
PARISH FINANCE COUNCIL

POLICY TRAINING – SEPTEMBER 2018



PARISH FINANCE COUNCIL – POLICY TRAINING

The Finance Council is a body required by the 1983 Code of Canon Law.

The Diocese of Dallas (the “Diocese”) directs that all pastors and administrators establish and maintain a Finance Council in the Parish.



PARISH FINANCE COUNCIL – POLICY TRAINING

- Canon 537 – *Each parish is to have a Finance Council which is regulated by universal law as well as by norms issued by the diocesan bishops; in the council the Christian faithful, selected according to the same norms, aid the pastor in the administration of parish goods with due regard for the prescription of canon 532.*
- Canon 532 – *The pastor represents the parish in all juridic affairs in accord with the norm of law; he is to see to it that the goods of the parish are administered in accord with the norms of canons 1281-1288.*

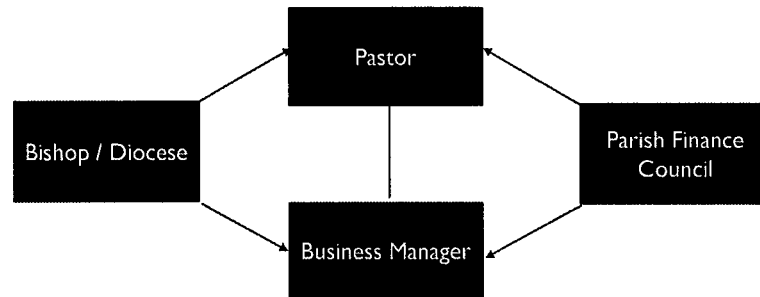


PARISH FINANCE COUNCIL – POLICY TRAINING

- **Why are we here?**
 - Thank You!
 - Information
 - Collaboration



PARISH FINANCE COUNCIL – POLICY TRAINING



PARISH FINANCE COUNCIL – POLICY TRAINING

- Internal Audit – Top Issues
 - Cash Receipts / Controls
 - Bank Reconciliations
 - Accounting / Budgeting / Financial Reporting
 - Finance Council Engagement

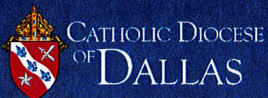


PARISH FINANCE COUNCIL – POLICY TRAINING

- Parish Finance Council – Top Issues
 - Not meeting regularly / consistently
 - Not the right mix of individuals
 - Financial Reports not complete or timely
 - Relationship / Communication between Pastor and Council



STRUCTURE AND OPERATION



PARISH FINANCE COUNCIL – POLICY TRAINING

- Membership and Size
 - Pastor or Administrator appoints 3 to 9 voting members
 - Pastor or Administrator is administrative head of the parish (not included in the 3 to 9 members)
 - Business Managers attend meetings / answer questions (not included in the 3 to 9 members)
 - Members must have demonstrable skills or expertise in a financial or business field



PARISH FINANCE COUNCIL – POLICY TRAINING

- Membership and Size
 - Any conflicts of interest need to be disclosed and resolved
 - No Parish employee or member of the family of an employee or relative of the pastor may serve on the Finance Council
 - No member should serve on the Parish Finance Council at the same time as a closely related person
 - Pastoral Council or School Advisory can be ex-officio (non-voting) members



PARISH FINANCE COUNCIL – POLICY TRAINING

- Terms
 - Each person elected to 1, 2 or 3 year terms – based on parish need and member skills
 - Members may be reappointed but should not serve more than 6 consecutive years
 - Former Finance Council members who have not served on the Finance Council for two (2) consecutive years may be re-appointed by the pastor in his discretion
- Chairperson
 - Assist the Pastor in coordinating work, preparing for meetings
 - Elected for one-year term, may be reelected but serve no more than two consecutive years
- Secretary
 - Elected at first meeting; must keep minutes, which are archived



PARISH FINANCE COUNCIL – POLICY TRAINING

- Meetings
 - Finance Council must meet at least 4 times per year
 - Notice, agenda and background materials for the meeting should be provided at least one week in advance
 - Failure of a member to attend three consecutive meetings shall constitute grounds for removal (in Pastor's discretion)
- Subcommittees
 - May be established as deemed necessary
 - Examples are Budget, Facilities and Maintenance and Development Subcommittees



