

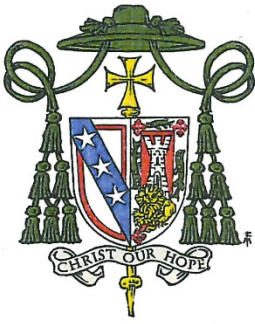
CALLED TO STEWARDSHIP

Revised July 1, 2025



Norms and Guidelines for Parish Finance Councils

Catholic Diocese of Richmond



Office of the Bishop

Diocese of Richmond

July 1, 2025

Dear Pastors and Parish Finance Council Members,

I am pleased to present to you the 2025 edition *Called to Stewardship: Norms and Guidelines for Parish Finance Councils*. This updated document reflects our continued commitment to responsible financial stewardship in the life of the Church and reaffirms the essential role that Parish Finance Councils play in supporting the mission of each parish in the Diocese of Richmond.

As you know, the establishment of a Parish Finance Council is required by Canon 537 of the *Code of Canon Law*. These councils are not optional; rather, they are a necessary structure for ensuring accountability and transparency in the administration of parish temporal resources. The participation of dedicated, competent lay faithful in this capacity serves as a valuable resource for pastors, who remain the chief stewards of the parish's resources.

The updated norms are intended to assist pastors in fulfilling their administrative responsibilities with prudence and integrity. Parish Finance Council members bring important expertise in finance, business, and management—gifts that are needed more than ever in today's complex parish environment. Together, pastors and council members share a responsibility to ensure that the financial and temporal resources entrusted to the parish are managed in accordance with Church teaching, civil requirements, and the intentions of the faithful who give so generously.

As we continue to strengthen a culture of stewardship and transparency across our diocesan institutions—parishes, schools, and ministries—I trust that this updated edition will serve as a helpful tool for fostering good governance and sound financial practices.

Called to Stewardship is also available on the diocesan website at www.richmonddiocese.org. Thank you for your ongoing service and commitment to the life and mission of the Church.

With every good wish and the assurance of my prayers, I remain

Sincerely in Christ,

Most Reverend Barry C. Knestout
Bishop of Richmond

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Introduction to Norms and Guidelines for Parish Finance Councils

The Church is responsible for the financial resources to which it has been entrusted to administer. This responsibility includes safeguarding Church assets, exercising prudence in financial matters, accounting and transparency to those who provide monetary support to the Church and to regulatory authorities, and compliance with all civil regulations. As such, the Church is committed to the highest standards of fiscal integrity and accountability.

These norms for Parish Finance Councils express the Catholic Diocese of Richmond's commitment to make collaboration a constitutive dimension of the Church and to practice reasonable stewardship of human, financial, and material resources. These norms were first issued in January 1991 and revised in March 2007. This revision is effective July 1, 2025.

Published to aid Parish Finance Councils, these norms and the information that follows draws upon the Code of Canon Law. The pertinent canons are cited in the text as the Code itself should be consulted when questions arise. These norms are published to furnish beneficial information for use by Parish Finance Councils within the Catholic Diocese of Richmond. These norms, and the attached appendices, will be periodically updated and (will be posted to the diocesan extranet with a notice to all Pastors and parish business managers) and will be disseminated to all Pastors and Parish Finance Councils.

In addition to these norms, parishes are also expected to adhere to the diocesan *Financial Policies and Procedures* manual, which is published separately and made available on the diocesan extranet.

Background:

This document is intended as an overview of the responsibilities and roles of Parish Finance Councils as defined by Canon Law and best practices for parish administration. An active and well-formed Parish Finance Council offers important and necessary support to the pastor in fulfilling his duty of being a good steward of parish resources. A well-functioning Parish Finance Council supports good management and administration of parish resources and accountability to constituents, including parishioners and the Diocese.

Because a parish holds its property as a steward of the gifts of God's creation, it should seek to model for its members the prudence, the justice, and the care that all should exercise in the stewardship of their own resources. The parish community itself has rights and obligations, and among them are holding property and carefully administering it (cc., or canons). 113 §2; 515). From its foundation, a parish enters the realm of ownership of the monies given it as offerings, of the land and the buildings it constructs, and of the furnishings and equipment it acquires (c. 1255). The very purpose of these temporal goods is the mission of the parish itself, including provision for worship and the ministries of the parish, the decent support of the clergy and others in ministry, and the works of charity (c. 1254 §2).

As the shepherd of a parish community entrusted to his care by the Bishop, the Pastor is called to share in the teaching, sanctifying and governing ministry of Christ (c. 519). To enable that ministry, he is charged with the administration of the goods of the church. He represents the parish in all juridical matters and takes care that the temporal goods of the church are administered in accord with the canons of the Code of Canon Law (cc. 532; 1281-1288), and Diocesan statutes and instructions (c. 1276) as well as the precepts or directives given by the Bishop in a particular case (c. 49).

The Pastor as the administrator of the parish does not stand alone; the Parish Finance Council is to assist him in carrying out the work of financial administration (c. 1280). Not a board of directors but a council of collaborators, the Parish Finance Council is required in every parish (c. 537). To guide Parish Finance Councils, these norms have been formulated with the assistance of the Diocesan Finance Council, drawing on the diocese's experience since 1983. They are meant to be developed further as good stewardship and sound financial management in parishes dictates.

Parish Finance Councils assist the pastor in administration of parish temporal matters. An active, well-informed Parish Finance Council is a key element for promoting the financial health of the parish, assuring accountability and transparency, while assisting the Pastor with his temporal responsibilities.

In the administration of temporal goods of the parish, Canon 532 defines the role of the Pastor as the authoritative representative of the parish:

In all juridic affairs the pastor represents the parish according to the norm of law. He is to take care that the goods of the parish are administered according to the norm of can. 1281-1288.

Therefore, while Canon Law vests much authority in the Pastor, it also places an expectation of him to be a good steward of the resources entrusted to him and fulfill his office with the diligence of a good householder. In addition to specifically requiring the Pastor to seek counsel from his finance council, Canon Law also suggests that good stewardship requires the inclusion of the Christian faithful in the administration of their gifts. The Church specifies that this expectation for good stewardship is to be further defined by the Bishop through the establishment of particular norms which mandate the manner in which a Pastor is to utilize his Parish Finance Council, and how the Parish Finance Council is expected to operate.

Establishment:

Canon 537 mandates that every parish is to have a Parish Finance Council:

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 can. 532.

The Parish Finance Council should be distinct from the Parish Pastoral Council. Established by the universal law of the church, the Parish Finance Council is regulated by the norms of Code of Canon Law as well as those issued by the Diocesan bishop.

Consultative Body to Pastor:

The Parish Finance Council works closely with the Pastor, who is accountable to the diocesan Bishop for the administration and stewardship of the temporal goods of the parish. The Pastor, according to Canon Law, has among his responsibilities, the responsibility for parish financial management. The Parish Finance Council does not have decision making authority. They are considered an advisory body where collaboration and consultation are at the heart of the decision-making process – sharing information, listening, contribution to the discussion, and promoting consensus.

