



Decree

The administration of parish finances is a sacred trust. All assets of the Church, including temporal goods, are "sacred" and demand much greater stewardship since they have been contributed by the people of God to be used to further the mission of the Church. As the Diocesan Bishop, it is my responsibility to ensure that the stewardship of parish finances is carried out in a manner that is compliant with civil law and canon law and to issue appropriate policies for fulfilling my administrative oversight of diocesan and parish finances.

In 2001, the *Ministry of Financial Management Diocese of Greensburg Norms for Parish Finance Councils* was promulgated. In 2012, these norms were amended and revised. The purpose of this document is to promulgate a new revised set of financial norms for parishes of the Diocese of Greensburg. The reason for the promulgation of new norms is the result of parish financial reviews that are conducted in our parishes, as well as recent situations that have arisen in some of the parishes in regard to the administration of parish finances. These norms are set forth to guide parishes in exercising best practices for fiscal management and financial transparency.

I hereby promulgate the following norms.

PARISH CHECKING ACCOUNTS

The only checking accounts permitted in the parishes are the following:

a parish operating checking account, a parish Mass account and a parish cemetery account.

There may also be separate bank accounts for parish societies. Any money that is deposited in these accounts can only be obtained through fundraisers facilitated by that society. The pastor/administrator must be an authorized check signer on all parish accounts including those for parish societies. The parish office must receive an original bank statement from the bank on all society accounts each month and retain it in the parish office. The parish is to then send a copy to the society Treasurer to reconcile. The completed reconciliation should be returned and maintained in the parish office. Regarding parish societies, besides the pastor/administrator, an officer of the society can be a co-signer on the account as a second signature. The same administrative and

financial controls of the parish apply to the society accounts. Any excess money in the bank account of the society must be transferred to the parish operating account and be recognized as a gift from the respective society. A society may purchase an item or items not exceeding a total of \$7,500 per year for the parish's benefit. Any remaining funds must be transferred to the parish operating account. As it is not the intention of the Societies to accumulate funds of "their own," each society should hold less than \$5,000 at June 30th each year. It is no longer permitted for parishes to maintain a separate checking account for festivals, fundraisers, the choir, faith formation, youth or adult ministry, needy, outreach/social ministry or any "special" funds. These activities must be carried out through the parish account. It is not permitted to accept donations to the parish through society accounts or "special" accounts. The business manager, finance council member, the parochial vicar, or deacon is not permitted to be an authorized check signer. The Deans are to be the backup check signers for all of the parishes in their deanery. Currently, small games of chance laws only require maintenance of a separate bank account if the small games of chance net \$40,000 per year. Small games of chance include bingo, calendar tickets, raffles or similar games. They do not include festival game revenues. Parishes are expected to follow the most current state law in this regard.

Pastors/administrators are not permitted to use signature stamps for checks. If the pastor/administrator uses an electronic signature on the printed checks, then the pastor/administrator must ensure that he has password protection for the electronic signature. That password cannot be shared with anybody other than the Dean, who is an authorized signer as well.

Parishes are permitted to pay bills electronically. If the parish chooses this feature, the pastor/administrator must still initial all invoices before they are entered for payment, and the invoices must be marked Paid to prevent duplicate payment. A report, similar to a check register, must be printed to list the date of payment, vendor paid and amount paid. The pastor/administrator or Dean are the only individuals who have the ability to approve payments online as this is the equivalent of signing a parish check. The Pastor/administrator must have all invoices in front of him to ensure that only parish invoices are being paid electronically.

The pastor/administrator must review all invoices with the checks attached in numerical order prior to mailing the payments to the vendor and must initial all invoices for his approval of payment.

Bank statements must come to the pastor/administrator unopened. Pastors/administrators must review the canceled checks (or the front of check copies) to verify they contain his signature. Bank statements should be reconciled monthly, and the pastor/administrator must review and initial the bank reconciliation when completed. The parish operating bank account must be reconciled by the tenth of each month.

All excess parish cash, (more than 15% of annual operating budget), is to be deposited with the Catholic Institute of the Diocese of Greensburg. Parishes are not authorized to invest money outside of the Catholic Institute or the Catholic Foundation.

The following documents are to be provided to the parish finance council at least on a quarterly basis:

1. A check listing with the check date, check number, vendor name and amount. This would also include the report that lists all electronic payments.
2. Budget to actual statements that will indicate how the parish revenue and expenses are in line with the adopted budget.
3. Reconciled bank account with bank statement attached.
4. A copy of the monthly consolidated billing and Catholic Institute statements.

PARISH CREDIT CARD

A parish may maintain a parish credit card as long as the card is in the parish name, and the entire balance is paid in full each month so no interest charges are accrued. The card must be controlled by the pastor/administrator or locked in the safe. A log must be kept of who uses the card and the purpose for which it was used. All receipts must be remitted to the business secretary immediately upon return of the card, so the receipts may be matched to the month end statement. The receipts must be approved by the pastor/administrator. A parish credit card would enable the parish to utilize its sales tax exemption. The parish should contact their financial institution to obtain a credit card, or they may need to have it secured by the pastor/administrator with his social security number.

EMPLOYEE REIMBURSEMENT

All expenses paid must be supported by accompanying original receipts. Reimbursements for mileage or other business travel expenses must include a mileage log detailing the date, business purpose of the trip and number of miles. Receipts for dining must include the names of the individuals dining and the business purpose of the meal. If no receipt is given (toll roads or tips, for example) then the amount is documented on the business expense reimbursement form and then forwarded to the pastor for approval. Receipts must be provided for all travel expenses in excess of \$10.00, otherwise the expense will not be reimbursed by the parish to the employee. All employees should retain the sales tax exemption form so the parish is not charged for sales tax since that is a waste of parish resources. If an employee or volunteer do not use the exemption form then they should not be reimbursed for the sales tax.

MONEY COUNTERS

There are required procedures for money counting in the Diocese of Greensburg. The required procedures are as follows:

1. All Sunday and Holy Day collections shall be counted, recorded, and deposited within one business day of receipt.

If collections are held overnight, they should be placed in a locked box or a tamperproof bag that two people will place into the safe. If a locked box is used, the person with the key to the box may not also have the combination to the safe. If tamperproof bags are used, the ushers should immediately empty the basket with the envelopes/loose into the tamperproof bag in the presence of multiple people, seal it, and put in the safe or give it directly to the counting team. The Mass time should be written on the bag and each Mass would have a separate tamperproof bag. The locked box or the tamperproof bags should be opened in the presence of all the money counters, and the tamperproof bag should be controlled by the business manager or financial secretary to ensure the bags are used in numerical order.

2. A carefully selected collection count committee shall be established to count collections. There shall be a sufficient number of people to ensure that there are at least three counters from two different families to count each collection. Members of the parish staff should not be included in the group of counters.
3. Cash counting procedures should be established and provided to each member of the group of counters.
4. The counters shall compare the amount written on the face of the envelope to the amount that is contained in the envelope. Any differences should be corrected on the face of the envelope and initialed by the counter.
5. All loose checks should be copied so that they may be posted to the parishioners' statements.
6. The count results shall be written in ink on a standard count form and signed by all counters. Two copies of the count form should be prepared and one copy should be given to the parish bookkeeper and one copy to the Parish Finance Council.
7. A bank deposit slip should be prepared by the counters and copied. One copy should be forwarded to the parish bookkeeper, one copy to the Parish Finance Council, and the original should accompany the deposit to the bank.
8. Collections shall be counted and checks restrictively endorsed "For Deposit Only" as soon as possible following each mass.
9. The totals on the collection count report shall be reconciled with the bank deposit slip and the parishioner contribution records.
10. The counting procedures shall be audited occasionally to ensure proper disciplines are being practiced.

11. All cash receipts will be deposited without being reduced by disbursements. Paying any expenses out of available cash is prohibited because using this cash as petty cash reduces accountability and understates parish expenses.

ONLINE GIVING AND ELECTRONIC DONATIONS

On-line giving donations must be recorded to parishioner's contribution accounts and the general ledger at least on a monthly basis. A statement of the on-line giving donations for the month should be printed from the on-line giving provider and reconciled to the bank statement and the general ledger. This statement should be provided to the Pastor to initial along with the bank reconciliation each month.

Venmo donations are now accepted in the Diocese of Greensburg; however, all parishes must follow the policies established for this donation process as well as any other types of electronic donations established in the future.

PETTY CASH

The petty cash fund should be reconciled by the pastor/administrator, or a person other than the one responsible for handling the petty cash fund, on a monthly basis. When the petty cash fund is reconciled, all petty cash transactions should be summarized and recorded as parish expenses and at that time the parish will reimburse the petty cash fund. Invoices or other supporting documents must be retained for all disbursements. Loose change or cash from offertory should not be used as petty cash.

CONTRIBUTION REPORTS

A record of parishioners' contributions will be maintained, and every member of the parish will receive a statement of his or her offertory contributions on an annual basis. Parish members should be instructed to report discrepancies to the Parish Finance Council. If the parish places the contribution statements in the back of the church, any that are left by January 31 should be mailed to ensure all parishioners receive their statement. The statement should be printed for all parishioners even if no donations were recorded during the year.

SPECIAL COLLECTIONS

Every year the Diocese of Greensburg issues the official collection schedule for the Diocese. These are the only special collections permitted in the Diocese. There shall be no other national, institutional, or local collections taken up in the parish without the prior and explicit authorization of the Diocesan Bishop. The proceeds from these special

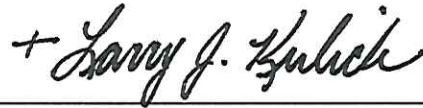
collections must in every case be distributed through the Diocesan Finance Office and can never be sent to the beneficiary, organization, or institution directly from the parish. This does not include specials collections for the parish, i.e., a fuel and maintenance collection for the parish or a Catholic Accent Collection to help defer the cost of the Accent. Also, in accord with the 1993 policy on cumulative offerings for Masses on All Souls Day, Mother's Day and Father's Day, these collections are forbidden.

PARISH ADOPTING ANOTHER PARISH

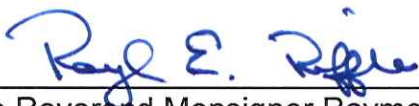
Parishes are not permitted to adopt another parish in order to financially support it unless the diocesan parish has the written permission of the Diocesan Bishop.

The above provisions are hereby promulgated as Diocesan law effective March 1, 2023. Any practice or policy to the contrary is, therefore, invalid and abrogated.

Given at the Pastoral Center in Greensburg, Pennsylvania this 1st day of February, 2023.

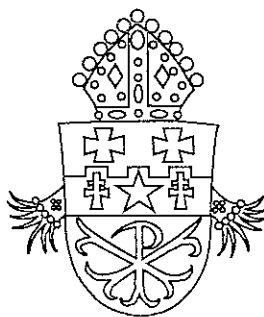


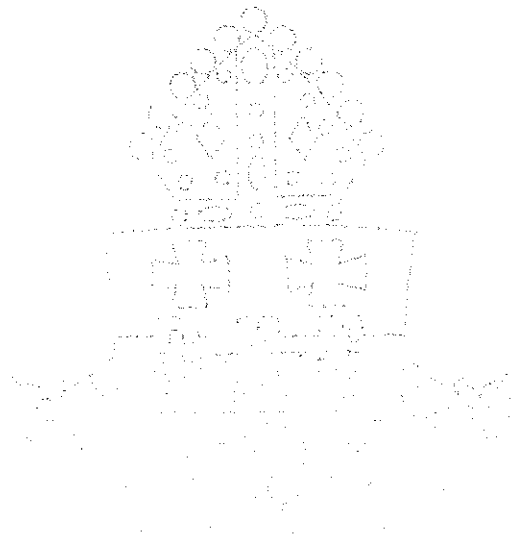
The Most Reverend Larry J. Kulick, JCL
Bishop of Greensburg



The Reverend Monsignor Raymond E. Riffle
Acting Chancellor

THE MINISTRY of FISCAL MANAGEMENT
DIOCESE of GREENSBURG NORMS
for
PARISH FINANCE COUNCILS







BISHOP OF GREENSBURG

My Dear Brothers and Sisters,

The Church is a living vital part of the society in which it carries out the mission of Jesus Christ. It lives in a world, which because it too is alive is constantly changing. Life and change go together. One of the most significant documents of Vatican II was "The Church in the Modern World." The substance of our faith does not change, but some practices can change without threatening our belief or changing doctrine. One of the most important messages of Vatican II was a call to holiness for the laity. This holiness is carried out at a high level when the laity actively collaborate in the life of the Church.

