

DIOCESE OF DALLAS

Requirements for Parish Finance Councils

Article I – Theological and Canonical Context

1.1 Parish

The Parish is a community of believers sharing in the mission of the Church.

Canon 519 – The pastor...exercises pastoral care over the community entrusted to him under the authority of the diocesan bishop, in whose ministry of Christ he has been called to share. In accord with the norm of law, he, therefore, carries out for his community the duties of teaching, sanctifying and governing with the cooperation of other priests or deacons and the assistance of lay members of the Christian faithful.

Canon 204 – The Christian faithful are those who, inasmuch as they have been incorporated in Christ through baptism, have been constituted as the people of God...and have become sharers in Christ’s priestly, prophetic and royal office....

The Decree on the Apostolate of the Laity from the Documents of Vatican II further emphasize the importance of collaboration between lay and clergy. According to their particular gifts, their state of life, and their office in the Church, Christ’s faithful worship God in spirit and truth, proclaim the gospel and care for the needs of their brothers in charity. Within this context, the laity are called to assist the pastor in the pastoral care of God’s people and in the administration of the temporal goods of the Church.

1.2 Consultation

An important implication of this shared responsibility is that the laity share with the pastor responsibility for guiding the mission of the Parish to which God calls the Church.

The Church has established a structure whereby the Church – clergy and lay – attempt to listen to the Spirit who is leading the Church and speaking to it through gifts and experience, as well as through office and ordination.

1.3 Parish Finance Council

The Finance Council is a body required by the 1983 Code of Canon Law. The Diocese of Dallas (the “Diocese”) directs that all pastors and administrators establish and maintain a Finance Council in the Parish.

Canon 537 – Each parish is to have a finance council which is regulated by universal law as well as by norms issued by the diocesan bishops; in the council

the Christian faithful, selected according to the same norms, aid the pastor in the administration of parish goods with due regard for the prescription of canon 532.

Canon 532 – The pastor represents the parish in all juridic affairs in accord with the norm of law; he is to see to it that the goods of the parish are administered in accord with the norms of canons 1281-1288.

1.4 Relationship to the Parish Pastoral Council

The Parish Pastoral Council is a consultative body encouraged by the Code of Canon Law. The Diocese directs that all pastors and administrators establish and maintain a Pastoral Council.

Canon 536 §1 – If the diocesan bishop judges it opportune after he has heard the Presbyteral Council, a pastoral council is to be established in each parish, over which the pastor presides and in which the Christian faithful, together with those who share in pastoral care by virtue of their office in the parish, assist in fostering pastoral activity.

The two councils (Finance and Pastoral) are separate, and each has a different and specific role in the life and operation of the Parish. They should work cooperatively, but in accordance with their respective roles. The purpose of the Pastoral Council is to work with the pastor or administrator to set priorities for the Parish. The Finance Council works with the pastor or administrator to determine how to implement those Parish priorities from a financial perspective (see Section 2.1.c).

There may be other consultative bodies within a parish such as school boards, commissions, special committees, etc. Although coordination of operating procedures in a collegial and supportive manner is important, these policy requirements address the Finance Council role, responsibilities and authority.

Article II – Structure and Operation of Parish Finance Council

2.1 Membership and Size

The pastor or administrator shall appoint no less than three (3) or more than nine (9) voting members to the Finance Council, taking into consideration the following Diocesan requirements for membership:

- (a) The pastor or administrator is the administrative head of the Parish and a voting member (but not included in the 3 to 9 members mentioned above).
- (b) The parochial vicar(s) if any and the business manager or equivalent attend the meetings but are not voting or ex-officio members.
- (c) One (1) member of the Pastoral Council who is selected by the members of the Pastoral Council and approved by the pastor or administrator is an ex-officio member. The function of this ex-officio member is to assist the pastor or administrator in communicating with the members of the Finance Council regarding the priorities that have been established by the Pastoral Council. This member is one of the 3 to 9 voting members mentioned above.
- (d) Voting members of the Finance Council must be (i) parishioners who are reputable and active members of the Parish and in communion with the Church or (ii) members of the Christian faithful who are not parishioners but who are in communion with the Church, (in either case, as determined by the pastor or administrator in his reasonable discretion).
- (e) Voting members of the Finance Council must be persons who are knowledgeable about financial management, accounting, general management or administration, banking, investment counseling, insurance or public relations, etc. and who are committed to the work of the Church (as determined by the pastor or administrator in his reasonable discretion).
- (f) Voting members of the Finance Council may not be related to the pastor or administrator, or to any associate priests assigned to the Parish nor to the business manager. With limited exceptions that may be determined by the pastor or administrator in his reasonable

discretion, the members of the Finance Council should not be the same as those on the Pastoral Council.