As a required consultative body, the Parish Finance Council is most effective when the Pastor shares with them his responsibility for financial management. A Pastor may not abdicate his responsibility for decision making. But, to operate effectively as advisors, the Pastor must share appropriate background information as well as appropriate access to financial data so that the Parish Finance Council may be effective in offering advice and counsel.

Canon Law states that the Pastor is obligated to consult the Parish Finance Council on certain matters. Although the Pastor is not obliged to follow the recommendations of the Parish Finance Council, he should not act against such advice, especially when there is consensus, unless there is an overriding reason. In other words, a prudent Pastor would not ignore the advice of the Parish Finance Council unless there was serious reason to do so. When acting contrary to its recommendations, the Pastor should provide an explanation to the Parish Finance Council regarding the reasons for his decision.

To be effective in their responsibilities as members of the Parish Finance Council, members should have a love for their Church and its mission, and develop a thorough understanding of the parish's mission, goals, people, and other resources. The members should have knowledge of Diocesan statutes, policies, and procedures regarding temporal issues and other financial matters.

Recommended Areas for Parish Finance Council Consultation:

Below is a list of recommended areas of consultation by the Finance Council. The subsequent items should be reviewed in conjunction with the accounting policies and procedures that are further outlined later in the document.

1. The advice of the Parish Finance Council should be sought both for acts of ordinary administration and acts of extraordinary administration. However, the degree of consultation varies. The Pastor is not required to consult with the Parish Finance Council for day-to-day ordinary administration, nor is it practical. However, the Pastor might find it helpful to seek advice of the Parish Finance Council for some of these matters. For example, while the purchase of ordinary amounts office supplies is within the Pastor's authority, the Parish Finance Council may provide useful advice on strategies to reduce the cost of such recurring purchases.

According to diocesan norms the Pastor is required to consult with the Parish Finance Council regarding any commitment of parish resources over \$10,000 (for small parishes) and \$25,000 (for large parishes) as defined by *Appendix I- Limits of Authority*.

2. The parish will also need to seek written approval of the diocesan Bishop prior to performing acts of extraordinary administration. In each of these cases the Pastor must consult with his Parish Finance Council prior to seeking approval of the Bishop (c. 1281 §1). Extraordinary acts of administration are defined by the local norms and sometimes by the statutes of the parish and as outlined in this document in *Appendix I- Limits of Authority*. Specifically, acts of extraordinary administration are considered Level IV transactions and may include, but are not limited to:
 - expenditures greater than \$1,000,000 and involving a contract (construction/repair, building, tearing down or rebuilding any church building, purchase of equipment, consulting services, or services such as landscaping or cleaning).
 - acquisition or alienation of real property.
 - the sale of religious artifacts that would be considered as part of a parish's patrimony (e.g. stained-glass windows, liturgical furniture, vessels, etc.).
 - refusal of an inheritance or gift greater than \$250,000, which is subject to Bishop's discretion.
 - borrowing a sum of money greater than \$250,000 as a temporary or permanent loan or entering into onerous contracts.
 - establishing a cemetery.
 - the establishment or suppression of any parochial institution which is parish property (e.g. school).
 - entering a lawsuit as a litigant or defender.

Extraordinary acts taken without such approval of the bishop are invalid acts and may be invalid from a civil law standpoint.

3. The advice of the Parish Finance Council should be sought in the management of parish funds and banking arrangements. A limited number of bank accounts should be established and procedures for approving new accounts should be in place. The Parish Finance Council should be consulted before a new bank account is opened. This also applies to bank accounts for all auxiliary groups. (Note: The Parish Finance Council is obligated to ensure that all bank accounts are properly and timely reconciled, thus, they need to be aware of every bank account, investment account, and credit card.)

4. At least one appointed member of the Parish Finance Council is to review the bank reconciliations, bank statements, and cancelled checks for all parish bank accounts at least 4 times per year or quarterly.
5. The Parish Finance Council must review the parish budget and parish annual report. They may be involved in the preparation of both reports, particularly the parish budget, at the discretion of the pastor. After review, the chairperson of the Parish Finance Council is to co-sign each report before it is submitted to the diocesan Bishop, indicating consultation with the Parish Finance Council.
6. Annually, along with the parish annual report due on August 15th, each parish is required to send a letter to the Diocesan Bishop containing:
 - a. The names and professional titles of the members of the Parish Finance Council. If not currently employed, an indication of skills and qualifications.
 - b. The dates on which the Parish Finance Council met during the fiscal year for which the report was prepared, along with the dates of all meetings since the fiscal year end.
 - c. The date(s) on which the approved (i.e., by the Parish Finance Council) parish financial statements and budget were made available to parishioners during the preceding fiscal year and since the end of fiscal year. A copy of said published financial statements/budgets should be provided to the Bishop.
 - d. A statement signed by the Pastor and the Parish Finance Council members that they have met, developed, and discussed the financial statements and budget of the parish. A template for this correspondence can be found at *Appendix II- Annual Report Certification*.
7. The Parish Finance Council should aid in the formulation and communication of the Annual Financial Report to the parish community, as required by canon 1287 §2. The Annual Financial Report to the parish community often includes more than just financial information (e.g., description of key issues, programs and events, statistics related to Mass attendance, sacraments, school and religious education enrollment, etc.). Additionally, many parishes find it helpful to provide parishioners with semi-annual or even quarterly updates on the parish's financial condition.

Understandable, regular, and complete communications to parishioners is a key responsibility of the Pastor and is an important area for the Parish Finance Council to provide assistance. Communication keeps parishioners informed of the parish's conditions, priorities, needs, and progress on previously announced initiatives. The Annual Financial Report must be relevant and reliable to be effective. This means that the report must be accurate, issued consistently each year in a timely manner.

8. The Parish Finance Council should review any indebtedness of the parish and assist the Pastor in fulfilling his obligations under canon 1284, 5º, i.e., to “pay at the stated

time the interest due on a loan or mortgage and take care that the capital debt itself is repaid in a timely manner.” Planning for debt repayment should be an integral part of the budget process.

9. The Parish Finance Council should conduct a regular review of periodic (at least quarterly) financial reports. This includes the Statement of Financial Position (balance sheet) and Statement of Activities (income statement) both indicating the current and prior year results.
10. The Parish Finance Council should conduct a regular review of periodic (at least quarterly) detailed budget to actual comparisons by cost center/individual program category. Significant variances should be investigated and explained in meeting minute records.
11. The Parish Finance Council should review internal controls and procedures:
 - a. If written procedures do not exist, participate in the development of written procedures for cash receipts, cash disbursements, administration of bank accounts, petty cash, payroll, and any other significant processes. These procedures should be reviewed periodically for accuracy and updates.
 - b. Review the financial reports for parish general operations, parish school and other parish organizations, or programs with bank accounts or revenue collection responsibilities, to determine that proper accounting and internal control procedures are in place.
 - c. Alternatively, after consultation with the Diocesan Finance Office, the parish may engage a CPA firm to perform an audit, review, or other agreed upon procedures.
 - d. Ensure material issues raised in current and past audit reports are resolved to reduce the likelihood of financial losses or allegations of negligence.
 - e. Ensure month-end closing procedures are effective, i.e., accurate and timely.
 - f. Review and sign off that the Annual Internal Control checklist has been completed and has been retained in the parish office for recordkeeping purposes. See *Appendix V- Annual Internal Control Checklist*.
12. The Parish Finance Council should review the activities of any parish auxiliary groups and verify cash balances of bank accounts. Annually meet with auxiliary groups to review the reporting of past year’s activities and review the 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 ensure they are not jeopardizing the tax-exempt status of the parish.
13. The Parish Finance Council should be consulted on construction or renovation of parish facilities, the sale or purchase of parish property, and lease agreements. The Parish Finance Council assists the Pastor in planning for repair, replacement, or