Universal Law of the Church does not mandate parish pastoral councils (Canon 536). We have, however, mandated such councils for all parishes in this diocese. Finance councils (Canon 537), however, are mandated by the Universal Law and are regulated by Universal Law and "norms issued by the diocesan bishop." The code states that the purpose of the parish finance council is to "aid the pastor in the administration of parish goods..."

The pages that follow are the official norms for Parish Finance Councils in the Diocese of Greensburg. In preparation for these norms, we conducted a broad consultation with clergy, parish business managers, and members of parish finance councils. Relevant sections of Canon Law as well as guidelines of other dioceses were also reviewed. Prudent and recognized good business practices for parishes were also considered.


The finance council does not perform administrative functions. Day-to-day administration is the responsibility of the pastor and his staff. The finance council, however, is expected to monitor the business practice and procedures and to ensure a long-range financial plan which supports the parish mission as defined in the pastoral plan. To say that the finance council is consultative and advisory and not a decision making body, is in no way an attempt to minimize the importance of its role. The relationship between the pastor and the finance council must be built on faith and trust. The finance council must be provided with full disclosure of all such relevant information, necessary to help them in their consultative role. Some information might perhaps be sensitive and must be handled by the finance council in a confidential manner.

Administration of parish finances is a sacred trust. The assets, both real and liquid, of the Church are "sacred goods" and demand much greater stewardship since they have been contributed by God's people to be used to further the mission.

The pastor, the parish staff, and the parish pastoral and finance councils are ministries. They exist to serve. These norms are intended to assist them in their sacred task and to help them give an account of stewardship.

This letter officially promulgates these norms for the Diocese of Greensburg which becomes effective immediately.

Given at the Pastoral Center this 3rd day of January, 2001.

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+Most Reverend Anthony G. Bosco
Bishop of Greensburg

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Norms for Parish Finance Councils

Introduction

"For as in one body we have many parts, and all the parts do not have the same function, so we, though many, are one body in Christ and individually parts of one another. Since we have gifts that differ according to the grace given to us, let us exercise them: if prophecy, in proportion to the faith; if ministry, in ministering; if one is a teacher, in teaching; if one exhorts, in exhortation; if one contributes, in generosity; if one is over others, with diligence; if one does acts of mercy, with cheerfulness."

(Romans 12: 3-8)

The Church, the body of Christ, is made up of many members. Each member has a unique and essential role that contributes to the life and well-being of the body. At the parish level, the many gifts and talents of the members are to be placed at the service of the community. By sharing gifts of leadership, organizational skills, artistic and musical talents, teaching abilities and many other talents, the baptized form a community of faith and fulfill the parish's unique mission within the greater Church.

The administration of a parish requires many gifts and talents, all of which cannot be embodied in a single person. To assist the pastor in this important work, numerous members of the community are called forth to serve in a variety of capacities including business managers, secretarial support and those who serve on two consultative bodies—the finance council and pastoral council. By placing their gifts at the service of the community, these individuals are of great help to the pastor in providing effective leadership.

In November 1996, Bishop Bosco officially promulgated *New Wine, New Wineskins: Revisioning the Parish through the Ministry of the Parish Pastoral Council*. This document emphasizes the primary role of the pastoral council as a planning body. Under the pastoral council's direction and leadership, the parish discerns the ongoing call of God and the needs of the community. The resources of the parish are then placed at the service of the pastoral plan, which arises in response to that discernment process.

The prudent use of parish resources requires accountability and faith-filled stewardship. The U.S. bishops, in their document *Stewardship: A Disciple's Response*, address the serious fiscal responsibility of faith communities:

"Sound business practices as a fundamental of good stewardship, and stewardship as it relates to church finances, must include the most stringent ethical, legal and fiscal standards."¹

Parish leaders and members alike are called upon to accept accountability and practice good stewardship of the gifts entrusted to them. Accountability promotes honesty, and the Catholic parish must be a place where honesty underlies all actions and interactions. Stewardship—furthering the Church's mission with time, money and

¹ National Conference of Catholic Bishops, *Stewardship: A Disciple's Response*, Washington, D.C.: United States Catholic Conference, 1992.

personal resources of all kinds—is not an option for Catholics who understand what membership in the Church involves. It is a serious duty.²

Through responsible stewardship, the parish community demonstrates its response to the psalmist's question, "What return can I make to the Lord for all the good he has done for me?" (*Psalms 116*) If a parish is to fulfill its unique mission, its members will be deeply committed stewards, willing to share their gifts, talents, money and material resources in the same spirit of generosity as the Lord Jesus Christ, who gave himself for our salvation by his death on the cross.³

To aid the community in carrying out this sacred obligation, Canon Law requires 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; in this council the Christian faithful, selected according to the same norms, aid the pastor in the administration of parish goods ...⁴

In the Diocese of Greensburg, the parish finance council serves as an advisory body to the pastor in the administration and stewardship of parish finances, budget, facilities and long-range financial development.⁵ In short, the finance council ensures that the parish's resources are adequate, well managed, and prudently used to support and implement the parish pastoral plan.

Following the implementation of *New Wine, New Wineskins*, the Diocese of Greensburg began to formulate new norms for parish finance councils. Through a collaborative effort involving clergy, parish staff, Pastoral Center staff and other lay persons, that effort is now complete. *The Ministry of Fiscal Management Diocese of Greensburg Norms for Parish Finance Councils* provides direction to parish finance councils throughout the Diocese of Greensburg in carrying out this important work. They elaborate upon the role and responsibilities of the parish finance council and its relationship to the pastor, the parish community and the pastoral council. The appendices provide additional information to aid in the work of the finance council.

"All members of the parish body work together to make its mission a reality... In Christian unity, they discern the call of God to them in this particular time and place, and devote their individual and collective resources to bringing that mission to fulfillment."⁶ Those who serve on parish finance councils play an important role in that process. The Church of Greensburg expresses its gratitude for their stewardship of parish resources and offers these norms in support of their ministry. +

² Ibid.

³ Diocese of Greensburg, *New Wine, New Wineskins: Re-visioning the Parish through the Ministry of the Parish Pastoral Council*, 1996, p. 27.

⁴ Canon Law Society of America, *Code of Canon Law: Latin- English Edition*, 1983, Canon 537.

⁵ *New Wine, New Wineskins*, p. 50.

⁶ *New Wine, New Wineskins*, p. 52.

Norm I – Role of Finance Council

- 1.1 *The pastor is to collaborate with the finance council, a consultative body, in order to carry out his varied administrative responsibilities effectively. In the spirit of “shared responsibility,” the council and the pastor together are accountable to their Bishop and their parish for their stewardship of financial resources.*
- 1.2 *The finance council should strive to be visionary in their approach. They can make the greatest impact by assisting the pastor and the pastoral council with a financial plan that supports the parish’s pastoral plan and provides for the future needs of the community. This plan should include areas such as adequate reserves, facility management, endowments and planned giving.*
- 1.3 *The pastor is required to consult with the finance council regarding acts of extraordinary financial administration, as defined below.*
- 1.4 *Every three to five years, the pastor and the finance council evaluate the council’s performance of its role and responsibilities.*

Discussion and Implementation

The parish finance council serves in an advisory capacity to the pastor and assists the pastor and the parish pastoral council in its pastoral planning efforts. The finance council and the pastoral council function interdependently. It is essential that they communicate with one another in furthering the parish mission. It is recommended that a member of the finance council attend pastoral council meetings to ensure continual sharing of information.⁷

Together with the pastoral council, the unique talents and qualifications of the finance council should be of great assistance to the pastor in his role as chief administrator:

“The pastor exercises day-to-day pastoral care under the authority of the bishop (Canon 519). The pastor as the one governing the parish is primarily responsible for the administration of its goods (Canon 1279, §1). He is ultimately responsible in his own right for parish administration, i.e., for the management of its resources toward the effective achievement of its goals. However, the Code of Canon Law does not envision the pastor exercising his role alone but rather specifically requires at least a finance council to assist him in that enterprise. Furthermore, while it is not technically required, one might also envision a parish finance officer playing a significant day-to-day administrative role, especially in larger parishes.”⁸

⁷ New Wine, New Wineskins, p. 50.

⁸ The Jurist 56 (1997) 706-734.

While the pastor is given broad authority and responsibility under universal Church law, that same law also expects the pastor to share responsibility for administration and stewardship of the temporal goods with a finance council. When responsibility is shared, members of the faith community are empowered to take more ownership of parish administration.

As a consultative body, the recommendations from the finance council bear considerable weight. While the council is not a body that makes binding decisions, its advice should be valued and carefully considered. When, in the pastor's judgment, reasonable facts exist that could lead him to disagree with the recommendations of the council, he should make known the basis for his decision to those concerned, unless confidentiality prohibits such disclosure. If a situation arises where the pastor disagrees with the recommendations of the council, it is the pastor's responsibility to prayerfully make the final decision. (*See Appendix M: "Appeal Process when a Council Recommendation is Not Approved."*)

The pastor and finance council should evaluate the council's performance every three to five years. This process should include a review of the council's structure, meetings, relationship with other bodies, and how the council's overall performance can be strengthened. This should be done prayerfully, possibly in the form of a retreat. If deemed necessary, a third party facilitator⁹ might be used to bring objectivity and direction to the process. An anonymous, written survey of the council's own perception of its performance in advance of a retreat will provide areas to address during the evaluation process. Interviews and comments from the parish community may also be helpful in providing information to discuss.

It is not the role of the council to evaluate the performance of the pastor, but the pastor needs to know what the council expects of him and the council members need to know what the pastor expects of them. Ongoing, open communication is the best way to reach an understanding of those expectations and to address any areas in which the pastor or council members believe those expectations are not being met.

Extraordinary Financial Administration

The parish pastoral plan and/or particular circumstances may necessitate occasional "extraordinary financial administration." When such situations arise, the pastor is required to consult with the finance council. It is his responsibility to listen to and consider the advice of the council before making a decision on these matters. Areas of extraordinary financial administration that require the pastor's consultation with the finance council include but are not limited to:

- Purchase of land or buildings
- Alienation of parish property or goods. Alienation is defined as the sale or transfer of goods or property, or the rights over the goods or property. Leasing or renting property for an extended period of time is a form of alienation.
- Refusal of a bequest or receipt of a "major bequest"
- Construction of new buildings or extensive remodeling of existing buildings
- Investment of parish cash reserves
- Establishment of endowment
- Entering into a legal document, contract, or other obligation that would bind a significant amount of parish resources
- Opening of a cemetery
- Establishment of a school or other institution, or becoming a partner, a member of, or any other financial arrangement with a school or other institution.
- Any other administrative action that requires the prior written permission of the bishop+

⁹ Please contact the Office of Pastoral Life located in the Pastoral Center for a recommendation on a third party facilitator.