ROLES AND RESPONSIBILITIES



PARISH FINANCE COUNCIL – POLICY TRAINING

- Financial Management and Banking
 - Monitor compliance with Diocesan financial management and accounting system requirements and policies
 - See link at <https://www.cathdal.org/Finance>
 - Advise on management of parish funds and banking arrangements
 - Monitor financial management of investments of Parish and school funds
 - Assist the Pastor in the hiring and regular evaluation of the Parish Business Manager or anyone providing business services to the parish



PARISH FINANCE COUNCIL – POLICY TRAINING

- **Budgets and Reporting**
 - Review and approve the annual Parish Budget
 - Parish budgets should be approved by 6/1, preceding the beginning of the new fiscal year, and entered into Quickbooks by 7/1, the beginning of the new fiscal year
 - At least quarterly, review the revenue, expenses, cash position and cash flow of the Parish and Parish School.
 - Revenue and expense should be compared to budget and variances analyzed
 - Trend reports should be used to review results by program, Parish and school
 - Develop a plan for systematic payment of any Parish debt



PARISH FINANCE COUNCIL – POLICY TRAINING

- **Fiscal Year-End Reporting**
 - Review results of external annual audits or financial reviews
 - Review results of audits conducted by Diocesan internal audit; ensure implementation of findings
 - At fiscal year-end, provide the audit or review to the Diocese, along with a letter of Finance Council members, titles and meeting dates
 - Communicate results of the annual financial report to the Parish community



PARISH FINANCE COUNCIL – POLICY TRAINING

- Fundraising
 - Support and assist in the Annual Diocesan Appeal
 - Assess the effectiveness of existing fundraising programs and recommend changes as needed
 - Review new fundraising proposals to ensure consistency with Parish and Diocesan mission
 - Ensure restricted contributions are separately accounted for and used in accordance with donor intent



PARISH FINANCE COUNCIL – POLICY TRAINING

- Other
 - Consult on the construction or renovation of parish facilities. Assist in planning for repair and replacements of assets
 - Recommend the purchase, sale or leasing of property in accordance with Diocesan policy
 - Ensure adherence to risk management procedures related to the assets of the Parish and School (contracts, repair and maintenance of assets, safety)
 - Monitor the process to meet all requirements of federal and state tax laws



PARISH FINANCE COUNCIL – POLICY TRAINING

- Approvals Needed by Parish Finance Council
 - Approval of Parish and School Budgets by June 1st
 - Any expenditure in excess of the lesser of \$50,000 or 5% of prior year's ordinary annual revenue that is not recurring and reflected in the written, approved budget



PARISH FINANCE COUNCIL – POLICY TRAINING

- Approvals Needed by Parish Finance Council plus Bishop / Diocese
 - Any expenditure in excess of \$100,000 that is not recurring and reflected in the written, approved budget
 - Any capital improvement or repair / renovation project that involves a projected cost in excess of \$100,000 also requires approval of the Diocesan Building Commission. If worship space is involved, project may also need approval from Committee for Sacred Spaces.
 - Any financing or refinancing with any lender
 - Any initiation of litigation or arbitration or any settlement



PARISH FINANCE COUNCIL – POLICY TRAINING

- Approvals Needed by Parish Finance Council plus Bishop / Diocese
 - Lease of property owned by a Parish when the market value of property exceeds \$100,000 or the lease has a term of one year or more
 - Fundraising campaigns for capital projects, endowment funds, etc.
 - Acceptance of a donation of any real estate



PARISH FINANCE COUNCIL – POLICY TRAINING

- Consent Needed by Diocesan Finance Council and College of Consultors
 - Expenditure in excess of \$750,000
 - Refinancing or refinancing with any lender in excess of \$750,000
 - Resolving an individual or aggregate claims by settlement in excess of \$750,000
 - Lease of property owned by a Parish when the market value of property exceeds \$1,000,000 or the lease has a term of three years or more

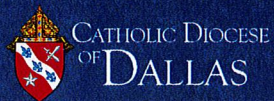


PARISH FINANCE COUNCIL – POLICY TRAINING

- Consent Needed by Diocesan Finance Council and College of Consultors
 - Sale of assets with a fair market value of the greater of \$25,000 or 10% of prior year's annual ordinary income
 - Filing a petition for relief under Title 11 of the United States Code (US Bankruptcy Code).
 - Regular management or operation of a trade or business that is not substantially related to the performance of the Church



INCORPORATION OF PARISHES



INCORPORATION OF PARISHES

- Effective date is November 1, 2018.
- Providing a civil structure that matches Canon Law.
- Certificates of formation and bylaws will be filed with the State of Texas.
- Generally, Parish names will not change. For some parishes, the location may need to be added.
- Each parish will be separately incorporated as one entity. DBA filings will be made for each Parish School.



