

**The Parish Finance Council
of
[Name of Parish]**

CONSTITUTION and BYLAWS

Article I (Name)

The name of this organization shall be the Parish Finance Council of the [Name of Parish] (Parish Finance Council).

Article II (Mission)

The mission of the Parish Finance Council is to support the Pastor in his stewardship of parish financial resources. The Parish Finance Council is also accountable to the parish community and to the Bishop of Corpus Christi.

Article III (Purpose)

The Parish Finance Council is a mandated body that has an advisory and consultative role with the Pastor of the parish (canon 537, *Code of Canon Law*). An active, well-formed council is a key element for promoting the financial health of a parish, assuring accountability, and assisting the Pastor with his temporal responsibilities. The Pastor and the members of the Parish Finance Council must share information, listen and contribute to discussions, and promote consensus.

Article IV (Responsibilities)

The responsibilities of the Parish Finance Council regard the temporal matters of the parish. The Parish Finance Council must observe both canon and civil law in sound management of the temporal goods of the parish. The advice of the Parish Finance Council must be sought for both acts of ordinary administration and acts of extraordinary administration in accordance with Canon and particular law.

In addition to those responsibilities specified in the *Code of Canon Law*, the responsibilities of the Parish Finance Council include the following:

1. Become knowledgeable of Diocesan fiscal policies and norms as well as attend any training sessions offered by the Diocese, in order to provide advice to the Pastor.
2. Evaluate compliance with Diocesan fiscal policies and assist the Pastor in meeting the obligations. When necessary, bring any concerns about irregularities to the

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appropriate authorities.

3. Receive and study budget requests and propose an overall parish budget to the Pastor.
4. Ensure that all financial obligations of the parish, including those to lenders and programs of the Diocese, are included in the budget.
5. Review at least quarterly the financial reports, including balance sheets, income statements, comparisons to budget as well as prior year results and cash flow analysis.
6. Review the financial statements of all accounts to verify cash balances of bank accounts.
7. Review the budget to actual comparisons by individual program category and identify and investigate significant variances from budgeted figures.
8. Review maintenance and utility costs in order to minimize costs through preventative maintenance, energy conservation, and the implementation of risk management programs and recommendations.
9. Review internal controls and procedures in order to:
 - a. Ensure that the Diocesan-required procedures for cash receipts, cash disbursements, and the administration of bank accounts, petty cash, and payroll are being followed.
 - b. Participate in the development of a procedure for approving new banking accounts, including those for auxiliary groups, if written procedures do not exist. Written procedures should specify that the Parish Finance Council approves new bank accounts before they are opened.
 - c. Review the financial reports for the general operations of the parish and other parish organizations or programs with bank accounts or revenue collection responsibilities to determine if proper accounting practices and internal control procedures are in place.
 - d. Identify areas where internal controls may be lacking or proper accounting practices are not applied and make recommendations to the Pastor as to how those areas can be corrected.
10. Oversee parish investments in accord with Diocesan Guidelines.
11. Provide advice as to the management of parish funds and banking arrangements.
12. Review the Annual Financial Report and the representation letter that must be submitted to the Diocese, as specified by the Diocesan Bishop.
13. Provide assistance regarding the communication of the Annual Financial Report to

the parish community.

14. Provide advice as to the parish's compliance with Diocesan policies and recommendations of the United States Conference of Catholic Bishops regarding conflicts of interest, protection of whistleblowers, and fraud detection, reporting, and prevention.
15. Provide advice on the use of undesignated bequests or other unbudgeted revenue.
16. Provide advice when hiring or evaluating a business manager or anyone providing business services to the parish.
17. Review fundraising activities to assess the effectiveness of existing programs and recommend new programs or changes if existing revenues are insufficient.
18. Meet annually with any auxiliary groups to review the reporting of last year's activities and review the budget for the coming year. Assess the accounting practices and internal controls in use by such groups to ensure compliance with Diocesan policies. Review the activities of the auxiliary groups to ensure they are not jeopardizing the tax-exempt status of the parish.

Article V (Membership and Terms of Office)

Members of the Parish Finance Council are freely appointed by the Pastor. The Parish Finance Council is comprised of at least three lay members who serve three-year terms with the possibility of one additional consecutive term. Former members are eligible for reappointment after having vacated the Council for a single term. The appointment of Parish Finance Council members shall occur at the beginning of the fiscal year (July 1st) and end on June 30th unless a vacancy occurs. Members of the Parish Finance Council should be parishioners of the parish. Members of the Parish Finance Council must be current in their safe environment program compliance and have completed a background check. The Pastor is to use his discretion in the selection of qualified members from among the faith community.