- service of property and equipment to ensure that the parish buildings and property are adequately maintained. Review maintenance and utility costs seeking to minimize costs through preventative maintenance, energy conservation, and implementation of risk management programs and recommendations.
14. The Parish Finance Council should assess effectiveness of existing fundraising programs and recommend new programs or changes to existing programs if revenues are insufficient. Additionally, the Parish Finance Council should support parish and diocesan stewardship programs in place.
 15. The Parish Finance Council should review fundraising activities (ex. raffles, bingo, and concession sales) for acquisition of required licenses, support documentation of tax filings, actual filings of tax returns, general compliance with federal, state, and local laws, and compliance with Diocesan policies.
 16. The Parish Finance Council should become knowledgeable on Diocesan fiscal policies and norms to provide advice on implementation, evaluate compliance with Diocesan fiscal policies, and assist the Pastor in meeting those obligations. This document is published separately and made available on the diocesan extranet.
 17. The Parish Finance Council should provide advice on parish compliance with Diocesan policies and USCCB recommendations with respect to conflicts of interest, protection of whistleblowers and fraud detection, reporting, and prevention.
 18. The Parish Finance Council should provide advice on how to use undesignated bequests or other budgeted revenue.
 19. The Parish Finance Council should provide advice on hiring and evaluating a business manager, bookkeeper, or anyone providing business services to the parish. Provide advice on training that might be helpful for parish staff.
 20. The Parish Finance Council should assist the Pastor in establishing and managing parish endowments. Particularly, help ensure that the purpose of the endowment is well-defined considering the long-term needs and life of the parish and that any restricted gifts are first reviewed to ensure that the parish can accept the restriction and accepted funds are spent consistent with donor restriction(s). Similarly, provide advice and oversight for existing endowments. Acceptance of an endowment may be considered as act of extraordinary administration, requiring the written permissions of the Bishop in addition to approval of the Pastor.

Membership:

The Parish Finance Council is made up of members of the Christian faithful selected by the Pastor according to the norms of law (c. 537). Its members should be conscious that they share

in the mission God has entrusted to the Church (c. 204 §1). As they hold an ecclesiastical office, they should be in full communion with the Catholic Church (cc. 145 §2; 149; 205; 228; 512 §§1, 3; 1282; see also *Instruction, Ecclesiae de mysterio*, 15 August 1997, in AAS 89 (1997), pp. 852-877; art. 5 §2 and Catechism of the Catholic Church, 1650). An exception can be made for small parishes with the Bishop's approval.

The Pastor is not a member of the Parish Finance Council. No Parish staff person, paid or volunteer, may serve on the Parish Finance Council, however, staff may assist the Parish Finance Council accomplish its work by answering questions and providing requested information. Also excluded from the Parish Finance Council are those who are related to the Pastor or have a family or legal relationship to a parish employee engaged in financial administration.

The names of the Parish Finance Council should be made known to parishioners and a means of contacting them should be publicized.

Parish Finance Council members are not subject to financial compensation for the service to the council, however, if a member incurs expenses in the discharge of specific duties approved by the Pastor, the parish shall reimburse reasonable business expenses.

Representation and Background/ Selection:

As in other matters, the Pastor may use his discretion in the selection of qualified members of the parish community. This requirement may be waived if special expertise is sought. Where appropriate, outside advice and counsel can be engaged to obtain specific expertise.

Members of the Parish Finance Council should be chosen based on demonstrable skills or expertise in financial matters, economics, general business management, communications, banking, law, insurance, accounting, and financial investments. Additionally, people with professional knowledge in engineering, construction, maintenance, and purchasing could also make a significant contribution and should be recruited when available. Expertise can vary widely and include a business executive, accountant, lawyer, and small business owner. The unique talents within the parish community should be sought.

In addition, members are to have prudence, uprightness, and knowledge of the Catholic faith that will enable them to put into practice the message of the Gospel. Moreover, all members of the Parish Finance Council should take care to be objective and not to represent themselves in any deliberations.

The Pastor may consult the Parish Pastoral Council before appointing members of the Parish Finance Council, but the Parish Pastoral Council consultation is not required.

Number of Members:

The Parish Finance Council shall consist of at least five members of the parish community. An exception of no less than three members may be granted upon request to small parishes on a case-by-case basis. A quorum shall consist of the majority of members.

In addition, it is recommended that the Parish Finance Council have an odd number of members (to prevent ties in voting) and that except for unusual circumstances membership should be capped at no more than nine voting members.

A sample appointment letter can be found at *Appendix III- Finance Council Appointment Letter Template*.

Officers:

The officers of the Parish Finance Council shall be the Chairperson, Vice Chairperson, and Secretary. This slate of officers shall also be referred to the “Executive Committee” of the Parish Finance Council.

The Pastor shall appoint the Chairperson after the members have been through a period of discernment. The Chairperson will preside in parliamentary manner at all meetings and, in consultation with the Pastor or Administrator, will be responsible for selecting the hour and location of meetings, preparing the meeting agenda, and any other duties as assigned by the Pastor.

The Executive Committee should work with the Pastor to provide for the ongoing spiritual formation of the Parish Finance Council members (C. 231 §1) so that all might be imbued with the spirit of the Gospel, in tune with the vision and mission of the Catholic Diocese of Richmond and of the parish, and committed to the deepening of their faith and sharing it with the parish community. Prayer should be an integral part of the Parish Finance Council meetings.

Conflict of Interest/Preclusion to Membership:

All members of Parish Finance Councils serve as financial and fiscal advisors to the Pastors. No member of a Parish Finance Council can or may benefit, directly or indirectly, from a business relationship with the entity for which the members serve as a Parish Finance Council member.

A Parish Finance Council member cannot be both an advisor and have a business relationship with the entity for which the member serves as an advisor. The member may be one or the other; but cannot be both.

To avoid conflicts of interest, Parish Finance Council members cannot serve if they, their family members, or their businesses have other paid or unpaid service arrangements with the parish.

No person may serve on the Parish Finance Council at the same time as a closely related person (e.g. husband and wife, mother and son, etc.).

Members of the Parish Finance Council may serve in other volunteer service roles in the parish such as other committees or boards if, in the judgement of the Pastor, such dual service will not create conflict of interest situations. The role of the Parish Finance Council should not be vitiated.