Norm II – Membership

- 2.1 *An appropriate number of members from the Christian faithful should be appointed by the pastor to serve on the finance council. The pastor makes known the names of the members of the finance council to all parishioners.*
- 2.2 *To be considered for appointment to the finance council, an individual must be a baptized, practicing Catholic who is at least 21 years of age and participates in the ongoing life of the parish, especially Sunday Eucharist.*
- 2.3 *Existing finance council members should assist the pastor in recruiting and orienting new members.*
- 2.4 *The finance council should include members with expertise in matters related to accounting and finance, investment management, fundraising/development, budget, engineering and law.¹⁰ Other valuable areas of expertise include management, construction and maintenance of facilities, and human resources.*
- 2.5 *The pastor may appoint members for a three to five-year term, which may be renewable. It is left to the discretion of the pastor to appoint members to specific terms of service.*
- 2.6 *The size of the council is left to the discretion of the pastor, although it is recommended that a finance council include 4 to 6 members.*
- 2.7 *A member of the parish staff or parish Catholic school staff should not be a member of the finance council, but staff may regularly attend meetings, at the discretion of the pastor, to provide necessary information.*

Discussion and Implementation

Individuals who are chosen to serve on the parish finance council should be committed members of the parish community. They should understand and demonstrate the importance of stewardship in their own faith life. As far as possible, the finance council should include among its members a diversity of expertise, age, gender and other considerations, representative of the parish's demographics. It is essential, however, that individual council members also possess the knowledge and expertise necessary for the finance council to fulfill its role and responsibilities.

If the pastor chooses to set terms for the finance council, it is recommended that the terms range from three to five years. This will help to maintain continuity on the council. Initially, the pastor may appoint one or two members to a one-year term, to stagger the expiration dates of members' terms.

¹⁰ *New Wine, New Wineskins*, p. 50.

Terms are helpful to individuals when evaluating their willingness to make a commitment to serve on the finance council. Knowing the minimum and/or maximum amount of time they may serve can help them make a more informed decision about their involvement. Terms also ensure a regular inflow of fresh insights and capabilities. Since it takes about two years for a new council member to become familiar with the mission of the parish and the work of the council, terms also help to bring more experience and stability to the decision-making process.

All new council members should be oriented to the work of the finance council. This should occur at two levels:

1. *An orientation to the council's responsibilities, structure, role and relationship to the pastor, parish staff and pastoral council*
2. *An orientation to the mission of the parish, its goals and priorities, programs, resources, finances, and any unique challenges facing the parish*

The pastor, parish staff and existing finance council should develop a structure for this training and the pastor or an appointee should coordinate the actual training process.

The pastor and the finance council may choose to designate officers such as Chairperson, Vice-chairperson and Secretary to support the work of the council (*see Appendix H*). The pastor may also consider establishing committees for special projects or tasks, such as building and grounds or stewardship and development. At least one member of the finance council should serve on these ad hoc committees. This is one way to involve more parishioners while keeping membership on the finance council within the recommended range. Committees also reduce the time commitment of finance council members, since the work is shared with the larger community. While the pastor is responsible for making committee member appointments, it is advisable that he seeks and welcomes suggestions and input about possible candidates who possess the necessary skills and experience. +

Norm III – Areas of Responsibility

- 3.1 *The finance council serves as a consultative body to the pastor, providing advice in light of parish and diocesan goals and priorities.*
- 3.2 *The council is charged with certain functions to assist the pastor in the administration of parish goods. These “areas of responsibility” generally fall into three broad categories:*
- A. Administration & Finance*
 - B. Facility Management*
 - C. Stewardship & Development*

Discussion and Implementation

The finance council is an advisory and consultative body. Its primary role is to assist the pastor and the pastoral council in identifying, developing, safeguarding and utilizing temporal resources in support of the parish mission and pastoral plan.

Although the council’s areas of responsibility, detailed in Appendix A, appear lengthy, generally, the finance council is asked only to review and ensure that the items listed there are done. The council is not asked to actually perform all of those functions.

Diocesan Pastoral Center staff members are available to assist in any of the areas of responsibility listed in Appendix A. The primary contacts are the Pastoral Center Finance Office, Engineering and Facilities Management Office, and Stewardship and Development Office for the respective areas indicated. The Human Resources Office is also helpful for personnel and benefits issues.+

Norm IV – Pastor as Presider

- 4.1 *The pastor is to personally preside over the council but is not required to chair the meetings.*
- 4.2 *The pastor should participate in the preparation of the agenda.*
- 4.3 *Whenever the pastor must consult with the council on a given matter, it must occur at a formal meeting of a majority of the members of the council.*

Discussion and Implementation

The pastor should interact dynamically with council members in exploring various issues. It is not enough to simply present an issue and listen to individual councilor's opinions. Dialogue on issues should be open and frank, as the consensus process requires (*see Norm V*). If necessary, the pastor should invite comments to spur participation in the discussion.

It is not the sole responsibility of the pastor and the parish staff to develop the agenda. The finance council is also responsible for identifying and suggesting ideas and issues to be discussed.

When the pastor wishes to obtain the advice of the council in a given matter, it is best done in person at a meeting. By engaging the council in discussion, issues can be explored more fully. Normally it is not sufficient to contact the members of the council individually by telephone, mail or e-mail. A conference call may be used should the circumstances warrant such a measure.

Should the council wish to take a vote to see where the members stand on a given issue, the pastor or parish staff should not vote since they are not members of the council. Keep in mind, however, that the council should reach its decisions by consensus whenever possible.

The finance council should not convene without the pastor's permission; however, the pastor may authorize the finance council to meet and review specific issues, such as budget reports, with parish staff in his absence.+

Norm V – Conclusions through Consensus

- 1.1 *The finance council should reach conclusions through consensus.*
- 1.2 *The council should seek substantial—though not necessarily unanimous—agreement on significant matters.*

Discussion and Implementation

Consensus is the process of arriving at a decision through open discussions and resolution of differences. In consensus decision-making, a conclusion is reached that all members of the group can accept, uphold and support. *New Wine, New Wineskins* provides an overview of decision-making by consensus as it pertains to pastoral councils, but the description is applicable to finance councils as well:

“Consensus is not reached by a majority vote and is not a win/lose situation. Rather, it is a method of decision-making through which a group strives to reach substantial agreement on matters of overall direction and policy that can be supported by all. The council reaches consensus on a matter where all members of the council can live with the decision. This shared ownership of the council’s determinations is essential if the council and parish are to be effective in the fulfillment of the mission. Decision-making by consensus gives witness to shared leadership and the building of community which are the most basic parts of parish visioning and mission.”¹¹

Consensus decision-making is an important element in the work of the finance council. For the good of the community, therefore, the finance council should strive to reach consensus in its deliberations and decisions. (*See Appendix N for “Perspectives on Consensus.”*) +

¹¹ *New Wine, New Wineskins*, p. 33.

**Norm VI – Finance Council’s Relationship with Pastor,
Pastoral Council & the Parish Community at Large**

- 6.1 *The finance council is to develop cooperative relationships with the pastor, pastoral council and other groups in the parish.*
- 6.2 *The finance council should promote the mission of the parish and speak positively about its goals and objectives through interaction with members of the parish community.*

Discussion and Implementation

The following chart from *New Wine, New Wineskins*¹² illustrates the distinct roles and responsibilities within the parish administrative and planning structures:

	Parish Administration <i>(Staff & Volunteers)</i>	Pastoral Council	Finance Council
Pastor’s Role	Oversees daily operations	Presides over	Presides over
Membership	Hired or appointed	Selected through parish discernment process	Appointed
Focus	Day-to-day ministry	Long-range pastoral planning	Long-range financial planning
Areas of Responsibility	Matters pertaining to a job description or specific area of parish life	Matters pertaining to the life of the whole parish: essential elements	Matters pertaining to budget, facilities, or development
Relationship to Pastoral Plan	Assists as resource	Develops, monitors and evaluates plan	Assists as resource
Relationship to Pastor	Accountable to pastor	Consultative to pastor	Consultative to pastor
Method of Decision Making	By consensus when appropriate	By consensus	By consensus when appropriate

The finance council should not be viewed as an extension of parish administration, nor should it be viewed as an executive decision-making body. Its purpose is to assist the pastor and to collaborate with him, the pastoral council and other groups in making the most effective use of parish resources for the good of the Church.

It is important to distinguish between issues that deal with financial plans/policies and ordinary, day-to-day parish administration. Ordinary administration includes the implementation of plans, policies, parish programs and personnel matters and are the responsibility of the pastor and parish staff. These decisions include the development and use of ordinary procedures, which are distinct from the broader financial policies and plans addressed by the finance council.

The finance council’s role is to assist the pastor in developing and implementing the best financial strategies to further the goals of the pastoral plan. The finance council should be aware of the pastoral plan during the discussion of any significant financial matter. Likewise, the pastoral council should be familiar with the parish budget. Periodically, the pastoral council and the finance council should meet together to discuss parish finances and strategies to ensure the community’s commitment to good stewardship. When the pastoral council is developing or updating the parish pastoral plan, the finance council should be consulted with regard to any items that have significant cost implications.+

¹² *New Wine, New Wineskins*, p. 51

Conclusion

Through dialogue and ongoing discernment, the pastor, pastoral council, finance council, parish staff and membership work together to achieve their mission as a "definite community of Christian faithful."¹³ The parish mission, then, is the unique and particular way in which a parish places its gifts at the service of the local and universal Church.¹⁴ Stewardship is an essential element in the discernment and accomplishment of the parish mission, and the finance council plays a pivotal role in ensuring the community's faithfulness to responsible stewardship. +

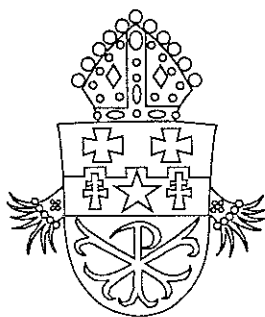
¹³ *Code of Canon Law*, canon #515.

¹⁴ *New Wine, New Wineskins*, p. 16.



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THE MINISTRY of FISCAL MANAGEMENT
DIOCESE of GREENSBURG NORMS
for
PARISH FINANCE COUNCILS



