the agenda for the committee's meetings and shall provide for the ongoing spiritual formation of the members.
- Written minutes shall be kept on file at the parish.
- Special meetings may be called by the pastor/pld as needed according to the norms of law. The finance committee should not meet publicly, but a process must be instituted which will allow parishioners a voice or hearing during their meetings.
- Committee members are expected to attend all meetings and be aware of all ministries and key personnel in the parish.
- The names of the committee members should be known to the parishioners and a means of contacting them should be publicized.

202.4 Policy Functions The finance committee has the following functions:

202.4a The finance committee shall oversee the implementation and maintenance of a complete and accurate accounting system in accordance with Archdiocesan policies and guidelines.

202.4b The committee shall assist the pastor/pld and staff in the developing of an operating and capital budget. Once the budget is complete, it should be presented to the pastoral council and then to the pastor/pld for review, acceptance and approval.

202.4c The committee is responsible for the internal accounting controls over the parish's financial operations.

202.4d The finance committee is responsible for ensuring completeness and accuracy of parish finances.

Procedures:

- The finance committee should receive a monthly reporting package which includes a balance sheet, income statement and a bank reconciliation for each bank account.
- The committee will review monthly comparisons of actual revenue and expenditures with the budget, the investments and the overall financial operation of the parish.



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- The committee should assist the pastor/pld in compiling and/or reviewing the annual financial report due by July 31st, as well as the required quarterly reports due 30 days after quarter end.
- The committee shall provide the pastoral council with periodic financial reports (at least quarterly) showing actual compared to budget income and expense.
- The committee shall also assist in the preparation and/or review of the annual financial report to the parish community.
- The committee shall provide guidance to the parish business manager and/or the parish bookkeeper in the performance of duties associated with those positions.
- The committee shall exercise oversight over all parish investments and all finances relating to the parish or its school or any other parish life programs done in the name of the parish and operating under the parish's Federal and/or State tax exemption.
- The committee should assist in the developing of a financial plan to cover the cost of future repairs, maintenance and capital expenditures and capital expenditures
- The committee should monitor all fund-raising programs as approved by the pastor/pld and parish council.
- The committee shall review with the pastor/pld and oversee the implementation of the recommendations from the Archdiocesan Internal Audit.

202.5 Policy Relationships

202.5a Archbishop Every parish finance committee is to work in communion with the Archbishop and those entrusted by him with the administration of the goods of the church.

202.5b Pastor/pld The parish finance committee is a committee of the pastoral council and is advisory to the pastor/pld in his or her role as secretary/treasurer of the parish corporation, who represents the parish in all legal matters and who is to administer the goods of the parish in accord with the norms of canon law. In major financial matters, the pastor/pld may only act after having consulted the finance committee. The pastor/pld is not obliged to follow the committee's recommendation but should give it great weight.

202.5c Corporators The Board of Corporators, including the pastor/pld, has the responsibility to oversee the actions of the finance committee and ensure that the committee is carrying out all required functions. See 202.4 for required functions.

202.5d Parish Council Because the parish mission correlates directly to finances, the finance committee in the Archdiocese of Baltimore is a committee of the pastoral council and has the



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responsibility to report major financial matters to the council. The committee should regularly report on the state of parish finances to the council, including any major factors or trends that could have budgetary impact.

202.5e Parish School In those parishes which operate a school, the parish finance committee has the same oversight over the school's financial activity as over other parochial business.