Parish Finance Council members must annually confirm, in writing, that they are free of conflicts of interest. This includes disclosing any potential conflicts, such as financial interest (theirs or a family member's) in a business entity that transacts with the parish. The disclosure confirmation

statements should be retained at the parish and filed with Parish Finance Council minutes. In the event a change in circumstances gives rise to a real or potential conflict of interest, the situation should be disclosed in writing and submitted to the Pastor on a timely basis.

See Appendix IV- Conflict of Interest Disclosure Statement.

Role of Parish Employees:

Parish employees are not members of the Parish Finance Council; they are staff and support the Parish Finance Council who assist the Pastor in overseeing the mission of the parish. However, with the consent of the pastor, parish employees should be available to answer questions regarding parish programs, accounting, financial reporting, and internal controls. The Parish Finance Council should be provided with relevant and timely information including financial reports (statement of financial position, statement of activities, budget vs. actual comparisons, loan balance and interest payments, investment of surplus funds, and status of capital campaigns, etc.) to review.

The parish Business Manager and/or Bookkeeper should attend meetings in a consultative capacity. Likewise, when parish buildings and grounds are to be discussed, inviting staff responsible for these areas can enhance discussion. While staff members may present proposals, answer questions, and explain details, they must remain aware of and allow the Parish Finance Council to discuss and come to consensus.

Acknowledgement of Members

The Parish Finance Council roster and their contributions should be acknowledged in meetings, the minutes, and in the bulletin and other appropriate avenues.

Terms:

Members of the Parish Finance Council are to be appointed by the Pastor and are to have staggered terms of **three** years, after which the Pastor may reappoint them for **two** additional three-year terms. 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. Parishes are encouraged to consider implementing term limits as a best practice for promoting broad participation, fresh perspectives, and ongoing vitality within the Parish Finance Council.

The Pastor shall appoint or reappoint a member of the Parish Finance Council in writing (c.156), clearly stating the term of office. A newly appointed member is asked to accept the appointment in writing and to agree to conscientiously perform the duties of a Parish Finance Council member.

For a just cause, a member of the Parish Finance Council may be removed from office by the Pastor (c. 193 §3). Should a Parish Finance Council member be so removed, resign, or leave the parish, the Pastor should appoint another to complete the unexpired term.

Meetings:

In striving for transparency, openness, and accountability in its practices, meeting minutes summarizing the items discussed and the decisions reached should be recorded. Prepared agendas, distributed in advance, will keep meetings focused.

Scheduling

It is advised to plan meetings in advance and create an annual schedule of meetings times and dates to increase participation of members. The Parish Finance Council should meet with the Pastor present and should only meet on their own upon permission of the Pastor.

Meetings should be scheduled at least quarterly, or more frequently if required. Some parishes use the format of the Parish Finance Council meeting every other month with subcommittees meeting during the off months. When the Parish Finance Council is operating in a productive environment, their work can encompass 12 meetings per year. Meeting times and dates should be predictable, such as a day and week each month. Since the purpose of the Parish Finance Council is to provide advice and support to the Pastor, the Pastor should be present at the Parish Finance Council meetings. Quorums must be established for the conduct of business.

Additionally, a communication plan should be formulated among the Executive Committee to deal with Parish Finance Council matters between meetings.

Agenda and Review of Materials

Meeting agendas should be prepared in advance of the meeting by consultation between the Pastor and Parish Finance Council Chair. The agenda should list the major items for discussion. Supplying financial and other pertinent information in advance to members will facilitate a more productive meeting.

Minutes

Minutes should be recorded by the Parish Finance Council Secretary and archived as part of the parish permanent record. All actions and recommendations of the Parish Finance Council must be documented in the minutes. Copies of the minutes should be distributed to the Pastor and each Parish Finance Council member after each meeting.

Confidentiality

The Parish Finance Council must act in a collaborative way; all members should offer their opinions sincerely and if the seriousness of the matter requires it, all should maintain confidentiality (C. 127, #3). Materials such as agendas, meeting minutes, and review materials should not be disclosed to others if designated as confidential.

Parish Finance Council meetings are not typically open to the parish community. However, a process must be instituted which will allow parishioners a voice or hearing during their meetings. Communication with the parish should also occur at the onset of studying an issue to solicit needs and concerns, gifts and resources of the parish community. Reports to the community will be shared once decisions are finalized. The primary purpose of the Parish Finance Council is to provide open and honest advice to the Pastor. If the meetings occurred in a public forum, the

discussion may be too limited. The Parish Finance Council should advise the Pastor on the best ways to keep the parish informed and involved in key issues and decisions facing the parish.

Record Retention

The parish should retain meeting minutes, agendas, handouts, reports, and materials reviewed during the meeting for future reference by either internal or external parties. Therefore, it is critical to record material decisions agreed upon, resolution or follow-up on concerns raised, in order to demonstrate diligent and prudent conduct.

Subcommittees:

Some parishes may prefer to divide the Parish Finance Council into subcommittees to focus on specific responsibilities and duties. The magnitude and complexity of the different subcommittees depends on the size, resources, obligations, and needs of each parish. The Parish Finance Council coordinates the work of these subcommittees, often by following priorities established by the Parish Pastoral Council.

The subcommittees should be established and filled after consultation with the Pastor. Subcommittees should have at least one member of the Finance Council as a member. The remaining members may be filled by non-Parish Finance Council members. Non-Parish Finance Council subcommittee members may participate in discussions directly affecting their area of responsibility, but they are not entitled to vote on any measure in the Parish Finance Council.

The work of the subcommittees may encompass the following:

1. Budget subcommittee

- a. To assist the Pastor and parish staff in the preparation, presentation, and review of the annual budget for both operating and capital expenditures based upon goals and objectives determined by the Parish Pastoral Council. If a budget committee is utilized, the final proposed budget should be presented to the entire council for review before submission to the Diocese or publication to parishioners.
- b. To assist other programs and ministries in preparing and submitting their annual budgets to the parish.
- c. To study parish revenue and make recommendations to the Parish Pastoral Council for maintaining and increasing revenues to meet parish objectives and priorities.
- d. To periodically (e.g., monthly, or quarterly) review income and expenditures and make recommendations as necessary to see that the expenses are within set limits. Monitor parishioner contribution trends.
- e. To provide parishioners with periodic (e.g., semi-annual, or annual), comprehensive written reports on the parish's financial position, including a statement of activities (income statement), and statement of financial position (balance sheet). Consider verbal reports to parishioners to elaborate on key results and issues.

- f. To review the periodic financial audits of the parish performed by an independent auditor and provide advice on how to address and correct identified weaknesses. Assist in communicating results of audits to parishioners.
- g. Conduct self-administered audits of internal controls and procedures. Particularly focus on areas involving cash receipts and disbursements. Review procedures used for gathering, counting, and recording Sunday collections and controls over bank accounts. Confirm duties are adequately segregated. Share findings with appropriate Diocesan personnel.
- h. To ensure the consistent use of tamper-evident bank deposit bags along with a robust collection and counting procedure for offertory and any other significant event or activity handling cash, checks, and electronic receipts.
- i. To ensure that bank reconciliations are regularly and timely completed after each bank statement is received and that the reconciliation is reviewed by someone other than the person performing the reconciliation.
- j. To educate parishioners about stewardship and the need for parish involvement and support. If a parish has a separate stewardship committee, this responsibility will fall to that committee.
- k. To review cost-cutting measures when necessary.
- l. Monitor the method of tracking unspent restricted and designated receipts.