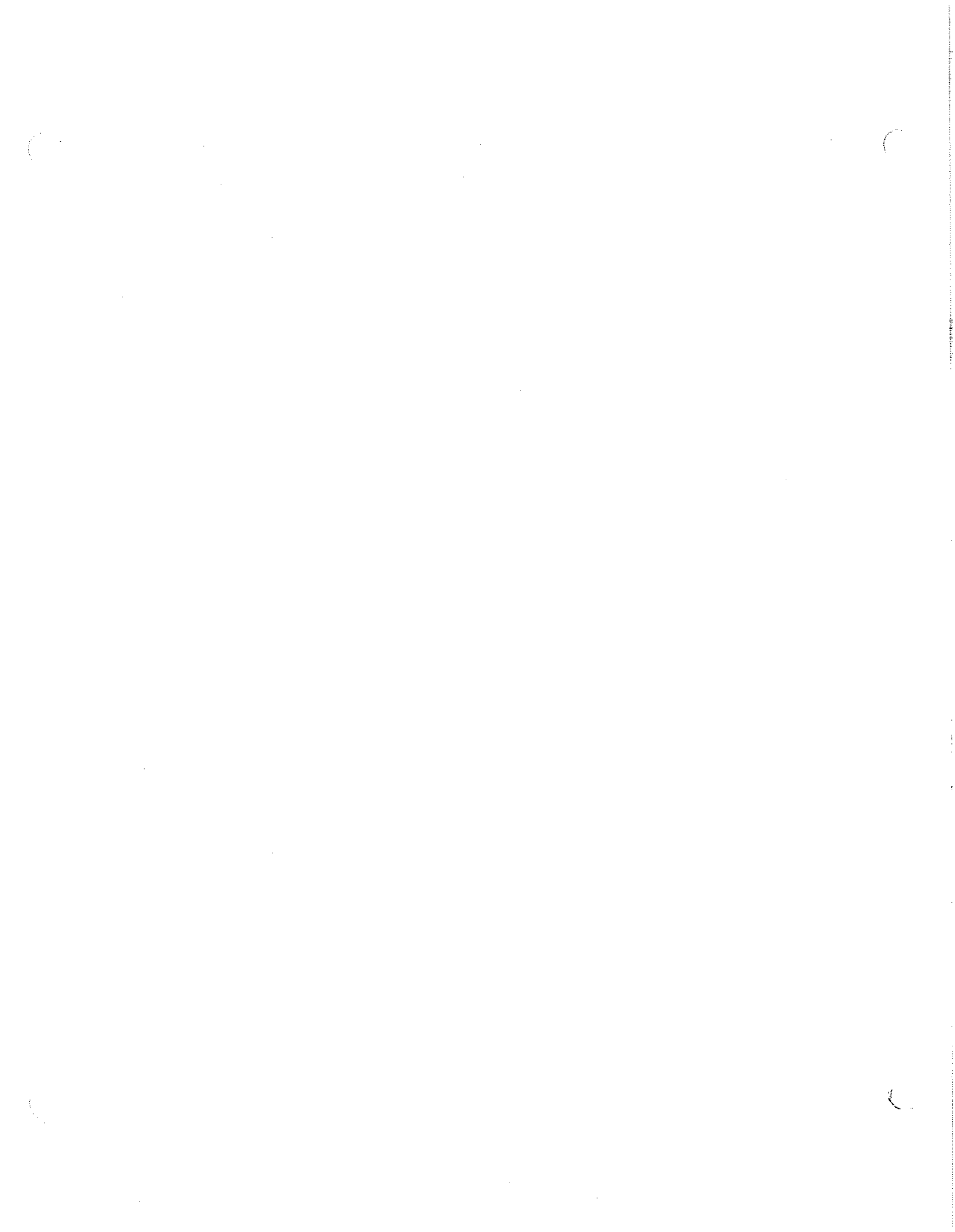
APPENDICES

PARISH FINANCE COUNCILS APPENDICES

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AREAS OF RESPONSIBILITY

The finance council has three main areas of responsibility: 1) administration and finance, 2) facility management, and 3) stewardship and development. Following is a detailed list of the general duties that fall within each area of responsibility.

A. ADMINISTRATION & FINANCE

A.1. FINANCIAL PROJECTIONS AND GENERAL FINANCIAL CONDITION:

Review long-range projections of parish finances, taking into consideration trends in parish revenue, expenses, demographics, parish facilities, etc., to insure that financial resources are compatible with the parish pastoral plan. The finance council is responsible for advising the pastor on the general financial condition of the parish, similar in many respects to how a household or small business evaluates itself from a financial perspective. This may be accomplished by answering the following questions:

- Are there adequate cash reserves to handle emergencies or unexpected downturns in offertory?
- Are there adequate parish cash reserves in the Catholic Institute for unplanned facility repairs or maintenance?
- Can the parish enhance its financial stability through stewardship programs, or by starting or adding to endowments with the Catholic Foundation?

A.2. BUDGET DEVELOPMENT: Review the annual operating budget and capital budget in light of the priorities identified by the parish pastoral plan. (*See Appendix C.1—Budget Development*)

A.3. BUDGET MONITORING: Review actual income and expenses versus budgeted amounts on a quarterly basis.

A.4. FINANCIAL CONTROLS: Insure that proper procedures are in place so that cash and other resources are used for their intended purpose. (*See Appendix E—Diocesan Financial Policies and Procedures*)

A.5. FINANCIAL REPORTS: Review in their entirety and sign all financial reports prior to submission to the diocesan Pastoral Center. Ensure that the reports are prepared on a timely basis. Ensure that periodic financial reports are given to the parish community. At a minimum, such reports are to be made on an annual basis. The completed annual financial report is a public document and should be freely available for inspection to anyone that makes a reasonable request to review it in its entirety. (*See Exhibit K—Summary Annual Report to Parishioners*)

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- A.6. **POLICY COMPLIANCE:** Become familiar with and ensure parish (*and, if applicable, parish school*) compliance with diocesan financial policies and procedures. (*See Exhibit E*)
 - A.7. **CONTRACTS & INVESTMENTS:** Review and advise on all parish banking arrangements, investments in the Catholic Institute or Catholic Foundation, and other contracts being entered into by the parish.
 - A.8. **PARISH FINANCIAL REVIEW:** Review with the pastor the recommendations resulting from the financial review conducted by the Pastoral Center Finance Office and oversee their implementation.
 - A.9. **INTERNAL PARISH FINANCIAL REVIEW PROCEDURES:** Oversee the annual review of parish finances, procedures and internal controls. (*See Appendix L—Parish Internal Financial Review Procedures*)
 - A.10. **PERSONNEL ISSUES:** Advise the pastor in the areas of job classification, salary administration, and employment practices such as hiring, personnel records and discipline. Consult with Pastoral Center staff and legal counsel when necessary. Pastor should consult with the finance council when hiring a business manager. (*See Appendix J—Lay Parish Business Manager*)
- B. FACILITY MANAGEMENT**
- B.1. **FIXED ASSETS:** Review and update the inventory of all fixed assets annually (*e.g., buildings, furniture and fixtures, equipment, property, etc.*).
 - B.2. **PREVENTATIVE MAINTENANCE:** Oversee the parish's preventative maintenance program. Evaluate long-range maintenance plans, ensuring that the cost of maintaining buildings, including non-recurring and day-to-day maintenance costs, are included in the operating budget.
 - B.3. **CAPITAL BUDGET:** Review five-to-ten-year budget on larger repairs and renovation projects. Recommend a fund balance or a reserve to support longevity of parish facilities.
 - B.4. **CONSTRUCTION:** Become familiar with and ensure parish compliance with diocesan construction and renovation policies and procedures. (*See Appendix E*)
 - B.5. **REPAIRS & WARRANTIES:** Ensure that the parish maintains a log of all repairs. Maintain a file for all warranties for equipment and other repairs or renovations.

- B.6. **BLUEPRINTS:** Ensure that all parish blueprints are kept current and preserved in accord with diocesan policies. Please contact the Pastoral Center Office of Engineering and Facilities Management at (724) 837-0901 with any questions.
- B.7. **INSPECTIONS AND SAFETY:** Ensure that all facilities and equipment are properly maintained to promote a safe environment for parishioners, staff, and visitors. Ensure that all required inspections (*e.g. elevators, fire extinguishers, smoke detectors, etc.*) are conducted. If there is a playground, this equipment should be inspected periodically.

C. STEWARDSHIP & DEVELOPMENT

- C.1. **STEWARDSHIP EDUCATION:** Includes the ongoing education of lay leaders and parishioners on the essential element of stewardship in Christian and parish life. It may include the use of brochures, workshops, Biblical teachings, financial updates, ministry fairs, bulletin announcements, prayers of the faithful and presentations.
- C.2. **STEWARDSHIP PROGRAM(S):** May include one or a combination of programs tailored to the individual needs of the parish.
- C.2.a. **STEWARDSHIP PROGRAM:** A targeted program, lasting approximately six weeks, to increase parishioners' understanding of stewardship as the sharing of one's time, talent and treasure with the faith community.
- C.2.b. **INCREASED OFFERTORY:** A program that focuses on increasing the level of offertory giving based on parish financial need.
- C.2.c. **CAPITAL CAMPAIGN:** A program designed to raise funds for parish facilities or endowment through one-time gifts or multi-year pledges.
- C.2.d. **DEBT REDUCTION:** An effort by a parish to raise funds to eliminate outstanding parish debt through one-time gifts or multi-year pledges from parishioners.
- C.3. **PLANNED GIVING:** Parish leadership works with parishioners who may want to contribute to the needs of the parish through a planned gift. This may include but is not limited to the following types of gifts or bequests: wills, stocks, annuities, life insurance or property.

APPENDIX A

- C.4 **ENDOWMENTS:** Endowment funds provide long-term financial support to a parish and/or school. The initial investment is preserved in perpetuity. Only the income from the endowment funds may be used. An endowment fund may be created by the parish or through a gift from a parishioner. The donor may designate the gift for a specific purpose and/or ministry. The Pastoral Center Stewardship & Development Office should be contacted regarding Catholic Foundation endowments.+

ANNUAL FINANCE COUNCIL CALENDAR

The frequency of finance council meetings is primarily left to the pastor's discretion. The number of meetings might vary per year depending on the complexity of the issues facing the parish.

The finance council should meet with the pastoral council at least twice per year. The two councils should meet during November to exchange information and to review the budget and long-range financial plan. In light of the pastoral plan, the pastoral council shares information with the parish finance council (*and parish staff*) that should be taken into consideration when preparing the next budget. The two councils should also meet during March or April to review a draft of the budget.

Throughout the year, a variety of administrative matters may be brought to the attention of the finance council for their input. Such issues include:

- Evaluation of the long-range financial plan
- Periodic reviews of the current year budget
- Personnel and staffing issues
- Issues dealing with a parish school or area school
- Issues such as Catholic Institute reserves or debt and Catholic Foundation endowments
- Progress reports on construction or renovation projects, if applicable
- Items in the pastoral plan
- Stewardship and development issues
- Orientation of new members and self-evaluation of the council's performance

An example of a finance council calendar:

JULY - AUGUST

FINANCIAL REPORT: Receive a report from the staff on the prior year actual results versus the budget. Review a draft of the annual report to the parishioners.

SEPTEMBER - OCTOBER

PROCEDURAL ISSUES: Sign and submit the parish annual report to the diocese. Review the internal control checklist to ensure that procedures are in place for the proper handling of cash receipts and cash disbursements. Receive report from staff on three-month actual income and expenses versus the budget. Plan for the meeting with the pastoral council.

NOVEMBER

JOINT MEETING WITH PASTORAL COUNCIL: Information exchange. Finance Council reports on the prior year budget versus actual and highlights any temporal issues facing the parish, e.g., extraordinary repairs, adverse financial trends, Catholic Institute

APPENDIX B

reserves and/or debt, and Catholic Foundation activity. The Pastoral Council reports on the implementation of the goals and objectives of the pastoral plan and any related issues. This meeting will build a foundation for next year's budget and for updates to the long-range financial plan.

NOVEMBER - DECEMBER **REFLECT ON STEWARDSHIP:** Recommend ongoing program of education in stewardship for the parish. Plan annual renewal program for stewardship of time, talent, and treasure. Monitor parish income patterns and develop strategies to increase income to meet parish goals. Evaluate prior year's diocesan annual appeal and discuss plans and recommend changes for next year's appeal. Select finance council officers for the next calendar year, publicly express appreciation to outgoing members, and assist pastor in identifying new candidates for the finance council.

JANUARY - FEBRUARY **FINANCIAL REPORT:** Receive report from staff on the six-month actual income and expenses versus the budget. Review the long-range financial plan and capital budget, and suggest any changes. Give the staff any preliminary criteria for the next fiscal year budget. Plan for the March/April meeting with the pastoral council.

MARCH - APRIL **JOINT MEETING WITH PASTORAL COUNCIL:** Meet with pastoral council to review draft of operating budget and long-range financial plan. Discuss any developments with regard to the pastoral plan.

APRIL - MAY **REVIEW AND APPROVE BUDGET:** Receive reports from staff on nine-month actual income and expenses versus budget. Review final draft of budget. If no changes, recommend that the pastor approve the budget. Review preventative maintenance plan for next fiscal year and suggest any changes. +

BUDGET DEVELOPMENT

INTRODUCTION

Overseeing the preparation of the parish's operating and capital budgets is one of the most important tasks of the finance council. In a sense, budgets are "stewardship statements," depicting both the financial responsibilities of the parish and ongoing generosity of its members. The parish budget should be an accurate reflection of the parish mission and pastoral plan.

DISCRETIONARY EXPENSES VS. FIXED EXPENSES

Expenses can be either fixed or discretionary in nature. The operating budget includes fixed costs such as the priests' salary, benefits and expense allowances, utilities, insurance, daily maintenance and supplies. In addition, parishes, as part of a larger Catholic community, are subject to various fixed costs such as assessments to support regional, national and international ecclesial works.

