
Parish Finance Council Policy

Diocese of Marquette

Administration & Finance

January 1, 2022



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IOANNES FRANCISCUS

Divina Miseratione et



Apostolicae Sedis Gratia

EPISCOPUS MARQUETTENSIS

DECREE

PROMULGATION OF THE PARISH FINANCE COUNCIL POLICY

Following a review of the Parish Finance Council Guidelines of the Diocese of Marquette and in light of the 2020 Instruction, *Pastoral Conversion*, issued by the Congregation for Clergy, it was deemed opportune to significantly revise and update the former guidelines and to issue the new Parish Finance Council Policy as particular law. These norms will provide an important instrument to pastors in their duty of administering the goods of their parishes.

Having heard the Presbyteral Council on May 18, 2021, after its review of the proposed policy and receiving a positive recommendation; it is my decision to establish this policy.

Therefore, in accord with canons 8 §2, 29, and 391 §1 I hereby decree and promulgate as particular law, for the Diocese of Marquette, the Parish Finance Council Policy.

The former Parish Finance Council Guidelines of the Diocese of Marquette are replaced by the new Parish Finance Council Policy.

Any policy or particular law of the Diocese of Marquette that is contrary to the Parish Finance Council Policy is hereby repealed and abrogated.

The provisions of this decree shall become effective January 1, 2022.

Given at the chancery in Marquette, Michigan this 30th day of September in the year 2021.

A handwritten signature in blue ink that reads '+ John F. Doerfler'.

Most Reverend John F. Doerfler, STD, JCL
Bishop of Marquette

A handwritten signature in blue ink that reads 'MaryAnn Bernier'.

MaryAnn Bernier, Vice Chancellor

I. GENERAL NORMS

1. Each parish is to have a Finance Council established as a consultative body which is presided over by the Pastor or his equivalent in Canon Law (cf. can. 537 and *Pastoral Conversion*, 102).
2. A combined Finance Council for parish groupings is not permitted, each parish must maintain its own Finance Council (*Pastoral Conversion*, 59).
3. The Finance Council is to meet at least quarterly, ideally six to twelve times per year.
4. Minutes of all Finance Council meetings are to be taken in writing and maintained in the parish office files.
5. The Pastor can require that matters discussed in meetings be kept confidential (cf. can. 127 §3).
6. When appropriate, the Pastor is to make public the actions and deliberations of the Finance Council.
7. The parish bookkeeper is to serve as a resource to the Finance Council and may attend meetings in a consultative, non-voting capacity, if requested by the Pastor.
8. One member of the Finance Council may be designated as a liaison to the Parish Pastoral Council, or one member of the Parish Pastoral Council may be designated as a liaison to the Finance Council, but a formal relationship between the two councils is not required.
9. The Finance Council may establish subcommittees as needed. Possible subcommittees include a budget subcommittee and a buildings and grounds subcommittee.

II. MEMBERS

1. The Finance Council is to be comprised of at least three members of the parish who are to be of proven good reputation and expert in financial and legal questions. In the event a particular parish does not have enough qualified persons willing to serve, persons who are members of other parishes may be appointed (cf. can. 149 §1 and Pastoral Conversion, 103-104).
2. Members are appointed to the Finance Council by the Pastor (cf. can. 537).
3. Members are appointed for five years, but when this period has expired, they may be appointed for further terms of five years (cf. can. 492 §2).
4. Members may be removed by the pastor for a grave cause, such as proven incompetence, ineffectiveness, loss of credibility, or grave neglect of duties.
5. The Pastor is to appoint one of the members of the Finance Council to serve as its chairperson and to assist in coordinating its business and activities. The Pastor may invite the chairperson to moderate the meetings of the council.
6. The Pastor is to appoint a secretary who is responsible for keeping minutes of the meeting.
7. The Pastor may invite parochial vicars to the meetings as observers.
8. The Pastor is not counted among the members of the Finance Council, but he presides over it (cf. Pastoral Conversion, 102).

III. MEETINGS

1. Before each meeting the Pastor is to convoke the members of the Finance Council, that is by the communication of the time and the place of the meeting, as well as the indication of the actions to be accomplished by means of an agenda (cf. can. 166 §1).
2. Finance Council meetings are to take place in person. When this is not possible, the Finance Council may meet by means of video conferencing, conference call, or other electronic means if members can actively participate in discussions and interact with one another, thus preserving the collegial nature of the consultation.
3. Consultation of the Finance Council members individually by email, phone calls or other means are not sufficient to replace an actual meeting of the Finance Council.
4. The consensus of the Finance Council is determined through the process of voting. Records of votes are to be documented in the meeting minutes.
5. Meetings of the Finance Council are not open to the general parish community.
6. The Finance Council may go into executive session when necessary.
7. The Finance Council cannot hold a formal meeting if the Pastor is not present (cf. *Pastoral Conversion*, 102).