Members of the Parish Finance Council must be (1) practicing Catholics in full communion with the Roman Catholic Church and its bishops and have received baptism, first communion, and confirmation; (2) at least 18 years of age, (3) of good reputation and outstanding in faith and virtue, and (4) possess expertise or experience in management or financial affairs or civil law. A member cannot be restricted from full sacramental participation or are otherwise under canonical penalty or censure. Employees of the parish or members of their immediate family are not eligible for appointment to the Parish Finance Council. No relative of the Pastor may serve on the Parish Finance Council.

Article VI (Vacancies)

Vacancies on the Parish Finance Council by reason of resignation, death, disability, or other cause shall be filled by appointment of the Pastor. Individuals can nominate themselves or others to fill vacancies identified through normal attrition of three-year term each May as open positions arise. The Parish Finance Council will review and provide input for the selection by the Pastor during the month of June. Parish Finance Council members who seek to resign their position should submit a written letter of resignation with signature to the Pastor.

Members are subject to removal by the Pastor whenever the conduct or action of that individual violates the teachings, principals, and beliefs of the Roman Catholic Church or Diocesan Policy. Members with three unacceptable absences during a fiscal year shall forfeit their position and therefore create a vacancy. An example of an acceptable absence might include sickness and short-term disability.

A member of the Parish Finance Council may serve as a representative to the Parish Pastoral Council to facilitate communication between the Councils.

Article VII (Officers)

The Officers of the Parish Finance Council will be the Vice Chair and Secretary. The Pastor will appoint the officers. The Vice Chair will perform the duties of the Pastor regarding the meetings upon the request of the Pastor. The Secretary will record and distribute the minutes of each meeting at least three days prior to the next scheduled meeting.

Article VIII (Meetings)

The Pastor is to preside over all meetings and deliberations. The Pastor will preside in a parliamentary manner at all meetings that require a formal vote. The Pastor will prepare the agenda and select the hour and location of the meetings. The Parish Finance Council will meet at least once a quarter and more frequently if necessary. The regular time and location of the Parish Finance Council meetings will be set by the Pastor. Adequate notice of the meetings must be provided to members.

A quorum of a majority of members is necessary to conduct a Parish Finance Council meeting. The Pastor must be present at every meeting of the Parish Finance Council. A quorum for the conducting of business at any meeting of the Parish Finance Council shall be a majority of voting members of the Council. No recommendation, vote, or formal action of the Parish Finance Council may be conducted without the presence of the Pastor.

The meetings of the Parish Finance Council may be open to members of the parish at the discretion of the Pastor. The Parish Finance Council may, by consensus of the members present, or if called by the Pastor, hold an executive session closed to the public when confidentiality of the subject takes precedence over the interest of public attendance. The parish Business Administrator should attend Parish Finance Council meetings in a consultative, non-voting

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capacity, unless the Pastor determines otherwise. Parish employees who provide support to the Parish Finance Council should be available to respond to questions at the request of the Pastor.

The parish should retain meeting minutes, agendas, handouts, reports, and materials reviewed during the meeting for future reference by either internal or external parties in accord with the Diocesan Policy.

At the discretion of the Pastor, a meeting may be held by means of a conference telephone or similar communications equipment, another suitable electronic communications system, including videoconferencing technology or the Internet, or any combination of those means.

ARTICLE IX (Confidentiality)

Members of the Parish Finance Council must maintain confidentiality on those matters designated as confidential. Materials such as agendas, meeting minutes, and review materials should not be disclosed to others if designated as confidential.

Article X (Amendments)

This Constitution and Bylaws may be amended by a two-thirds majority vote of attending Parish Finance Council members. Prior to adoption, any amendments must be approved by the Pastor and the Bishop of Corpus Christi or his designee.

Article XI (Vacancy of Pastor)

If the Pastor is no longer appointed to the parish because of a transfer, retirement, or death, all activity of the Parish Finance Council shall cease until a new, duly appointed Pastor or an administrator, takes possession of the parish. The new Pastor should first seek counsel from the existing Parish Finance Council and should be reluctant to dissolve the Council, but after careful deliberation may do so.

[Name of Pastor]

Pastor

Date

[Name of Vice Chair]

Vice Chair

Date

Most Reverend Wm. Michael Mulvey, STL, DD
Bishop of the Diocese of Corpus Christi

Date