Other operating costs are more discretionary in nature. A good budget will weigh the merits of these discretionary expenses against one another, considering the mission and goals of the parish as outlined in the pastoral plan. The finance council works with the pastor, parish staff and pastoral council to arrive at the best use of discretionary funds.

BUDGET SHOULD REFLECT GOALS OUTLINED IN THE PASTORAL PLAN

The pastoral council leads the parish community in the discernment of its mission and goals. This process leads to the creation of the pastoral plan. In developing the pastoral plan, questions should be asked regarding each program within the parish. For example, "Should we increase or decrease the resources allocated to this program?" "Should we continue this program?" These are difficult questions, but they are essential to the pastoral planning process. Once the community has discerned the goals of the parish, the budget planning process should reflect those priorities.

FINANCE COUNCIL AND PASTORAL COUNCIL MUST COLLABORATE TO DEVELOP THE BUDGET

The pastor with the pastoral council and finance councils should review the pastoral plan. The finance council can 1) help to identify areas of discretionary spending; 2) clarify the incremental cost of certain programs; and 3) estimate the overall cost of each program. The input from this discussion will inform the pastor and finance council as they develop the parish budget. This process will assist the pastor in allocating resources to meet the goals and objectives of the parish. Together, these advisory bodies assist the pastor in developing fiscal and pastoral strategies, respectively, to address situations where goals and objectives are not being met. +

APPENDIX C.2

BUDGET CASE STUDY

RELATIONSHIP BETWEEN FINANCE COUNCIL AND PASTORAL COUNCIL

SCENARIO: The pastoral plan includes a goal to enhance the religious education programs for children and adults. Part of this process would involve the renovation of the vacant parish convent and the addition of one full-time member to the parish staff. The pastor and pastoral council agree that the finance council needs to be consulted regarding a plan to fund this program.

Two financial issues must be considered here:

- The one-time capital expenditure to renovate the convent
- The impact on the annual operating budget. The operating budget would need to consider the annual costs of the additional salary and benefits, as well as supplies for this program. Also, the annual operating budget would need to estimate the additional costs associated with operating the convent as a religious education center—utilities, insurance, maintenance, etc.

The finance council must reach consensus on the various methods of financing these new programs. If there is a reserve in the Catholic Institute, is it sufficient to handle the renovations to the convent in addition to other projects listed in the capital budget? Is the parish in a position to initiate a capital campaign? Can an increased offertory program raise income to the point where this program can be funded through operations? Should the parish attempt to raise funds for an endowment to pay for the annual operating costs of these programs?

To fund the renovation of the convent, the finance council reaches consensus, after research and consultation with the Pastoral Center Stewardship & Development Office, that a capital campaign should be successful.

The finance council is concerned about the impact on the operating budget with the hiring of new staff and the additional costs of maintaining the new space. The finance council concludes after consultation with the Stewardship & Development Office that an increased offertory program will not raise enough income to cover the additional annual operating costs of this program.

The finance council should request the pastoral council to study existing programs that may need to be reduced or eliminated to fund this new program. The finance council may provide information regarding the cost of the existing, discretionary programs and objective data that might help the pastoral council evaluate which programs should be cut back or eliminated.

Also, members of the finance council might believe that programs of other parishes in the region could be expanded to include their parish. Again, this is an issue for the pastoral council to review. Knowledge of existing programs in other parishes may be communicated to the pastoral council.

SOLUTION: The pastor and the pastoral council request that the Regional Pastoral Council begin discussion to consider ways to regionalize religious education programs. A task force is established that is comprised of the pastor, catechetical leaders and representatives of the pastoral councils from the respective parishes. The objective of this task force is to study and make recommendations regarding the feasibility of regional religious education programs. +

CANON LAW, THE PASTOR, PASTORAL PLANNING AND PARISH COUNCILS

Pastoral Planning is one way in which all the baptized share in the pastoral mission of the Church. The pastoral council is "the most promising way to make sure such participation occurs" (*National Conference of Catholic Bishops, "The Parish: A People, A Mission, A Structure," 1980*). Canons 536 and 537 on pastoral councils and finance councils, respectively, is presented.

SUMMARY *Canon 536*

1. **PASTORAL COUNCILS** After the diocesan bishop has listened to the presbyteral council and if he judges it opportune, a pastoral council is to be established in each parish; the pastor presides over it, and through it the Christian faithful along with those who share in the pastoral care of the parish in virtue of their office give their help in fostering pastoral activity. The pastoral council possesses a consultative vote only and is governed by norms determined by the diocesan bishop.

SUMMARY *Canon 537*

2. **FINANCE COUNCILS** Each parish is to have a finance council which is regulated by universal law as well as by 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 prescriptions of Canon 532 (*see below.*)

Canon 532 – The pastor represents the parish in all legal affairs in accord with the norm of law (*universal and local*); he is to see to it that the goods of the parish are administered in accord with the norms of Canons 1281-1288.

Canon 1281 – §1. With due regard for the local statutes, the administrator/pastor may not go beyond the limits and procedures of ordinary administration unless they first obtain written approval from the diocesan bishop.

§2. The acts of extraordinary administration are to be defined in the diocesan statutes or policies; if, however, the statutes or policies do not mention such acts, it is within the authority of the diocesan bishop to determine such acts after he has consulted with the diocesan finance council.

§3. Unless and to the extent that it is to its own advantage, a juridic person (*parish*) is not held to answer for acts invalidly performed by its administrator/pastor. A juridic person (*parish*), however, is responsible for acts illegitimately but validly performed by its administrator/pastor with due regard for the right to sue or to have recourse against administrators/pastors who have damaged it.

APPENDIX D

CANON 1282 – All clergy or lay persons who through a legitimate title take part in the administration of parish goods are bound to fulfill their duties in the name of the Church and in accord with the universal and local regulations.

CANON 1283 – Before administrators/pastors take office:

- 1° they must take an oath before the diocesan bishop that they will be efficient and faithful administrators;
- 2° they are to prepare, sign and subsequently renew an accurate and detailed inventory of immovable goods, movable goods, either precious or of significant cultural value, or other goods along with a description and appraisal of them;
- 3° one copy of this inventory is to be kept in the archives of the administration; the other, in the curial archives; any change whatever which the patrimony (*e.g. parish assets, etc.*) may undergo is to be noted on each copy.

CANON 1284 – §1. All administrators/pastors are bound to fulfill their office with the diligence of a good householder.

§2. For this reason they must:

- 1° take care that none of the goods entrusted to their care is in any way lost or damaged and take out insurance policies for this purpose, insofar as such is necessary;
- 2° take care that the ownership of parish goods is safeguarded through civilly valid methods;
- 3° observe the prescriptions of both canon and civil law or those imposed by the benefactor, donor or legitimate authority; they must especially be on guard lest the Church be harmed through the non-observance of civil laws;
- 4° accurately collect the revenues and income of goods when they are legally due, safeguard them once collected and apply them according to the intention of the benefactor or according to legitimate norms;
- 5° pay the interest on a loan or mortgage when it is due and take care that the capital debt itself is repaid in due time;
- 6° with the consent of the diocesan bishop invest the money which is left over after expenses and which can be profitably allocated for the goals of the parish;
- 7° keep well-ordered books of receipts and expenditures;
- 8° prepare a financial report and other reports as may be requested by the diocesan bishop at the end of each year;
- 9° duly arrange and keep in a suitable and safe archive the documents and deeds upon which are based the rights of the Church or the institution to its goods; deposit authentic copies of them in the archive of the diocese when it can be done conveniently.

§3. It is strongly recommended that administrators prepare annual budgets of receipts and expenditures; however, it is left to particular law to issue regulations concerning such budgets and to determine more precisely how they are to be presented.

CANON 1285 – Within the limits of ordinary administration only, it is permissible for administrators/pastors to make donations for purposes of piety (*religious reasons*) or Christian charity from movable goods which do not pertain to the stable patrimony.

CANON 1286 – Administrators/pastors of goods:

§1. are to observe meticulously the civil laws pertaining to labor and social policy according to Church principles in the employment of workers;

§2. are to pay employees a just and decent wage so that they may provide appropriately for their needs and those of their family.

CANON 1287 – §1. Both clerical and lay administrators of any ecclesiastical goods whatsoever which have not been legitimately exempted from the governing power of the diocesan bishop are bound by their office to present the local ordinary with an annual report, which in turn he is to present to the finance council for its consideration; any contrary custom is reprobated.

§2. Administrators are to render an account to the faithful concerning the goods offered by the faithful to the Church, according to the norms to be determined by the diocesan bishop.

CANON 1288 – Administrators/pastors are neither to initiate nor to contest a lawsuit on behalf of a parish in civil court unless they obtain the written permission of their own diocesan bishop. +

APPENDIX E

DIOCESAN FINANCIAL POLICIES AND PROCEDURES

ALCOHOL POLICY

Parish Sponsored Events: The parish must obtain a special occasion permit from the Pennsylvania Liquor Control Board. A copy of the application for this permit may be obtained from the Finance Office by calling (724) 837-0901 or by calling the PLCB Licensing Information Center at (717) 783-8250.

Non-Parish Sponsored Event: The host of the event must purchase the Special Events Insurance and complete the Event Lease Form. This applies to any event where alcohol is served on parish property and any event where the parish is leasing a social hall, etc. Please contact the Finance Office for detailed procedures and forms.

ASSESSMENTS:

Diocesan Assessment is one of the primary sources of funding for the Pastoral Center, the central administrative offices of the diocese. The only other sources of revenue are the Catholic Stewardship Campaign, investment income and other gifts. Parishes pay a percentage, currently eight percent (8.0%), of assessable income to the Pastoral Center. Assessable income represents all ordinary and extraordinary income of the parish. Other income and diocesan collections are not assessable. Permission must be granted by the bishop in advance of any special campaign or fundraising event for the revenue generated by these endeavors to be considered exempt from diocesan assessment.

High School Assessment: Effective July 1, 2000, a new high school funding policy is in effect. Under this policy, funds collected from the parishes are used to provide tuition assistance to families who wish to send their children to one of the diocesan Catholic high schools, but cannot afford to pay the full tuition. This new tuition policy is similar to the tuition policy at most colleges, i.e., many families pay less than the full tuition after an independent evaluation establishes the basis for financial need. Initially, only parishes in the general geographic area of one of the diocesan high schools are subject to this assessment. An assessment for Catholic school tuition assistance is currently under evaluation. This assessment would replace the current high school assessment. The funds would be made available to the families of both the high school and elementary school students.

Accent Assessment: An assessment is charged to all parishes in the diocese for the *Catholic Accent*. This assessment is based on an annual rate per registered household. Parishes are billed a minimum of 80% of the registered families. If a parish has more than 80% of the registered households, then the higher number would be used to calculate the assessment. These funds are used to pay the cost of publishing, printing, and mailing the *Catholic Accent*, as well as other administrative costs.

Hospital Ministry Assessment: Hospital Ministry is an important ministry of the Catholic Church. Funds collected from the parishes where this service is provided are used to pay the costs associated with staffing various hospitals in our diocese with chaplains. These costs include the salary, benefits, automobile and supplies for the chaplain. In addition to providing a Catholic presence in our local hospitals for those in need, this service relieves our pastors from a portion of the need to be on call at the local hospitals.

CAPITAL AND DEBT-REDUCTION CAMPAIGNS

Parishes and schools must obtain approval from the bishop prior to any capital campaign or debt-reduction campaign. Also, fund-raising for a construction project, as defined by the diocesan Construction and Renovation Policy, is not authorized until that project and related funding sources have been approved.

No fund-raisers are to take place during the months of April, May and June to avoid conflict with the diocesan annual appeal.

CASH, PETTY CASH, AND PARISH CHECKING ACCOUNTS

Cash Balances: Parishes shall maintain no more than 15% of the annual operating expenses in the parish checking account. Most banks offer checking accounts that pay interest. Parishes should seek interest-bearing checking accounts as long as the interest earned would exceed the bank fees that may be assessed on this type of account.