2.2 Terms of Office

Finance council members are named by the pastor or administrator after consultation with the Parish Pastoral Council for a one (1), two (2) or three (3) year term taking into consideration the needs of the Finance Council and the expertise of the members. Ideally, terms of office should be staggered to ensure continuity of expertise. Members may be re-appointed to more than one (1) term, but shall not serve more than six (6) consecutive years. Former Finance Council members who have not served on the Finance Council for two (2) consecutive years may be re-appointed to the Finance Council by the pastor in his discretion.

2.3 Officers

The pastor or administrator presides over each Finance Council meeting (unless he delegates this duty to the Chairperson, as described below) and receives the Finance Council's advice or consent as required (see Articles III and IV below).

The Finance Council shall elect a Chairperson at the first meeting of the Finance Council held during each calendar year. The Chairperson must also be approved by the pastor. The Chairperson shall assist the pastor in coordinating the work of the council, in preparing for meetings and in implementing those proposals of the Finance Council which have been accepted and ratified by the pastor. The Chairperson may, if the pastor so desires, chair the meetings of the Finance Council. The Chairperson is elected for a term of one (1) year. He may be re-elected, but shall not serve as Chairperson for more than two (2) consecutive years.

2.4 Meetings

The Finance Council shall meet at least four (4) times a year. Meetings and agenda shall be arranged by the Chairperson in consultation and with the approval of the pastor. Notice of the time and place of each meeting, the agenda for the meeting, and appropriate background materials to allow Finance Council members to prepare for the meeting shall be provided in writing by the pastor or Chairperson to each Finance Council member at least one (1) week in advance of the meeting. The pastor and members are expected to attend all meetings. A failure by a Finance Council member to attend three (3) consecutive Finance Council meetings shall constitute grounds for removal of that member (in the pastor's reasonable discretion). The pastor or administrator shall cause minutes to be kept of each Finance Council meeting.

2.5 When Consent is Required

Certain transactions which are detailed in Article IV require the pastor/administrator to receive the **consent** of the finance council. The following details the process for securing canonical consent in accord with Canon 119:

The presence of a majority of the Finance Council members is required to constitute a quorum of any meeting of the Finance Council when consent is required. When a quorum is present, the approval of a majority of the voting members present is required to give consent to those matters brought to a vote of the Finance Council. However, in the event of a vote of the voting members of the Finance Council that ends with a tie after two rounds of voting, the vote of the pastor or administrator shall break the tie.

Article III – Principal Functions and Goals

The principal functions and goals of the Finance Council listed below relate to the effective administration of the Parish financial resources and other temporal goods. (The Parish financial resources and temporal goods include all funds and other assets maintained or used by the Parish, Parish school or Parish-based organizations, endowments and trust funds.) There can be other functions and goals (as determined by the pastor or administrator in his reasonable discretion) depending upon the needs of the Parish, the capabilities of the individuals serving on the Finance Council and the agreements with other Parish bodies. With regard to the achievement of the functions and goals set forth below in this Article III, the mission of the Finance Council is collaborative in nature, meaning that the Finance Council is to work with the pastor or administrator to achieve these functions and goals, but does not have specific consent rights. (See Article IV for a description of matters which require the prior written consent of the Finance Council.) The members of the Finance Council shall have the right to review such information related to the Parish, Parish school or Parish-based organizations, endowments or trust funds as is reasonably required to allow them to pursue these functions and goals.

The Diocesan policies and requirements referred to in A., F., H., K., P. and Q. below are available from the Diocesan Business Office (CFO), and are being codified to facilitate future referrals.

