



# DIOCESE *of* MADISON

## PARISH FINANCE COUNCILS

The Parish Finance Council is a consultative body of lay persons, mandated by canon law, whose purpose is to advise the pastor in matters pertaining to the financial affairs of the parish.

Canon 537 of the *Code of Canon Law* states, “In each parish there is to be a finance council which is governed, in addition to universal law, by norms issued by the diocesan bishop and in which the Christian faithful, selected according to these same norms, are to assist the pastor in the administration of the goods of the parish, without prejudice to the prescript of canon 532.”

The pastor has authority from the Bishop and the universal law of the Church to decide and act on behalf of the parish (cf. canon 532). The Parish Finance Council is strictly advisory to the pastor, and though the pastor should be attentive to its advice and recommendations, those recommendations do not have binding force. It is important, therefore, that the pastor be central to the deliberations and the functioning of the Parish Finance Council. The relationship between the finance council and the pastor is one of support and mutual cooperation.

### MISSION OF THE PARISH FINANCE COUNCIL

The mission of the Parish Finance Council is to assist the pastor in the following ways:

- Assist the pastor in preparing and reviewing by June 1 the annual operating and capital budget for the following fiscal year (which begins on July 1).
- If the parish is reporting an operating loss for any fiscal year, the finance council should recommend budgetary proposals to bring revenues and expenditures into balance or recommend a plan to correct the deficit.
- Assist the pastor in preparing quarterly financial reports.
- Assist the pastor with the Annual Financial Report for the fiscal year which ends on June 30. The report is to be prepared and submitted to the Diocese in a timely manner, but no later than August 31.
- Assist the pastor in preparing and publishing the Annual Financial Statements and a Report for the Parish Pastoral Council and all parishioners at large. This should be completed by September 30.
- Evaluate and make recommendations to the pastor regarding the needs and effectiveness of the parish’s support through the offertory as well as the various fundraising activities that the parish initiates.
- Assist the pastor with the development of a long-range plan for the financing of necessary repairs, renovations, and purchase of equipment as needed.
- Assist the pastor with the development of a plan for systematic repayment of any parish debt.

- Assist the pastor in monitoring all parish fundraising programs and investments.
- Assist the pastor in ensuring that appropriate measures are taken to safeguard the assets of the parish from loss or damage.
- The finance council should schedule an annual review of the parish internal control environment by reviewing the Internal Control Questionnaire (ICQ) provided by the Diocese of Madison. The council should compare the responses in the ICQ with the Parish Administrative Manual to verify compliance with best practices.
- Assist the pastor in monitoring the implementation of all diocesan policies relative to financial matters, especially those detailed in the Parish Administrative Manual.
- Propose to the pastor specific parish spending guidelines.

## **MEMBERSHIP OF THE PARISH FINANCE COUNCIL**

The Parish Finance Council shall be comprised of appointed, *ex officio*, and non-voting members.

### **Number and Requirements of Appointed Members**

There shall be no fewer than three (3) and no more than nine (9) appointed members. The requirements for membership are as follows:

- The member must be a fully initiated, practicing Catholic.
- The member should regularly participate in parish life, especially attending Mass and frequenting the sacraments.
- The member must be eighteen (18) years old or older.
- The member must be registered at the parish.
- The member must complete Diocesan Safe Environment requirements and pass any required background checks, including financial (credit) checks.
- The member must attend the Finance Council Training held by the Diocese prior to taking office (from July 1, 2026).
- The member should be reputable, knowledgeable, and skilled in financial, investment, accounting, insurance, legal, fundraising, and/or building construction and maintenance matters.
- The member should be known for his/her prudent judgment and understanding of Church operations, sensitive to spiritual and pastoral issues, and abreast of Church developments.
- Members should maintain confidentiality in those matters designated as confidential, including employee information and salaries and parishioner contributions. Materials such as agendas, meeting minutes, review materials, and other information should not be disclosed to others if designated as confidential.
- Members of the Parish Finance Council may not be current employees of the parish.
- Members of the Parish Finance Council may not be related to each other, nor to the pastor or the parochial vicar, nor to any employee of the parish, nor to the treasurer or secretary trustees, whether by blood or marriage, in any degree up to and including first cousins.
- Dual membership on the Parish Finance Council and the Parish Pastoral Council or other committees/boards in the parish is discouraged in the interest of promoting broader representation and preserving the councils' respective areas of focus. However, *ex officio* or non-voting members

(e.g., the treasurer trustee) could serve as members of both the Parish Finance Council and Parish Pastoral Council.

- Members of the Parish Finance Council must avoid conflicts of interest that are detrimental to the parish. Any member of the finance council or family member having an interest in any business proposal, contract, or other transaction presented to the council for consideration, recommendation, or approval shall make prompt, full, and frank disclosure of his or her interest to the finance council and the pastor prior to acting on such contracts or transactions. The finance council meeting minutes shall disclose all conflicts of interest.