INCORPORATION OF PARISHES

- Board of Directors
 - 3 voting members: Bishop, Vicar General and Pastor
 - Secretary and Treasurer – Appointed by the Pastor
 - One or two lay members may also be appointed by the Pastor
- Parish Decisions
 - Under Canon Law, Pastor is in charge of the Parish with certain powers reserved to the Bishop
 - After incorporation, Pastor is President of the Corporation, subject to the same reserved powers of the Bishop
 - Day to day operations will continue to be directed by the Pastor as in the past
- Parish Finance Councils and Pastoral Councils Remain



INCORPORATION OF PARISHES

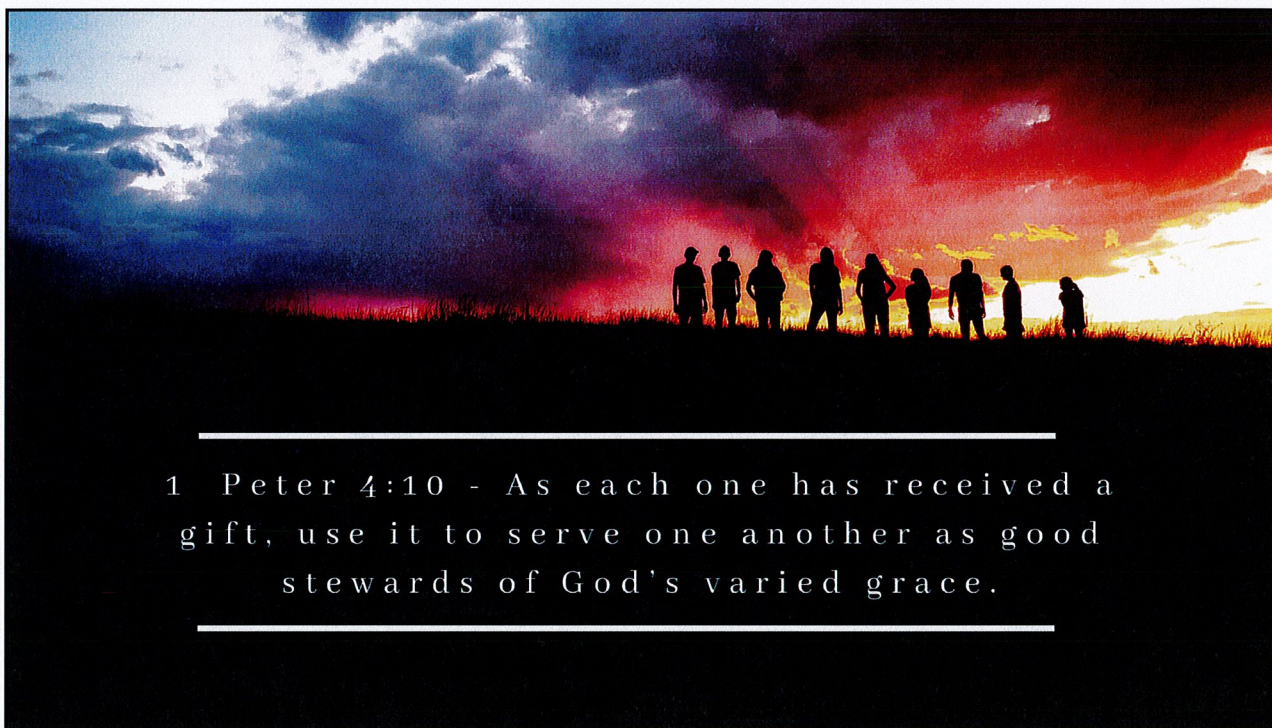
- Non-profit status will continue to exist through the Official Catholic (PJ Kennedy) Directory
- Parish's Federal Employer Identification Number is not affected
- Policies of the Diocese remain
- Employee health and benefit programs and procurement of property / casualty insurance for Parishes remains in place
- Parish Services agreement will document services provided by the Diocese
- Real property is currently held in the Bishop's name. After incorporation, property will be held by the Parish Corporation itself



INCORPORATION OF PARISHES

- Parish Tasks
 - Listing of bank accounts
 - Contact banks / lenders to alert them to Parish incorporation
 - Verify property listing
 - Sign incorporation documents
 - Change names on bank accounts, loans and leases
 - Sign Parish Services agreement





PARISH FINANCE COUNCIL / INCORPORATION

Questions?

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