

## **NORMS FOR PARISH FINANCE COUNCILS AND PARISH ADMINISTRATION**

As a matter of justice, the Church must exercise faithful stewardship of its temporal goods. Finance councils at the diocesan level and at the parish level are mandated by the Law of the Church. There is no question concerning their necessity.

Canon 537:

Each parish is to have a finance council which is regulated by universal law as well as by the norms issued by the diocesan bishop; in this council the Christian faithful, selected according to the same norms, aid the pastor in the administration of parish goods with due regard for the prescription of Canon 532 (which names the pastor as the representative of the legal personality of the parish.)

The Bishop of the Diocese of Spokane sets forth the following norms regarding the establishment and function of parish finance councils:

**I. Establishment:**

- A. In compliance with Canon 537 of the Code of Canon Law, every parish will establish a Finance Council.
- B. A combined Finance Council may be appropriate for two or more smaller faith communities served by the same pastor.
- C. Each parish Finance Council shall develop a constitution that is in harmony with universal law and Diocesan norms. This constitution, which sets forth the elements of its own functioning, is incorporated as an appendix to the Parish's Pastoral Council Constitution.

**II. Purpose:**

- A. The purpose of the Finance Council is to provide consultation and assistance to the pastor in the financial administration of the parish. The pastor will respect the recommendations of the Council in the spirit of Canon 127. This consultation should be undertaken in a spirit of prayerful reflection. Through prayer, reflection and frank discussion of the issues brought to the Council, the members should strive to develop consensus on the issues they address.

**III. Functions of the Finance Council:**

- A. The Finance Council recommends procedures to carry out the financial affairs of the parish and assists the pastor in the administration of the temporal goods of the parish.
- B. Particular responsibilities of the Parish Finance Council include the following:
  - 1) To assist in preparation of the parish budget.
  - 2) Preparation and/or review of the financial report of the parish at the end of the fiscal year (June 30th). The Report is to be submitted to the Parish Corporation Board of Directors for the annual Corporation Meeting, and submitted to the Office of the Bishop no later than October 31, and shared with the Parish.
  - 3) Assist the pastor in carrying out the fiscal policies and procedures established by the Bishop of Spokane.
- C. The Bishop of Spokane designates these particular actions as "acts of extraordinary administration" which a pastor may not undertake without consultation with, and consent of, the Parish Finance Council.
  - 1) Sale of parish property (cf. also Articles of Incorporation, Bylaws II, Section 6)

- 2) Purchase of property
- 3) Borrowing funds from the diocese or another source.
- 4) Undertaking a capital construction project. (Cf. Building Policy, 5.03.03)
- 5) Other acts that may be designated by the Bishop of Spokane as exceeding “the limits and manner of ordinary administration” (can. 1281).

The pastor is also required to obtain a written faculty from the Office of the Bishop for these acts (cf. can 1281 §2).

#### **IV. Membership:**

- A. Members of the Finance Council are to be Catholics of the parish who are mindful of the common good, compassionate, prudent, faithful in the stewardship of time, talent and resources, who participate regularly in the worship of the community and who are competent to assist in financial management.
- B. In consultation with the Parish Pastoral Council and the parish staff, the pastor appoints the members of the Finance Council. The Council shall have at least three lay members. Terms of office shall be set forth in the Constitution.
- C. The Chair of the Finance Council serves *ex officio* as the Secretary/Treasurer of the Parish Corporation Board of Directors (cf. Articles of Incorporation #5). If there is no Chairperson, the pastor designates a member of the Council to fulfill this role.

#### **V. Meetings:**

- A. The Parish Finance Council will meet quarterly or more frequently as established by the local Constitution.
- B. The pastor presides at meetings of the Finance Council. The actual conducting of meetings may be delegated to a chairperson selected according to the local Constitution. Other officers such as a vice-chair and secretary may be selected according to the local Constitution.

#### **VI. Relationship with the Parish Pastoral Council:**

- A. The Finance Council collaborates with the Parish Pastoral Council in financing the pastoral needs of the parish. The method of collaboration is determined by the pastor through consultation with both Councils.
- B. Neither Council is to usurp the constituted responsibilities of the other. Both universal law and these diocesan norms assume that two distinct councils are formed by each parish. This does not preclude the presence of a delegate from the one council who participates in the other. Only with the permission of the Bishop may one council assume the functions of both the Pastoral and Finance Councils.

#### **VII. Suspension and dissolution of the Finance Council:**

- A. When a parish becomes vacant the Finance Council is suspended unless directed otherwise by the Bishop. In the absence of a pastor, the Bishop may appoint or confirm the appointment of one who is to administer the goods of the parish on a temporary basis.
- B. The Parish Finance Council cannot be dissolved without permission of the Bishop.

#### **VIII. Fiscal Authority:**

- A. The parishes of the diocese have been civilly incorporated as nonprofit corporations in the State of Washington. The Parish Corporation holds legal title to the real estate and moveable goods of the Parish. The Parish Corporation Board of Directors does not supersede the

Finance Council, but confirms the actions of the Council as required by the Corporation's articles of incorporation and bylaws. (Cf. Articles of Incorporation and Policy 5.02.13 of the Policy Manual) The Finance Council reviews the Articles of Incorporation and Bylaws to verify compliance with their provisions.

- B. As representative of the Parish in all juridic affairs (can. 532) the pastor has authority to administer the goods of the parish according to the norm of law (cf. canons 1281-1289) and these norms. Ordinary financial management includes signing checking accounts, yearly professional contracts, service agreements and other ordinary instruments of parish business. Acts beyond the limits of ordinary administration (cf. Art III, C) require a written faculty from the Bishop.
- C. The pastor, with the written permission of the Bishop, may delegate another person to carry out the financial administration of the parish. This person is accountable directly to the pastor, who remains the one accountable to the Bishop for the administration of the parish. In such cases, this administrator is an *ex-officio* member of the Finance Council.
- D. Pastors and Finance Councils are to act in compliance with Diocesan policies concerning Building and Remodeling as well as other policies legislated by the Diocesan Bishop (cf. Policy Manual, 5.03.03, 5.03.04).

*This provisional Policy is subject to review by the Bishop for final approval.*

*Rev. Msgr M. Pautler, Chancellor, August 1, 2022*