## **Appointment and Terms of Appointed Members**

Appointments shall be made by the pastor. Members should be appointed for a three-year term, renewable once. It may be helpful to stagger the terms so that there is continuity of service and no disruption to the function of the Parish Finance Council.

## ***Ex Officio* Members**

The parish's treasurer and secretary trustee shall be *ex officio* members of the Parish Finance Council. While the treasurer trustee should attend all regular and special meetings of the finance council, the secretary trustee should attend at least those meetings that address the preparation of the parish's annual budget, Annual Financial Statements, and the Annual Report to the Parish Pastoral Council and parishioners at large.

## **Non-Voting Members**

At the discretion of the pastor, one representative from the building/maintenance committee, one representative from the cemetery board/committee, and one representative of a building project committee may serve as non-voting members on the Parish Finance Council. At the discretion of the pastor, the immediate past chairperson may also serve as a non-voting member to provide institutional memory for the council.

The parish business manager/accountant/bookkeeper shall not be a member of the Parish Finance Council. However, his or her attendance at council meetings may be helpful and at times required.

## **Vacancies and Removals**

Any appointed or non-voting member of the council may resign in writing to the pastor, with a copy sent to the council chairperson. *Ex officio* members, as parish trustees, may resign their office in accord with the parish bylaws.

Any appointed or non-voting member may be removed for good cause by the pastor. Good cause includes, but is not limited to, missing two consecutive meetings without good reason, physical or mental incapacity, or failure to perform duties in an ethical and confidential manner as a council member. *Ex officio* members can be removed only in accord with the parish bylaws.

If there is a vacancy among the appointed members, the pastor shall appoint someone to serve the remainder of the term of the spot vacated.

## **OFFICERS OF THE PARISH FINANCE COUNCIL**

The officers of the Parish Finance Council shall be the chairperson, the vice-chairperson, and the secretary. They shall be appointed from the council by the pastor at the annual transition meeting when new members begin their terms.

*Ex officio* members are ineligible to serve as council officers or committee chairpersons.

### **Duties of Officers**

The pastor of the parish presides over meetings of the Parish Finance Council and receives the council's proposals.

The chairperson assists the pastor in coordinating the work of the council, in preparing for meetings and developing the agenda, and in implementing council proposals which have been accepted by the pastor. The chairperson performs other such tasks as may be delegated to him or her including, if the pastor so desires, chairing and conducting the regular meetings of the council.

The chairperson's name and a means to contact him or her must be published in the parish bulletin along with other parish contacts. He or she is called to have a good grasp of the parish's financial situation, and thus can serve as a resource whereby parishioners can ask questions or express their concerns about parish finances.

The vice-chairperson fills in for the duties of the chairperson when the chairperson is unable to fulfill them for whatever reason.

The secretary records and retains (in both paper and electronic format) the minutes of the Parish Finance Council meetings. The minutes shall be circulated among the members for their review and officially accepted by majority vote. Once accepted, the minutes should be archived as part of the parish permanent record. These minutes should be made available upon request to parishioners who are interested in council activities, respecting any confidential matters discussed at the meetings.

## **MEETINGS OF THE PARISH FINANCE COUNCIL**

The Parish Finance Council shall hold regular meetings at least four (4) times a year, although monthly meetings are highly recommended.

Special meetings of the Parish Finance Council may be called by the pastor or, with the prior approval of the pastor, by the chairperson or a quorum consisting of two-thirds of voting members. Special meetings should follow an agenda pre-approved by the pastor, and if additional business is to be conducted, the pastor must approve the additional agenda item(s).

Meetings and agendas shall be arranged by the chairperson in consultation with and approval by the pastor. The pastor and members are expected to attend all meetings except as noted above for the secretary trustee.

Priests and deacons of the parish should be invited to all meetings of the Parish Finance Council and should be encouraged to attend.

Parish Finance Council meetings shall be held at such time, place, and date as the council may designate. If necessary or useful, the pastor may allow for videoconferencing or electronic means of attending regular or special meetings. Prayer shall be an integral part of the meeting.

Advance notice of the time and place of the meetings of the council shall be published in the parish bulletin, and all members of the parish shall be entitled and welcome to attend as observers.

For the Parish Finance Council to fulfill its mission of review and deliberation, fiscal information such as parish financial reports and records must be accessible to council members. Such information must be exchanged on a confidential basis.

The pastor and chairperson may call for the creation of committees of the Parish Finance Council to deliberate and advise on specific areas – for example, a Budget Committee, an Audit Committee, a Strategic Planning Committee, or an Investment Committee.

While Council meetings are normally open to parishioners, the pastor reserves the right to close the meeting to visitors. As an example, when a question arises at a council meeting that relates to a person's right to privacy, the council may request the absence of visitors for that portion of the meeting. The content of the closed session is confidential, not recorded as part of the formal minutes of the meeting, nor made public.