All excess cash is to be deposited with the Catholic Institute of Greensburg, PA. Please see *Catholic Institute of Greensburg, PA, Inc. Official Policies and Procedures* manual.

Parishes are not authorized to invest money outside the Catholic Institute or the Catholic Foundation.

Petty Cash: The petty cash fund should be reconciled by the pastor, or a person other than the one responsible for handling the petty cash fund, on at least a monthly basis. When the petty cash fund is reconciled, all petty cash transactions should be summarized and recorded as parish expenses and at that time the parish will reimburse the petty cash fund. Invoices or other supporting documents must be retained for all disbursements. Loose change or cash from offertory should not be used as petty cash. If necessary, please contact the Pastoral Center Finance Office for more details on petty cash procedures.

Parish Checking Accounts: Parishes should have checking accounts for the following operations:

- 1) Parish business
- 2) School business
- 3) Mass account
- 4) Cemetery business

APPENDIX E

By limiting checking accounts to these operations, parish administration is simplified and streamlined.

Although it is not recommended, parishes may maintain an account for festivals and fundraisers. If accounts such as these are maintained, the parish must follow proper procedures:

- The pastor must be an authorized check signer on the account.
- All activity must be reported on the parish annual report (*note that festival expenses reduce income for diocesan assessment purposes*).
- Only expenses directly related to the festival or fund-raiser, i.e., consumables, fees or services, may be paid from these accounts.
- The following records must be kept for these accounts: check register, report summarizing the activity in the account on a fiscal year basis, vendor invoices or other supporting documentation for all disbursements from these accounts, deposit slips with supporting documentation, and monthly bank account reconciliations.
- At the conclusion of the festival or fundraiser, all cash must be transferred to the parish operating account, with the exception of a nominal amount to keep the account open.

With regard to bank accounts for various parish organizations such as the Altar Rosary Society, Holy Name Society, Parent-Teacher Groups, etc., the administrative and financial controls outlined above for festival and fund-raising accounts must be in place. This would mean that excess money should be transferred to the parish operating account and be recognized as a gift from the respective organization.

CEMETERY ENDOWMENT ACCOUNTS

All parishes with cemeteries are to have an endowment account to ensure the perpetual care and maintenance of the cemetery grounds. The cemetery endowment accounts are held and managed by the Catholic Foundation of the Diocese of Greensburg. A percentage of the total return of the cemetery endowment assets is paid to the Catholic Institute savings account on behalf of the parish's cemetery. The savings account funds are available for the operating expenses of the cemetery.

Although it's not diocesan policy, it is recommended that every cemetery set aside and deposit an amount into the endowment account annually. Pennsylvania law indicates a sum equal to at least fifteen percent (15%) of the following:

- The sale of lots in the cemetery or a sum equal to at least \$1.00 per square foot of each lot sold, whichever is greater
- The construction cost of each crypt sold in a mausoleum or \$50 per crypt, whichever is greater, or the construction cost of each niche sold in a columbarium or \$25 per niche, whichever is greater.

CENTRALIZED INSURANCE PROGRAM (IODG)

All parishes and schools are required to participate in the centralized insurance program commonly referred to as IODG—Insurance Office of the Diocese of Greensburg. The diocese purchases liability, property, auto, workers' compensation, professional liability insurance, etc. The cost of this program is allocated to all parishes and schools. The diocese hires a third party administrator to process all insurance claims. The phone number to report an insurance claim may be found in the Catholic Directory or by calling the Pastoral Center Finance Office.

CENTRALIZED PAYROLL AND BENEFITS FOR ALL PARISH/SCHOOL EMPLOYEES

All parish and school employees are to be paid through the diocesan centralized payroll system administered by the Pastoral Center Finance Office. The diocese is responsible for withholding payroll taxes, filing payroll tax reports, and remitting payroll taxes to the appropriate authorities. All full-time employees are eligible for health benefits, pension, tax-sheltered annuity, and other voluntary benefits such as credit union, accidental death insurance, etc.

CONSTRUCTION AND RENOVATION AND LEASING OF PROPERTY

Parishes and schools are required to comply with the diocesan *Construction and Renovation Policies and Procedures* for construction and leasing. Please consult the policy and procedure manual or call the Pastoral Center and ask to speak with personnel in the Office of Engineering and Facilities Management.

GAMES OF CHANCE

Parishes must obtain the appropriate permit for all games of chance from the local authorities. Rules vary depending upon location.

Individuals who receive \$600 or more in non-bingo related prizes or gambling winnings in a calendar year must be issued Federal Tax Form W-2G, Statement for Recipients of Certain Gambling Winnings. Non-bingo related prizes could include, but are not limited to, a vehicle, boat, cruise, golf clubs, motorcycle, etc.

If an individual refuses to provide his/her tax social security number, then the parish must withhold 31% of the prize amount. For winnings of more than \$5,000, the parish must also withhold 28% of the prize amount for federal income tax purposes, in addition to issuing Form W-2G. All taxes withheld from fund-raising prizes must be deposited, using Federal Tax Deposit Coupon Form 8109.

Failure to comply with these reporting and withholding requirements may result in substantial penalties under the Internal Revenue Code.

LAY EQUIVALENCY SALARY AND BENEFITS FOR RELIGIOUS

Non-ordained religious men and women, employed in any church capacity, will receive salary and benefits as would be afforded a lay person. Social Security (*FICA*) will not be withdrawn from the salary of religious men and women. The religious congregation will assume responsibility for this payment for each of its members. The parish or institution does not provide transportation and housing.

APPENDIX E

LOANS

All loans or financing for parish projects must come through the Catholic Institute. Parishes are not permitted to obtain loans from commercial banking institutions or other lending institutions without the consent of the Bishop.

MASS OFFERINGS AND STOLE FEES

- The priest who celebrates a Mass is entitled to the offering made for that Mass.
- Each parish is to retain Mass offerings/intentions for no more than a twelve-month period. If Mass intentions cannot be satisfied within a twelve month period, they are to be forwarded to the diocesan Mission Office or to a priest in good standing requesting Mass intentions.
- Interest accrued in a parish Mass offering account is the property of the parish.
- A priest who celebrates a second or third Mass is to forward the offering from those Masses to the diocesan priests, retirement or benefit fund. Religious priests serving in the diocese are to dispose of offerings from a second or third Mass according to the mind of their religious superior.
- A pastor can retain an offering for a second Mass if he has already celebrated the pro populo Mass.
- A priest who celebrates three Masses on Christmas can accept the offering for those three Masses.
- Stole fees are the property of the priest who administers the sacrament.

SCHOOL FUNDING

Funding policies are in place for elementary and high schools. These policies limit the amount of money that a parish may pay toward the operating cost of the elementary schools and set the amount that schools should be charging for tuition. Also, these policies outline the manner in which the high schools are funded. Please consult the Pastoral Center Office or *Catholic Schools Handbook of Policies* for details on these policies. +

PARISH CASH RECEIPTS PROCEDURES

OVERRIDING PRINCIPLES:

- The handling of the offering and all other cash receipts should be controlled by teams of two or more people from the time the collection is taken until the time it is deposited in the bank. These teams should be rotated periodically. This not only safeguards assets but also reduces the possibility that money handlers will be caught up in controversy.
- There are certain tasks that should not be performed by the same person—auditors call this “segregation of incompatible duties.” This concept, if properly applied, would require at least two or more dishonest people to collude in order for theft to occur and go undetected for a period of time.
- Members of the parish should be encouraged to use offertory envelopes. Envelopes protect the member’s offering until it is counted. The envelope also provides the basis for recording the contribution in the accounting records. The parish accounting staff retains the envelopes. Envelopes are essential if individual contributions need to be verified for tax purposes and should be maintained for one calendar year.
- Members of the parish should be encouraged to use checks when making offerings. Generally, checks made payable to the parish are more secure than cash. Checks will also reduce the likelihood of loss if the church is burglarized.

CASH RECEIPTS PROCEDURES:

1. At least two people shall collect the offerings.
2. At least two people shall take the money to a secure, locked counting area.
3. At least two people shall take the deposit bag to the bank.
4. Money counting:
 - a) Money counters shall not include parish staff or persons responsible for parish accounting records. Money counters shall include teams of three or more and counters shall be periodically rotated among teams so the same two individuals do not serve on the same team repeatedly. Spouses or close relatives should not be assigned to the same team.
 - b) The counting committee shall open the envelopes, remove the contents, and compare the amount taken from each envelope with the amount written on the face of the envelope.
 - c) Any discrepancies shall be written on the envelope and initialed by the money counter. If nothing is written on the envelope, the money counter shall write the amount on the envelope.

APPENDIX F

- d) All checks received shall be restrictively endorsed as soon as possible using a rubber stamp, i.e. "Pay to the order of (*bank name - parish name*) For Deposit Only Acct. # xxx-xxxx." Banks shall be instructed never to cash checks made payable to the church.
 - e) The counting committee counts the collection and completes the collection report detailing currency, coins, and checks included in envelopes and checks not included in envelopes.
 - f) The counting committee prepares the bank deposit slip in triplicate and deposits the money in the bank. The original slip goes to the bank, one copy goes to the financial secretary, and the counting committee mails the third copy directly to a designated member of the finance council for audit purposes.
 - g) The collection report is also prepared in triplicate. The original, together with the opened envelopes, goes to the financial secretary; one copy is forwarded to a designated member of the finance council by the counting committee for audit purposes; and the third copy is retained by the counting committee.
5. Offerings shall be deposited within a few hours of collection at the local bank. All cash shall be kept in a combination safe or lock box (*but not overnight*) until it is taken to the bank for deposit unless it is kept in a walk-in safe with an integrated security system.
 6. All cash receipts shall be deposited without being reduced by disbursements. Paying any expenses out of available cash is a bad practice; i.e., using this cash as petty cash reduces accountability and understates parish expenses.
 7. A record of members' contributions shall be maintained and each member shall receive a statement of his or her offertory on at least an annual basis. Parish members shall be instructed to report discrepancies to the finance council.

FINAL COMMENT:

Similar concepts should be followed for all cash receipts, not only the offertory. The financial secretary should not handle in-coming mail, in-office contributions, festival income, etc. Parishes with one secretary that handles parish financial records will have difficulty implementing these procedures with regard to mail and in-office contributions. Parishioners should be encouraged to use the collection basket as opposed to bringing donations into the office. This will protect the secretary from allegations of theft.

Two persons not involved in the parish accounting system should always be involved when handling cash. This team should prepare the deposit slip and forward the deposit slip to the parish financial secretary. A copy of the deposit slip should be given to a designated member of the finance council. +

STEWARDSHIP AND DEVELOPMENT

New Wine, New Wineskins provides the following definition of stewardship:

Stewardship can be defined most simply as making the most responsible use of one's gifts and resources. It necessitates the recognition of life as a gift, bestowed upon each person by God and responded to in a spirit of humility and gratitude...

Stewardship, for believers, involves the sharing of individual time, talent and treasure, as well as the commitment of communal resources (temporal, financial, human, etc.) to the fulfillment of the parish mission. Members will realize their obligation to contribute to the fulfillment of the parish's mission, and will do so willingly and generously by sharing their personal resources. (p. 26)

The pastoral planning process, under the direction of the pastoral council, plays a central role in both the spiritual and financial health of a parish. The parish mission and pastoral plan create the context in which members of the faith community give of their time, talent and treasure. Stewardship is to be exercised by all in ways that further the mission and faith life of the community.

The finance council plays an important stewardship role by giving oversight and coordination to the financial resources of the community. In addition to the finance council, the pastoral council may empower an ad hoc committee to carry out stewardship-related programs and projects. This may include the diocesan annual appeal, stewardship education programs, increased offertory or planned giving programs, debt reduction or capital campaigns, and ongoing stewardship education.

The finance council should only implement these programs in conjunction with the pastoral council. Specific program implementation should occur based on parish needs identified through strategic planning for the finances, ministries, and facilities of a parish.