IV. DUTIES OF THE FINANCE COUNCIL

1. The Finance Council is to advise the Pastor concerning the following:
 - a. Major expenditures of parish recourses that require the permission of the Bishop (cf. diocesan financial transactions policy, section III and VIII);
 - b. Proposal to buy or sell property that requires the permission of the Bishop (cf. diocesan financial transactions policy, section VII);
 - c. Investment of parish funds;
 - d. Expenditures which exceed the approved budget by ten percent.
2. The Finance Council is to assist the Pastors in the following:
 - a. Preparation and monitoring the annual parish budget;
 - b. Preparation of the Parish Annual Financial Report and Governance Report to be submitted to the Bishop (cf. can. 1287 §1 and USCCB, *Diocesan Financial Management*, 2020, p. 59);
 - c. Preparation and presentation of the annual financial report to the parish community (can. 1287 §2 and *Pastoral Conversion*, 107);
 - d. Monitoring observance of all diocesan financial policies;
 - e. Ensuring sound internal controls regarding parish operations;
 - f. Developing, updating, and recommending personnel policies, compensation plans, and other matters relating to parish employees;
 - g. Conducting periodic inspections of all parish properties and recommending necessary repairs and/or renovations;
 - h. Assessing the effectiveness of existing fundraising programs and ensuring proper licenses and documentation to comply with federal, state and local laws.
3. The Finance Council is to review the following statements at each meeting:
 - a. Statement of Activities (income statement and compare it to budget);
 - b. Statement of Financial Position (balance sheet);
 - c. Check register (this should be made available for Finance Council to review before the meeting);

- d. Members are to be provided the materials to adequately prepare for the meetings.
4. Review the activities of any parish auxiliary groups (men's/women's clubs, altar societies, parish guilds, etc.) and verify cash balances of bank accounts. Review the financial reports of auxiliary groups and review their budget for the coming year. Assess the accounting practices and internal control procedures in use to ensure compliance with diocesan policies. Review the activities of the auxiliary groups to assure that they are not jeopardizing the tax-exempt status of the parish (USCCB, *Diocesan Financial Management*, 2020, p. 60).

V. CONFLICTS OF INTEREST

1. Any person who may have a conflict of interest in view of other services, either paid or unpaid, rendered to the parish by the Finance Council member, the member's family or the member's business is ineligible to serve as a member of the Finance Council (USCCB, *Diocesan Financial Management*, 2020, p. 62).
2. On an annual basis the Finance Council members should disclose in writing any known financial interest that the individual, or a member of the individual's family, has in any business entity that transacts business with the parish (ibid.).
3. No parish employee or member of the family of an employee or relative of the pastor may serve on the finance council (ibid.).
4. Members of the Finance Council may serve in other volunteer service roles in the parish such as other committees or boards if, in the judgment of the pastor, such dual service will not create conflict of interest situations. The role of the Finance Council must never be impaired (ibid.).
5. No member should serve on the Parish Finance Council at the same time as a closely related person (e.g. husband and wife, parents and children/grandchildren, etc.) (ibid.).

APPENDIX 1: GUIDANCE FOR FINANCIAL REPORT TO PARISHIONERS

Each parish is required to provide/make available a report of the financial condition of the parish at least one time per year. There is no required format for such a report; however, at a minimum the following should be included:

Key balance sheet (statement of financial position) items:

- Amounts in checking accounts;
- Amounts in savings accounts;
- Amounts in investments accounts;
- Any capital campaign accounts;
- Any parish debt;
- Total assets;
- Total liabilities;
- Fund balance.

Key income statement (statement of financial activity) items:

- Total revenues/receipts;
- Assessable receipts;
- Fund raising receipts;
- Total general receipts;
- Administrative expenses;
- Religious education expenses;
- Other parish administrative expenses;
- Benefits and insurance expenses;
- Plant operation expenses;
- Fund raising expenses;
- Capital outlays;
- Total expenses;
- Receipts over (under) expenses.



Diocese of Marquette

1004 Harbor Hills Dr.

Marquette Michigan 49855

(906) 225-1141

www.dioceseofmarquette.org