2. Building/Facilities and Maintenance Subcommittee

- a. Advise the Pastor regarding the results of quarterly inspection of parish facilities.
- b. Recommend repairs or replacements based on priorities established by these inspections.
- c. Develop a detailed inventory of all parish assets in accordance with canon 1283 and update the inventory on an annual basis.
- d. Assist in the development and guidelines concerning use of parish facilities.
- e. Assist in the development of parish energy conservation programs.
- f. Develop teams of parishioners who will donate time and talents for parish maintenance tasks, providing such work is allowed to be performed by volunteers under the guidelines of the Diocesan risk management and insurance programs.
- g. Review of the parish's risk management and loss prevention reports to ensure corrective action is taken where necessary.
- h. Ensure the safety and security of the parish campus is addressed and reviewed regularly.

3. Financial Planning and Development/Stewardship Subcommittee

- a. Provide long-range planning for both the financial and physical needs of the parish.

- b. Work closely with the budget and maintenance committees, the Parish Pastoral Council, and other parish organizations to adequately plan and identify for the long range financial and physical needs of the parish.

4. Nominating Subcommittee

- a. Prepare priorities for council composition.
- b. Meet with prospective council members and recommend candidates to the Pastor.
- c. Recommend a slate of officers to the Pastor.
- d. Conduct orientation sessions for new council members and organize training/formation sessions for the entire council.

5. Personnel Subcommittee

- a. Review Diocesan personnel policies, including [Called to Work in Harmony](#), to ensure parish compliance on a periodic basis.
- b. Review job descriptions annually.
- c. Ensure that all civil, Church, and legal requirements are met, specifically as they relate to employment laws.

Relationships:

To the Bishop

The Parish Finance Council is to work always in communion with the Diocesan Bishop and those entrusted by him with the administration of the goods of the Church. The norms of Church law and the present precepts or directives of the Bishop in a particular case are to be observed. His permission must be obtained where required, especially in any matters pertaining to civil law (c. 1288). The Parish Finance Council should give high priority in any matters pertaining to the Bishop's requests for consultation and should be always ready to give him an account of its own work.

The Parish Finance Council is to assist in the parish's effort to render support to the Diocese, especially in the Annual Diocesan Appeal.

In a particular case, because of hardship or another cause, the Bishop can be asked to dispense from one or another of these norms, provided reasons are given to him in writing. The Parish Finance Council may have recourse to the Bishop against a decision of the Pastor, provided the Pastor has been first asked to revoke or amend his decision.

To the Pastor

The Parish Finance Council is a consultative body to aid the Pastor 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 (c. 532).

In major financial matters, the Pastor may act only after having consulted the Parish Finance Council. (A major financial matter is one that is over five percent (5%) of the annual parish income.) The Pastor is not obliged to follow the Parish Finance Council's recommendation but

should give it great weight in making his decision. Should he decide to act contrary to it, he should offer to the Parish Finance Council the overriding reasons which led him to do so (c. 127 §2, 2).

The Pastor is to meet with the Parish Finance Council and to make available to it the financial data and records of the parish that the Parish Finance Council needs to do its work. The primary tools for collaboration between the Pastor and Parish Finance Council in managing parish finances are the budget and monthly financial reviews, encompassing both the balance sheet and statement of revenues and expenditures.

To the Parish Pastoral Council

The Parish Finance Council is separate and distinct from the Parish Pastoral Council. Since the Parish Finance Council relates to the administrative responsibilities of the Pastor, it should not be part of the Parish Pastoral Council structure. However, an officer of the Parish Finance Council may serve as an ex-officio member of the Parish Pastoral Council.

Communication between the two councils is essential to share information regarding the parish finances to implement the pastoral plans and priorities. An appropriate means of communication should be developed between the Parish Finance Council and the Parish Pastoral Council to ensure that the Parish Finance Council does not enter areas of mission, which are the prerogative of the Parish Pastoral Council. The Parish Finance Council advises on the adequacy of resources to accomplish the mission and specific ministries of the parish.

The Parish Finance Council should review the draft of the parish annual calendar as prepared by the Parish Pastoral Council.

To Other Parish Groups/Councils

Although there is no formal reporting process between the Parish Finance Council and other parish groups/councils, the Finance Council should interact with parish groups/councils to study, create, and revise plans for the effective management and use of parish resources.

To the Parish School

In those parishes which operate a school, the Parish Finance Council has the same oversight over the school's financial activity as over other parochial business, however, that oversight should be accomplished through school's separate and distinct School Finance Committee.

Each school should have its own School Finance Committee to advise the principal on the financial operation of the school, exercising the same functions for the school as the Parish Finance Council does for the parish. The Parish Finance Council should see that this is done, taking care to see that there is regular communication between the School Finance Committee and the Parish Finance Council and that the proper financial procedures are followed in a timely fashion.

The principal functions as the legal agent for the school under the direction of the Pastor. The principal of a parish school must submit a budget and an annual financial report to the Diocesan Finance Office after a review by the School Finance Committee and the approval of the Pastor.

Duties and Responsibilities:

The Parish Finance Council should establish an annual plan of its activities. Such a checklist should include the following activities:

1. Budget

- a. Assist Pastor in developing a balanced budget for each fiscal year according to the priorities and goals set by the Parish Pastoral Council as approved by the Pastor.
- b. Project and plan resources to meet specific goals.
- c. Review individual program budgets: church, religious education, auxiliary groups, etc.
- d. Review unforeseen expenditures not anticipated in the budget.
- e. Share proposed budget with Parish Pastoral Council and the general parish.
- f. Complete and submit to Bishop as required.

2. Parish Annual Report/ Year End Financial Statements/Reporting to Diocese

- a. Assist the Pastor in compiling an annual report of the parish's finances (financial statements) which is sent to Bishop by August 15th of each year (C.1284, #2, 8).
- b. Coordinate communication to the parish community of the annual report and financial position of the parish. This should include a summarized statement of financial position (balance sheet) to include all assets, including cash accounts, investments, endowments, as well as all parish liabilities and overall parish net assets and a summarized statement of activities (income statement) that agrees to general ledger report totals. Consider using printed materials, verbal presentations, and parish hall meetings. The report should be presented to the parish as soon as possible, and the date(s) recorded in meeting minutes.
- c. Assist the Pastor in preparation of the Parish Finance Council informational documents to be submitted to the diocese with the annual report. See *Appendix II - Annual Report Certification* and *Appendix III - Annual Report Sign Off Form* for template documents.

3. Financial Review

- a. Prepare the financial report, including the Statement of Financial Position and Statement of Activities for every meeting.
- b. Compare budget to the actual income and expenditures to monitor results in comparison to budget projections.
- c. Analyze year over year trend reports for programs, revenues, and expenses to plan corrective action, if necessary.
- d. Review at least quarterly the general ledger detail and reconciliation of cash and investment accounts. This can be delegated to one member of the Parish Finance Council.
- e. Review investment returns.