There are many resources available to the parish in the area of stewardship and development. The Pastoral Center Office of Stewardship and Development can assist the parish in this area. +

APPENDIX H

RESPONSIBILITIES OF FINANCE COUNCIL OFFICERS¹

The pastor may choose, at his discretion, to appoint finance council officers. Or the council, through a discernment process, may suggest members to serve as officers. The roles may be adapted to meet the individual parish needs. A suggestion of the roles for council officers is as follows:

CHAIRPERSON

The chairperson works closely with the pastor to animate the council and help members work together well. The chairperson oversees the organizational aspects of the council and chairs all meetings. The chairperson must have an understanding of group process and have facilitating skills in order to fulfill this role effectively. Suggested duties of the chairperson may include:

- Provide time for prayer and reflection to situate each meeting in a climate of faith.
- Prepare the agenda for meetings in collaboration with the pastor.
- Chair all regular and special finance council meetings.
- Appoint any special committees after consulting with the pastor and finance council.
- Motivate members to fulfill their specific responsibilities.
- Monitor the time frame for each agenda item.
- Encourage all members to participate actively and express ideas freely.
- Facilitate discussion by restating, summarizing and contrasting ideas and sentiments expressed by members.
- Clarify council procedures.
- Make certain everyone has input into the consensus process.
- State and clarify the consensus reached by the council.
- Develop processes for evaluation of council's effectiveness.
- Identify and clarify topics to be placed on future agendas and the reason for doing so.
- Schedule any communication with the pastoral council, parish staff, other parish groups and the parish community as needed.

VICE-CHAIRPERSON

The vice-chairperson performs the duties of the chairperson in the latter's absence and serves as an aide to the chairperson in conducting the council's work.

¹ *Adapted from Diocese of Cleveland, Parish Finance Council Policy, 1991. Used with permission.*

SECRETARY

To help the work of the council run smoothly, a secretary should be selected.

The suggested duties include:

- Record the minutes of all regular and special meetings. Since the recording of minutes during meetings may limit the secretary's ability to participate in discussion, the council may prefer to have a person who is not a council member perform this service.
- Maintain a roster of the members and records of attendance.
- Notify the chairperson of those members who have missed three regular meetings in a twelve-month period.
- Arrange the necessary physical arrangements for the regular and special meetings and activities of the council.
- Continually update council documents.
- Distribute information and correspondence to councilors as directed.
- Oversee any necessary correspondence in the following manner:
 - Receive and file all council business correspondence
 - Make known all council correspondence under the proper meeting procedure
 - Attend to any correspondence as delegated by the chairperson of the council.
- Keep on file records of the council's history, development, leadership, minutes, decisions and recommendations.
- If terms of office are used, keep a file on dates appointed and expiration dates. Notify pastor six months in advance of the expiration dates of council members' terms.+

APPENDIX I

SELECTION PROCESSES FOR THE MINISTRY OF PARISH LEADERSHIP

The finance council shares in the ministry of parish leadership through its consultative role. For this reason, those who serve on the finance council should be individuals whom the community recommends and the pastor appoints after careful discernment. This selection process has several key elements:

- Educating the entire parish on the qualities/gifts necessary for this leadership ministry
- Prayer
- Information session: Should provide details about the role of the finance council including: council guidelines, relationships with other groups, decision-making by consensus, the planning process, role of finance council, individual roles, details of time and calendar, expectations for individual members, current parish plan and goals
- Invitation to the community to identify potential parish leaders
- Selection process for parishioners identified as leaders:

CHOICE 1—BY DISCERNMENT: Candidates and present council gather in prayer. Those being considered for the role of finance council member are asked to address several questions, without judgment, interrogation or interruption by others in the room. This time is marked by respectful listening and openness to the Spirit.

SUGGESTED QUESTIONS:

- For how long and in what ways have you been involved in our parish?
- What do you understand the work of this council to be?
- What gifts have you been given that will enhance the work of this council?
- What draws you to offer your gifts to the ministry of leadership in our parish?
- If there is a particular administrative or financial issue facing the parish, develop a question that would ask the candidate for their input in this area, e.g., "What one thing do you think our parish should do to address xxxxxx?"

After the candidates have spoken, thank them for their time and interest. After all of the candidates have been interviewed, each person writes down the names of three people who would bring a complementary presence to the present Council. They then read aloud their choices, citing a single reason for naming each person.

If it appears that certain persons have clearly been selected, their names are listed. This process continues until the needed number of council members is selected. A final general consensus is voiced. A prayer of blessing and gratitude is offered.

CHOICE 2—BY APPOINTMENT: The names of potential candidates are given to the pastor. After careful consideration of the individual's skills and those of existing council members, the pastor identifies candidates that he would consider for the appointment. The pastor may make the appointment at this time or the pastor may ask for input from existing finance council members before making an appointment.+

APPENDIX I

SAMPLE FINANCE COUNCIL IDENTIFICATION FORM

Those who serve on the parish finance council share in the ministry of parish leadership. The council oversees the community's faithfulness to responsible stewardship. We are beginning the process of discerning new members for this council. Please help to identify persons in this faith community who may be capable of sharing in this ministry.

LEADERS SHOULD HAVE THE FOLLOWING CHARACTERISTICS:

- Desire for spiritual growth.
- Enthusiasm about the future directions of our parish.
- Willingness to listen, to speak honestly, and to work toward consensus.
- Flexibility and openness toward people and ideas.

IN ORDER TO BE CONSIDERED FOR THE MINISTRY OF PARISH LEADERSHIP A PARISHIONER MUST:

- Be a baptized Catholic.
- Be a registered member of our parish.
- Be a regular participant in the on-going faith life of our parish, especially Sunday Eucharist.
- Be at least 21 years old.
- Have experience in finance, civil law, facilities/construction, stewardship and development, human resources, or management and administration.

Please list the names of parishioners whom you would identify as having the gifts necessary for the ministry of the finance council. These individuals will receive a call to inform them that they have been named and to ask them to participate in an information session. They will have the option to remain in the selection process or not.

Thank you for your suggestions. *Please pray for our community as we discern the selection of finance council members for our parish.*

WILLINGNESS TO SERVE

I have studied the document, *The Ministry of Fiscal Management – Diocese of Greensburg Norms for Parish Finance Councils*, and have prayerfully considered the ministry of parish leadership. I believe I have the understanding and the gifts needed to commit myself to such ministry in our parish. If selected to serve, I will do my best to live up to the responsibilities involved in this ministry. I agree to serve according to the requirements of finance council membership.

Signature

Date

Name (*Print*)

Address

City, State, Zip

Home Phone Number

Work Phone Number

E-mail Address

APPENDIX J

PARISH BUSINESS MANAGER

Parish administration involves countless tasks and responsibilities. In most cases the pastor cannot fulfill all of these alone. He must delegate many of these tasks to competent staff that understands that, sound fiscal management is an integral to the mission of the Church.

Many pastors feel overburdened with financial and fiscal matters when their primary role is the spiritual leadership of the faith community. One possible solution for relieving this burden is for the parish to hire a business manager who possesses a keen sense of stewardship. Like all parish leaders, business managers are called upon to accept accountability and practice sound stewardship of the resources and entrusted to them.

Any pastor who has had the experience of working with a professional business manager can attest to the positive impact this creates – not only on parish finances, but on other areas of parish life as well – since more of the pastor's attention can then be given to pastoral concerns.

Under certain circumstances, a volunteer may handle many of the responsibilities of a business manager. Generally, this would require someone with considerable time available, e.g., a retired person with a strong business background. It is more likely that the parish would need to hire such a person.

In our diocese, all parishes are assigned to a region. If a parish is not able to afford a full-time business manager, the parish could consider beginning a conversation with the other parishes in its region about the possibility of sharing the cost. By combining the resources of a number of parishes, a competent professional can be hired at a competitive salary. A person with the right qualifications will make a significant impact and should be sufficiently challenged in dealing with the issues of a number of parishes.

QUALIFICATIONS

The necessary qualifications will vary, depending upon the responsibilities of the business manager. Certainly education/knowledge and experience are key factors. Although five years of experience is recommended, the pastor, with assistance from the finance council, must judge whether or not the candidate has the level of maturity needed to handle the tasks being assigned. Interpersonal skills are also very important.

A business manager should possess the following skills:

- **MANAGERIAL SKILLS:** The ability to work effectively with and direct support staff and volunteers. Must be sensitive to the needs of various groups in the parish and maintain a professional appearance and attitude. Be responsive to meeting the needs of the parish, pastor, finance council, pastoral council and other committees in a timely manner. Have approximately five years experience in a supervisory or managerial capacity.

- **ACCOUNTING SKILLS:** Must have a working knowledge of accounting and its theory. A degree in any business field, i.e., business administration, management, accounting, etc., is preferred. Should have approximately five years experience in a business office, working with budgeting, general ledger, and payroll/employee benefits.
- **BUDGETING SKILLS:** Must have the ability to formulate and execute a budget. Must have the ability to call attention to trends without confrontation. The person should have experience with preparing budgets. This experience should include analyzing budgets versus actual results and reporting on the differences to management.
- **COMPUTER SKILLS:** Sufficient level of proficiency with computerized information systems, including word-processing, spreadsheets, databases, and financial/general ledger packages.
- **INTERPERSONAL SKILLS:** Must have the ability to effectively communicate and interact with the pastor and the public to support and advance the mission of the Church. Must be professional in dealing with the pastor, staff, councils and all others. Must be a team player, able to work well with others to further the mission of the Church.

JOB DESCRIPTION MAY INCLUDE THE FOLLOWING RESPONSIBILITIES:

- Report to, and consult with, the pastor on all fiscal matters.
- Manage and supervise the day to day operations of the parish business office.
- Direct the staff in the areas of cash receipts, cash disbursements, operating and capital budgeting, payroll, and other financial affairs resulting in proper accountability and financial reports.
- Reconcile all bank accounts on a monthly basis.
- Evaluate the procedures for handling cash receipts and disbursement to ensure that proper controls are in place.
- Make recommendations to ensure that parish assets are properly safeguarded.
- Ensure that information systems and technology are used to optimize efficient use of resources. Consult with Pastoral Center Information Technology staff where necessary.
- Supervise the performance of all business office staff. Conduct formal annual performance evaluations. Initiate recommendations on staffing needs. Responsible for interviewing potential candidates, making recommendations on hiring and termination. Review bimonthly payroll worksheets for accuracy, paying particular attention to deduction for taxes and benefits.
- Complete parish annual report in accordance with Pastoral Center guidelines. Prepare periodic financial reports for the community at large in order to promote accountability over donations and spending.

APPENDIX J

- Review parish investments and savings; recommend necessary adjustments thereon through monthly reports to the pastor.
- Prepare and update annually a five-year financial plan for the parish. This should take into consideration the parish pastoral plan, capital budgets and development activities.
- Act as staff on all construction projects reporting to finance council, pastoral council and building committee. Prepare necessary financial analysis for study and ultimate approval of the project. Coordinate in accordance with the Pastoral Center Construction and Renovation Policy the bidding process to obtain the most economical price from a qualified contractor. Track project costs in relation to budget and provide periodic reports on at least a monthly basis while the project is in process.
- Serve as staff member on all development activities, reporting to pastor, finance council, pastoral council, and fund-raising committees. Consult with the Pastoral Center Stewardship and Development Office as necessary. Ensure that all proceeds from development activities are used for their intended purpose. Prepare periodic reports to all publics on at least a monthly basis while the campaign is in place.
- Coordinate the parish budget process. Review all monthly budget reports. Investigate significant variances, consulting with other staff if necessary. Report all significant variances to the pastor.
- Prepare a five-to-ten-year parish capital budget in collaboration with the Pastoral Center Engineering and Facility Management Office or other competent professional. Recommend a reserve for the long-term maintenance of parish facilities.
- Coordinate periodic meetings with the finance and pastoral councils. As staff to the finance council, conduct appropriate follow-up on all questions. Present operating budgets, capital budgets, and actual financial results, quarterly, to the finance council and annually to the pastoral council.
- Coordinate with Pastoral Center Finance Office on the Parish Financial Review. Appropriately respond to and address all findings.
- Become familiar with and ensure compliance with diocesan policies and procedure in the area of parish administration. This includes the policies and procedures on finances, stewardship and development, construction and renovation, Catholic schools, insurance, cemeteries, use of volunteers, investing in the Catholic Institute and Catholic Foundation.
- Attend all finance council and pastoral council meetings as staff, at the discretion of the pastor. (As staff, the business manager is not a member of the finance council or pastoral council.)
- Accept assignments from the pastor deemed necessary in carrying out the parish financial programs. +

SUMMARY ANNUAL REPORT TO PARISHIONERS

Today, full disclosure of financial information from charitable organizations is expected. Below is an example of a summary financial report. Each parish should issue a summary financial report to all parishioners on at least an annual basis. Parishes with an elementary school or parishes that are part of an area school should issue a summary report on the school. The following statement should appear on the summary annual report, "The completed annual financial report is a public document and is available for inspection to anyone that wishes to review it in its entirety. Please contact (*insert contact name and phone number*) to make an appointment."