4. Accounting/Internal Controls/Best Practices

The Parish Finance Council must be kept informed by the Pastor and Business Manager/Bookkeeper of all parish financial matters and must be provided with copies of the [Diocesan Parish Finance Policies and Procedures](#) that can be located in the second half of this document.

- a. Verify that proper financial records are maintained timely and are complete for all parish assets and liabilities, revenues, and expenses in accord with the [Chart of Accounts](#) approved by the diocese. Maintain accurate and complete records of all financial transactions, including receipts, invoices, and financial reports.
- b. Ensure financial reporting occurs on a regular basis. Provide regular and accurate financial reports to the Pastor, Parish Finance Council, and other relevant parties to facilitate oversight and decision-making.
- c. Identify all parish bank and investment accounts, not just known operating accounts. Confirm that these account balances are reflected in the financial statements. Determine if the number of accounts can be reduced to ease administration.
- d. Ensure physical control over parish assets. Safeguard assets by securing cash, checks, and other valuable assets in a locked safe or secure location. Access should be limited to authorized personnel.
- e. Review bank account signature cards on a regular basis, at least annually. Regularly reconcile bank statements (within 30 days after period end), financial records, and other accounts to ensure accuracy and detect any discrepancies.
- f. Review the internal controls over the parish's financial operations and review in detail the parish's financial books and records to be assured these are properly maintained. Establish a process whereby the council members themselves can exercise this oversight at appropriate intervals during the year. Record the date(s) this was completed in council minutes.
- g. Review segregation of duties, to the extent possible, of personnel involved in the finances of the parish. Ensure that no single individual has control over all financial transactions from beginning to end. For example, the person receiving funds should not be the same person recording the transaction and reconciling the bank account.
- h. Review processes for authorization and approval. Transactions should be authorized by an appropriate individual (e.g., Pastor or Parish Finance Council) and approved before processing.
- i. Ensure that bequests/gifts with restricted purpose are administered in accordance with donor's wishes. Ensure that a permanent file on such gifts is maintained.
- j. Ensure that diocesan second collections are announced in advance, taken up, and forwarded to the diocese within the guidelines sent from the Diocesan Finance Office annually.
- k. Review any statements received for any parish account related to a credit or debit card, store account, purchase order, purchasing card or other similar instrument.

Verify that the purchases had necessary approvals and were for parish (not personal) purposes. Remain cognizant of the time limits for alerting card issuers of unknown charges applicable to each card.

- l. Provide oversight for all parish programs, ministries, fundraisers, and auxiliary organizations that advertise in the name of the parish and/or are enjoying its tax exemption by virtue of utilization of the parish's EIN. Verify that all financial transactions of these organizations are properly recorded and accounted for on the parish's general ledger and are included in all financial reports.
- m. Exercise oversight of parish investments, including following prudent investment strategies.
- n. Ensure that appropriate risk management practices are in place.

A comprehensive checklist can be found at *Appendix V- Internal Control Checklist*.

5. Planning for Capital Needs of the Parish

- a. Assess the current and future needs of the parish. This may include building maintenance and repairs, renovations, new construction, or major equipment purchases.
- b. Create a long-term plan that outlines the capital projects and their estimated costs over the next several years. This plan should consider the parish's financial resources and the timing of the projects.
- c. Prioritize capital projects based on their urgency and importance to the parish community. Consider factors such as safety, regulatory compliance, and the impact on parishioners.
- d. Obtain cost estimates for each capital project. Consider consulting with contractors, architects, or other experts to get accurate estimates.
- e. Incorporate the costs of capital projects into the parish's annual budget. Allocate funds for capital reserves to ensure that the parish has sufficient resources to address future capital needs.
- f. Regularly monitor the progress of capital projects and adjust the plan as needed based on changing circumstances or priorities.
- g. Keep parishioners informed about the capital planning process and the status of capital projects. Seek input and feedback from the parish community to ensure that their needs and concerns are addressed.
- h. Ensure that all capital projects comply with relevant laws, regulations, and diocesan policies.

6. Auxiliary Groups

- a. Verify that the financial activity of all auxiliary groups utilizing the parish's EIN is being recorded in the parish's books (bank accounts, revenues, expenses, etc.).
- b. Verify that all auxiliary groups are utilizing internal control best practices and are complying with all federal and state regulations and diocesan policies.
- c. Review budget and upcoming activities for the year.
- d. Review revenues and expenses along with bank account reconciliations.

- e. Meet with the groups to acknowledge their contribution of time, talent, and treasure. Reinforce financial accountability of all groups to the parish.

7. Compliance Oversight

- a. Confirm that each vendor paid by the parish has a completed Form W-9 on file. Based off the W-9, confirm that the IRS Form 1099 is completed and filed for all independent contractors providing over \$600 of services in a calendar year. This includes retired priests or priests from outside the diocese covering mass for the parish. IRS guidance can be found [here](#).
- b. Taxable activities: review supporting documentation for fundraising activities including bingo, pull tabs, and concession sales for tax filing regulation compliance.
- c. Licensing activities: review supporting documentation for fundraising activities including bingo, pull tabs, carnivals, festivals, raffles, and other events that may be restricted by a local municipality.

Change In Parish Administration:

In the event the Pastor of a parish dies, resigns, or is transferred, the Parish Finance Council ceases to function unless called upon to do so by the Regional Episcopal Vicar.

It is the prerogative of a newly appointed Pastor/Administrator to either confirm the present membership of the former Parish Finance Council or choose to appoint new members. The Pastor's final decision in this matter should occur within six months of his installation as Pastor.

In the event the new Pastor chooses to appoint new members, he is to do so only after giving proper notification to the previous Parish Finance Council.

When a Parochial Administrator is appointed to a parish because of the incapacity or ill-health of the Pastor, or for some other cause, the Parochial Administrator will assume the rights and responsibilities of the Pastor in relation to the Parish Finance Council.

If a matter involving an act of extraordinary administration or a financial decision of material significance arises, the Parochial Administrator should consult with the Diocesan Finance Office before proceeding. Major decisions that are not urgent and can reasonably be deferred should be postponed until a new Pastor is appointed, unless delaying action would cause harm to the parish.

Michael J. McGee, CFO, Diocesan Fiscal Officer

mmcgee@richmonddiocese.org

Sarah W. Rabin, Director of Finance

srabin@richmonddiocese.org

Appendix I- Limits of Authority

Level	Approval From	Size of Project
Level I Small Projects	The pastor or administrator has discretion over small projects	\$10,000 - Small parishes \$25,000 - Large parishes/schools
Level II Medium Projects (CT1545)	A review and recommendation from diocesan staff is required in order to proceed	Up to \$250,000
Level III (CT1545)	Review and approval by BARC	Over \$250,000 and up to \$1 million
Level IV (CT1545)	Approval from the bishop after hearing from the BARC, the Diocesan Finance Council, and the College of Consultors for projects over \$1 million. For projects that require borrowing more than \$250,000, the Bishop must obtain the consent of the Diocesan Finance Council and the College of Consultors	Over \$1 million and / or borrow more than \$250,000
Level V	Requires the consent of the Holy See (Submitted to the Holy See by the bishop after receiving consents per Level IV)	Borrow over \$3,500,000

Appendix II- Annual Report Certification

Parish Letterhead

{Today's Date}

Most Reverend Barry C. Knestout
Bishop of Richmond
7800 Carousel Lane
Richmond, VA 23294

Your Excellency:

In accordance with the recommendations of the Accounting Practices Committee of the United States Conference of Catholic Bishops for Diocesan Financial Reporting I am forwarding the following information regarding {CHURCH} located in {City}, Virginia.

1. These financial statements of the parish are complete for the fiscal period ended June 30, XXXX. They will be published to parishioners after receipt of letter acknowledging review by the diocesan Finance Office.
2. The Annual Internal Control Checklist, referenced in *Called to Stewardship* Appendix V, has been completed, reviewed, and signed by the Pastor and chairperson of the Parish Finance Council. A copy of the completed checklist has been retained in the parish office for recordkeeping purposes.
3. The financial statements (including, but not limited to a Statement of Financial Position and Statement of Activities) and budget were made available to parishioners, as follows:

Date of Financial Statements

Date Issued to Parishioners

-
-
-
-

4. The Finance Council regularly reviews and discusses budget and periodic financial statements. Meetings of the Finance Council during the fiscal year noted above, were held on the following dates:

Meeting Dates

-
-

-
-

The above is hereby attested to by the Pastor and members of the Finance Council (all sign):

<u>Printed Name</u>	<u>Occupation</u>	<u>Signature</u>

Respectfully submitted,

Rev. NAME

Pastor

Appendix III- Finance Council Appointment Letter Template

[Parish Letterhead]

[Parish Name]

[Parish Address]

[City, State, ZIP]

[Date]

[Name of Appointee]

[Address]

[City, State, ZIP]

Dear [Mr./Mrs./Ms./Dr.] [Last Name],

In accordance with the provisions of Canon 537 of the Code of Canon Law, which states that “*Each parish is to have a finance council which is regulated by universal law as well as by norms issued by the diocesan bishop...*”, and pursuant to the policies and norms established by the Diocese of Richmond, I am pleased to appoint you as a member of the Parish Finance Council of [Parish Name], effective [effective date].

The Finance Council plays a vital role in the stewardship and administration of parish temporal resources. As a member, you are expected to serve as an advisor in matters relating to budgeting, financial reporting, internal controls, and planning for the financial health of the parish. Your expertise, integrity, and commitment to the mission of the Church are deeply valued.

Your term of appointment will be for three years, with the possibility of renewal in accordance with diocesan norms. Regular attendance at scheduled meetings and full participation in the Council’s responsibilities are expected.

Please confirm your acceptance of this appointment by signing below and returning one copy of this letter to the parish office.

Thank you for your willingness to serve the Church in this important capacity. I look forward to working with you in support of the mission and good governance of our parish.

Sincerely in Christ,

[Signature]

Rev. [Full Name]

Pastor

[Parish Name]

Acknowledgment and Acceptance

I, [Name], accept the appointment to the Parish Finance Council of [Parish Name] as outlined in this letter.

Signature: _____

Date: _____

Appendix IV- Conflict of Interest Disclosure Statement

Parish Finance Council Conflict of Interest Disclosure Statement

I, the undersigned member of the Parish Finance Council of _____, acknowledge that my primary obligation is to act in the best interests of the parish and to maintain the highest level of integrity and objectivity in all matters relating to parish financial decisions.

I understand that a conflict of interest arises when my personal, professional, or business interests, or those of my family, may compete with the best interests of the parish or when such interests may appear to influence my decisions or actions as a finance council member.

By signing this statement, I disclose the following potential or actual conflicts of interest:

1. Personal or family relationships with parish employees, vendors, or contractors:

(Please list any such relationships or state "None")

2. Business interests with parish vendors, contractors, or other organizations providing services to the parish:

(Please list any such business interests or state "None")

3. Affiliations with organizations that may compete or conflict with the mission or financial interests of the parish:

(Please list any such affiliations or state "None")

I agree to disclose promptly any future situations that may present a conflict of interest and will recuse myself from discussions or decisions where a conflict of interest exists or may reasonably be perceived.

By signing this form, I affirm that the information provided is accurate to the best of my knowledge and that I will act in the best interests of [Parish Name] in all financial matters.

Signature: _____

Printed Name: _____

Date: _____

Appendix V- Internal Control Checklist

Internal Control Checklist

Parish _____ Parish Number _____

City _____ Fiscal Year Ending _____

This questionnaire is to be completed by each parish annually. Each question must be answered, and no answers must be explained in the comment section next to the question. If you are in doubt as to the meaning of the question, please contact the Diocesan Finance Office for assistance.

GENERAL		YES	NO	COMMENT
1	Does the parish have a Finance Council, established and operating in accordance with Canon Law, and the policies issued by the diocese?			
2	Does the have a copy of the current Called to Stewardship and Financial Policies and Procedures manual?			
3	Have the Pastor, Business Manager/Bookkeeper/ and at least one Finance Council member read Called to Stewardship and Financial Policies and Procedures manual?			
4	Is the parish in compliance with diocesan policies as outlined in Called To Stewardship and Financial Policies and Procedures manual?			
5	Are financial records retained in accordance with the Records Retention policy?			
5	Is access to ParishSOFT Accounting restricted to authorized personnel?			
6	Does the Finance Council meet at least quarterly, maintain meeting minutes, note review of all bank and credit card statements and reconciliations?			

FINANCIAL REPORTING		YES	NO	COMMENT
1	Has the budget been submitted to the diocese in accordance with diocesan policy? (Due May 15 th)			
3	Have year-end financial reports been submitted to the Diocese in accordance with diocesan policy during the fiscal year? (Due August 15 th)			

4	Has the parish given the parishioners a complete financial report for the year, including a copy of the budget and financial statements?			
5	Does the Finance Council review budget vs. actual variances on a monthly basis and make budget adjustments as necessary?			
6	Does the Finance council review and approve interim and year-end financial statements on a timely basis?			
7	Have all auxiliary groups using the parish's EIN number been recorded on the financial statements? Have they been informed of diocesan and parish financial policies and are they in compliance with them?			
8	Are books closed by the 15 th of the following month?			

PROCESS DOCUMENTATION		YES	NO	COMMENT
1	Does the parish have written cash receipts procedures?			
3	Does the parish have written cash disbursements procedures?			
4	Does the parish have written payroll procedures?			
5	Does the parish have written purchasing procedures?			
6	Does the parish have written Mass stipend procedures?			
7	Does the parish have written stole fee procedures?			