This report may be included as an insert in the bulletin. Some parishes have a member of the finance council present this information during a Sunday Mass. A financial report may also be mailed to all registered families, along with a letter encouraging them to reflect on their level of giving. This letter may be sent as part of a stewardship program in consultation with the Pastoral Center Office of Stewardship and Development or materials issued by that office.

FOR THE YEARS ENDED JUNE 30,	2001	2000
INCOME:		
ORDINARY INCOME (<i>Offertory, children's and loose collection</i>)	\$224,000.00	\$216,000.00
EXTRAORDINARY INCOME (<i>bequests, donations, special campaigns, and interest on investments</i>)	28,000.00	27,000.00
OTHER INCOME (<i>LIST ITEMS OVER \$5,000 SEPARATELY</i>)	<u>9,000.00</u>	<u>15,000.00</u>
TOTAL INCOME	<u>261,000.00</u>	<u>258,000.00</u>
EXPENSES:		
ADMINISTRATION (<i>Pastor and staff salaries, office expenses, Accent and Hospital Ministry expense</i>)	43,000.00	41,500.00
CHURCH (<i>Organist, choir, liturgical & sanctuary supplies, sacristan, votive candles, etc.</i>)	45,000.00	46,000.00
RECTORY (<i>Salary, table food, household supplies, repairs</i>)	6,000.00	9,000.00
EDUCATION (<i>Elementary school, high school, CCD, etc.</i>)	60,000.00	62,000.00
GENERAL (<i>Insurance, employee benefits, janitorial, diocesan assessment, etc.</i>)	67,000.00	68,500.00
EXTRAORDINARY (<i>List individual items over \$5,000</i>)	<u>35,000.00</u>	<u>30,200.00</u>
TOTAL EXPENSES	<u>256,000.00</u>	<u>257,200.00</u>
SURPLUS/(DEFICIT) (<i>Before diocesan collection</i>)	<u>5,000.00</u>	<u>800.00</u>
DIOCESAN COLLECTIONS: (<i>Regional, national, and international Church</i>)		
AMOUNT COLLECTED	25,000.00	29,000.00
AMOUNT DISBURSED TO ORGANIZATIONS	<u>25,000.00</u>	<u>29,000.00</u>
SURPLUS/(DEFICIT)	<u>\$5,000.00</u>	<u>\$800.00</u>
CATHOLIC INSTITUTE:		
LOANS (<i>List individually - Bal. as of June 30</i>)	\$0.00	\$0.00
DEPOSIT (<i>List individually - Bal. as of June 30</i>)		
56310 - CHURCH	\$53,000.00	\$113,000.00
56391 - CD (MATURES 5/1/2002)	\$105,000.00	
ENDOWMENTS IN CATHOLIC FOUNDATION:		
TUITION ASSISTANCE ENDOWMENT (<i>EMV @ June 30</i>)	\$150,000.00	\$135,000.00

The parish should provide a narrative or discussion regarding any major changes in its operations to explain the numbers outlined above, as well as the other income and extraordinary expenses. Also, the parish may choose to include certain statistics as a part of its report, i.e., baptisms, funerals, marriages, number of registered Catholics and number attending Mass. +

APPENDIX L

PARISH INTERNAL FINANCIAL REVIEW PROCEDURES

It is the responsibility of the pastor, along with the finance council, to ensure that proper procedures are in place to safeguard the assets of the parish. "Standard business practice in the United States sees as normative annual audits, regular reporting and use of qualified accountants."¹ Annually, parishes should schedule an internal review of parish financial procedures and the parish (*and school*) annual report(s). An independent Certified Public Accountant (*CPA*) should be engaged to execute an agreed upon procedures program.

No member of the parish staff or any person who is related to the pastor, parochial vicar or a parish staff member may conduct the internal financial review.

Checklists and a template program that outlines the procedures may be obtained from the Pastoral Center Finance Office.

IMPLEMENTATION

The reason these norms recommend the use of a CPA is that CPAs are required to continue their education to maintain their license. In addition, CPAs must adhere to a Code of Professional Conduct that expresses the profession's recognition of its responsibilities to the public, to clients, and to colleagues. They guide members in the performance of their professional responsibilities and express the basic tenet of ethical and professional conduct.² In carrying out their responsibilities as professionals, members should exercise sensitive, professional and moral judgment in all their activities.³

SCOPE OF THE INTERNAL PARISH FINANCIAL REVIEW

The process includes a review of the financial records, the completion of the internal control questionnaire, and procedures to determine if parish assets are properly safeguarded and if financial transactions are properly recorded and reported.

The Pastoral Center Finance Office provides a template program and internal control questionnaire. These tools are not considered all inclusive. The auditor must use professional judgement to determine any procedures necessary to formulate an opinion on the reliability of the parish's internal controls and the accuracy of the parish's financial report.

- The internal financial review is conducted for the fiscal year July 1 through June 30.
- The report is issued to the pastor and finance council.
- The pastor and a member of the finance council should forward a copy of the final report to the Pastoral Center Finance Office.
- The work papers are to be kept on file and made available for review during the diocesan parish financial reviews.+

¹ *Canon Law Society of America, Church Finance Handbook, 1999.*

² *AICPA Professional Standards ET Section 51.02.*

³ *AICPA Professional Standards ET Section 52.01.*

APPEAL PROCESS WHEN A COUNCIL RECOMMENDATION IS NOT APPROVED¹

When a finance council continually seeks to build consensus in its deliberations, rarely would a pastor not approve a council recommendation. Differences of opinion, which may arise, are resolved ideally at the local level when they occur. However, the following procedure is offered as an appeal process when major disagreements exist:

- If the pastor decides after prayer and reflection not to approve a finance council recommendation or to withhold implementation, he expresses this decision to the finance council and gives his reasons as fully as possible.
- If the finance council has serious difficulty with accepting the pastor's decision, the chairperson may poll the finance council as to whether they wish to accept the decision and drop the matter.
- If the finance council wishes to pursue the matter, it is placed on the agenda for the next meeting. The pastor and all concerned persons study the issue further and prepare any further relevant data or insights.
- At the next meeting, the finance council prayerfully reviews the issue and the additional information provided. The recommendation may be revised in response to what is said. If the recommendation in question is passed again by two-thirds of the members present (*providing there is a quorum*) and is still not approved by the pastor, the issue can be referred to the dean. Either the chairperson of the council or the pastor can initiate the referral.
- As a last resort, the matter should be referred by the dean to the bishop or Pastoral Center, as appropriate.+

¹ Adapted from Diocese of Cleveland, *Parish Finance Council Policy, 1991. Used with permission.*

APPENDIX N

PERSPECTIVES ON CONSENSUS¹

1. One statement of consensus: A group process of seeking substantial though not necessarily unanimous agreement on a significant matter. The group strives to attain a conclusion which all can support, even if some still disagree. Consensus can be described in the following way: "I understand what most of you would like to do. I personally would not do that, but I feel that you understand what my alternative would be. I have had sufficient opportunity to openly share my thoughts and feelings. I feel that I have been listened to, but I clearly have not been able to sway you to my point of view. Therefore, I will support what most of you wish to do."
2. In seeking consensus, the key value is to reach an optimal level of agreement and support, rather than make a decision expediently, however divided people might be.
3. The concern to reach consensus has a profound impact upon how a group goes about its work. Consensus seeks participation by all members of the group and by others who will also be impacted by the outcome. Input is used to shape and reshape a proposal based upon what is said.
4. If we choose to build consensus, we first need to build relationships that will enable consensus to happen. Building an atmosphere of openness and truth is essential for a group-seeking consensus. Otherwise, people often end up with a false consensus. For example, if one asks, "Does everyone agree?" or "Does anyone disagree?" few people may respond. There well may be people, however, who do not feel comfortable expressing disagreement, especially if an atmosphere of honesty has not been created.
5. One test for consensus is to ask each person to say the word "yes" or "no" to the proposal under study. If anyone says anything other than "yes," they often mean some degree of "no." People who feel reluctant to openly disagree may implicitly express their reluctance by using words like "yeah," "sure," "ok," "um" and so forth.
6. If we cannot agree on the problem, it is very unlikely we will ever agree on a solution. Consensus-building happens in steps, for example seeking consensus on:
 - what is the purpose of each meeting or discussion?
 - what is the problem or concern?
 - what are some possible responses?
 - what is the best response?
7. In one form of the consensus process, each person is asked to:
 - Prepare his/her own position as thoroughly as possible before the meeting and realize that the task is incomplete until other council members offer

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their viewpoints. Each person has a view of the truth. In order to be prepared, each member should have the agenda and proposal under study at least seven days before the meeting.

- Recognize an obligation to express his/her own opinion and explain it fully so that the rest of the council will have the benefit of all the members' thinking.
 - Recognize an obligation to listen to the opinion and feelings of all the other members, and be ready to modify his/her own position on the basis of logic, understanding and sensitivity.
 - Avoid conflict-reducing techniques such as voting too soon or giving in to keep the peace, and realize that differences of opinion are both helpful and typical. In exploring differences, the best course of action will gradually make itself apparent. Consensus begins only when members are ready to really listen and are open to modifying their positions.
8. Consensus almost always takes more time at the beginning than other methods of decision making. However, it can also be more "efficient" than other methods when we consider the value of effective implementation and positive community impact. Decisions made quickly that do not receive support in the implementation phase are seldom effective or efficient.
9. It is also important to be clear about "who makes what decision in what ways." This is an excellent area for dialogue at the very beginning of any significant consensus process. Otherwise, the unspoken expectations about roles in the consensus process can lead to frustration and disappointment as different people or groups feel they were excluded or ignored. Some issues will require the consensus of a particular group. Other issues will warrant only informational updates on what is happening.
10. Consensus is often more time-consuming than simple voting. While voting allows for all members of the group to participate before a conclusion is reached, it is also competitive and tends to produce winners and losers. Furthermore, voting tends to become legalistic.
11. Further guidelines for the successful use of the consensus method are:
- The proper attitude for consensus requires a desire to arrive at a common conclusion and willingness to compromise. This compromise is not yielding to an inferior solution, but recognizing the validity of another point of view. Members may disagree, but should avoid being argumentative.
 - Determining the areas of agreement, and isolating the areas of disagreement will minimize the level of polarization in the group.
 - Dealing with the interests behind a declared position of disagreement will help to reach a general consensus.
 - The ability of the chairperson to lead and unify the group is a dominant factor in achieving consensus.
12. Before they are enacted, recommendations of the finance council need to be accepted by the pastor. If the pastor and councilors deal with issues openly and honestly from the beginning of the consensus process, in a consistent environment of mutual respect, disagreements on issues will be minimized, and an occasional disagreement will not damage the relationship between pastor and council. +