BANK ACCOUNTS		YES	NO	COMMENT
1	Are bank and investment accounts established, maintained, and reported in accordance with diocesan financial policies?			
3	Is the pastor an authorized signer on all bank accounts, including all auxiliary activity bank accounts?			
4	Are all auxiliary bank statements received directly by the parish and reviewed the pastor and parish personnel?			
5	All authorized signers on bank and investment accounts in accordance with diocesan policy (i.e. Business Manager and Bookkeeper may not be a signer on accounts)?			
6	Are unopened, monthly bank and investment statements delivered directly to the pastor, or his designee (Parochial Vicar or someone that does not have access to recording receipts and disbursements and without access			

	to check stock or ability to initiate wire transfers)? Is the statement opened and contents reviewed by that person?			
7	If bank statements are obtained online, are they downloaded by someone independent of recording cash receipts and disbursements and without access to check stock?			
8	Are monthly bank reconciliations performed for all bank accounts by someone who is independent of recording cash transactions and are all reconciling differences resolved on a timely basis?			
9	Are bank reconciliations reviewed, signed and dated by someone (Pastor) other than the preparer on a regular basis?			
10	On a test basis, are endorsements on cleared checks compared to the payee on the front of the check?			
11	Are all items including checks indicated as outstanding for more than 60 days investigated and resolved?			
12	Does the Finance Council approve the opening and closing of all bank accounts?			
13	Does a member of the Finance Council review the bank reconciliations, including cancelled checks, on at least a quarterly basis and evidence review by signing off?			
14	Are all deposits and disbursements/checks individually posted to ParishSOFT Accounting?			
15	Are funds received for Mass intentions recorded separately as a liability (2202.00P Custodial Obligations- Mass Intentions) and a record kept of all Masses said in accordance with diocesan requirements? Are all Mass intentions reported through payroll?			

CASH RECEIPTS		YES	NO	COMMENT
1	Are responsibilities for collection and deposit preparation functions segregated from those who record cash receipts and general ledger entries?			
2	Is the parish in compliance with diocesan policies with respect to cash receipts?			
3	Has the parish established offertory count procedures in accordance with diocesan guidelines and are these procedures being followed?			
4	Does the parish consistently use prenumbered tamper resistant deposit bags for offertory and significant fundraising events?			
5	Is an envelope process in place and are periodic statements sent to all parishioners giving them a record of their contributions to the parish?			

6	If a parishioner disputes their offertory statement, is the dispute resolved by someone other than personnel who handles and records cash receipts?			
7	Are all cash receipts deposited and recorded in the general ledger in the proper account on a timely basis (preferably daily)?			
8	Is all cash received deposited intact and no funds removed from the deposit?			
9	Is a restrictive endorsement placed upon each incoming check when it is received?			
10	Are records of cash received, including offertory, compared to bank validated deposit slips on a daily basis?			
11	Are "NSF" checks followed-up on immediately, resolved, and adjusted as necessary?			
12	Are restricted donations recorded as restricted and used only for the restricted purpose imposed by the donor?			
13	Are endowed funds (permanently restricted by donor) received and recorded as endowment income in the endowment entity? If received after 2015, have they been placed in the Catholic Community Foundation as required by policy?			
14	Are all bequests and trusts where the parish is a beneficiary handled in accordance with canonical and diocesan requirements for the acceptance of such gifts?			
15	Are e-giving vendor agreements on file, admin rights to vendor appropriate, and transaction activity reports retained and compared to ledger postings?			

CASH DISBURSEMENTS		YES	NO	COMMENT
1	Is the parish in compliance with diocesan policies with regards to cash disbursements?			
2	Do procedures exist to ensure that disbursements are made only for budgeted matters, or have a specific Finance Council approval if over budget, and a process to ensure that all disbursements are approved?			
3	Is cash disbursed only upon receipt of properly approved original vendor invoices or properly approved check requests?			
4	Do check signers review, initial and date, supporting documentation before signing checks?			
5	Do procedures exist to ensure that all disbursements are properly classified in the general ledger?			

6	Are unissued, blank check stock locked up and accounted for?			
7	Are checks made payable to "Cash" prohibited?			
8	Are signature stamps prohibited?			
9	Are credit cards issued and used only in accordance with diocesan policy?			
10	Does the Pastor review all credit card statements and supporting documentation monthly and sign off approval?			
11	Does the Finance Council review all credit card statements and supporting documentation at least quarterly and sign off approval?			
12	Are the use of debit cards prohibited?			
13	Are all invoices paid when due, and are all vendor discounts taken?			
14	Have funds collected for national and special collections been remitted in accordance with diocesan guidance?			
15	Is record kept of the use of restricted funds (project codes or otherwise)?			
16	Are controls over social ministry robust? E.g., committee review, detailed logs, rent or utilities paid directly to vendor rather than individual.			

OTHER PROCESSES		YES	NO	COMMENT
1	Are Form W-9s obtained for all vendors paid, except for utility companies or government entities?			
2	Is IRS Form 1099 issued to independent contractors in accordance with IRS regulations and the Form W-9?			
3	Are payroll registers reviewed, initialed and dated by Pastor?			

Acknowledgment:

We, the undersigned, acknowledge the following concerning this questionnaire:

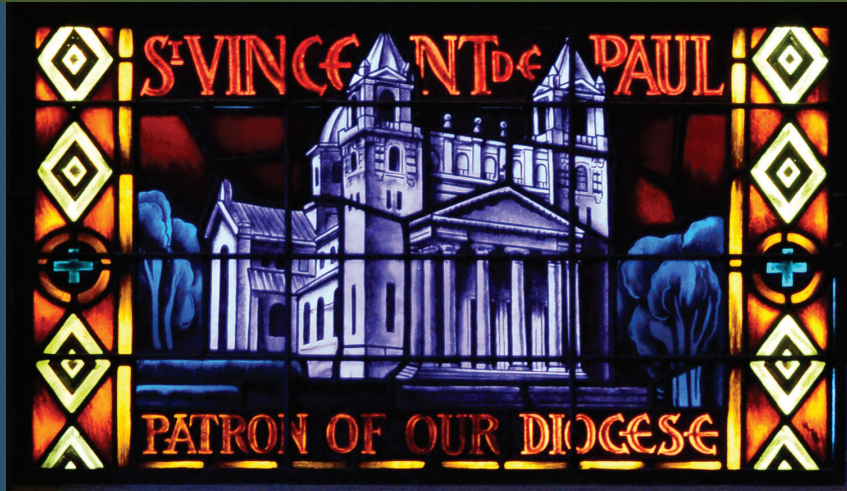
1. We are familiar with these internal controls as recommended by the diocese.
2. Where we have answered "no" to a control question, we have explained above why it was not practicable or appropriate to follow the internal control, and that we have implemented an alternative control procedure which conforms as closely as possible to the spirit of the control procedure as established by the diocese.
3. We have met to review and discuss all the above internal controls and represent that they are functioning as required except as indicated otherwise.

4. We are not aware of any parish checking, savings, or other accounts that have been omitted from the accounting records and other financial reports.

Pastor signature:

Business Manager/Bookkeeper signature:

Finance Council Chairperson signature:



Catholic Diocese of Richmond
Office of Finance
7800 Carousel Lane
Richmond, Virginia 23294