- A. Review Parish, Parish school and Parish-based organizations, endowment and trust fund compliance with Diocesan financial management and accounting system requirements and policies.
- B. Review the annual Parish and Parish school budget and advise the pastor or administrator on approval. (See Article IV, Section 4.1 for a description of budget approval requirements, as well as expenditures requiring specific approval of the Finance Council.)
- C. Review periodically the revenues and expenses, cash position and cash flow of the Parish to determine that the budget is operative and appropriate.
- D. Monitor financial planning and management, including appropriate investments of Parish and school funds, as well as endowment and trust funds.
- E. Review all Parish building programs and renovations.
- F. Provide parishioners with periodic and annual reports of the financial state of the Parish, as required by the Diocese.
- G. Establish procedures to ensure that all Parish properties are inspected periodically and remain in proper repair.
- H. Recommend the purchase or transfer of property in accordance with Diocesan policy. (See Article IV, Section 4.2.a)
- I. Support and assist in the Annual Diocesan Appeal whether directly or through a special committee.
- J. Conduct or assist in establishing effective means of raising the funds needed to attain the goals of the Parish in carrying out the mission of the Church (annual Parish drive, special appeals, etc.).
- K. Review all fundraising or other income-producing proposals and activities to ensure that these are consistent with the Parish and Diocesan mission and policies and to ensure that all appropriate Diocesan approvals are obtained (see Article IV, Section 4.2d).
- L. Assist the Pastor/Administrator in the hiring and regular evaluation of the Parish Business Manager.

- M. Review results of annual audits or financial reviews of the Parish and Parish school financial statements with the independent certified public accountants retained by the Parish.
- N. Develop a plan for systematic payment of any Parish debt.
- O. Monitor the parish process to meet all requirements of federal and state tax laws and maintenance of an accurate record of payment.
- P. In conjunction with the Diocesan Business Office, submit to appropriate civil authorities all tax exempt forms as required by law and maintain records of same for all Church-owned properties.
- Q. Establish appropriate risk management procedures over the assets of the Parish and Parish school in a manner consistent with the requirements of the Diocesan insurance program.

Article IV – Ordinary and Extraordinary Administration – Specific Required Approvals

Applicability

These provisions of this Article IV apply not only to each Parish, but to each quasi-Parish, parochial school, Diocesan school, Catholic Charities of Dallas, Inc., Holy Trinity Seminary, Redemptoris Mater Seminary, Calvary Hill Cemetery, Texas Catholic Publishing, Inc., St. Joseph Residence, Inc. and any other Diocesan entity.

4.1 Entity Approval

Prior to the 15th day preceding the start of the Parish or entity fiscal year, the Finance Council or entity board of directors shall approve an operating budget and a capital budget for the succeeding fiscal year.

Any expenditure or project in excess of the greater of \$25,000 or 5% of prior year's ordinary annual revenue that is not reflected in a budget that has been approved by the Parish Finance Council or entity board of directors **requires** (i) specific advance written approval by the pastor or administrator (or president) and (ii) the advance **written consent** (see Section 2.5 regarding the process for obtaining consent) of the entity's Finance Council or entity board of directors.

4.2 Diocesan Approval

In addition to 4.1 above:

- (a) (i) Any expenditure or group of related expenditures in excess of \$50,000 that is not a recurring operating expenditure reflected in a written budget that has been approved by the pastor or administrator (or president) and the Finance Council or entity board of directors), or (ii) all sales of real estate or any sale of another asset valued in excess of \$50,000, or (iii) acceptance of a donation of any real estate requires the advance written approval of the Bishop.
- (b) Any capital improvement or repair/renovation project that involves a projected cost in excess of \$50,000 requires review and prior written approval by the Diocesan Building Commission (in addition to the approvals required of the pastor or administrator (or president)), the Finance Council or the Bishop. If the project involves alterations of worship space, the project also requires the review by the Committee for Sacred Places.
- (c) Any financing or refinancing with any lender, whether secured or unsecured, requires the prior written approval of (i) the Bishop and (ii) the Diocesan Committee for Parish Financing through the Diocesan Chief Financial Officer.
- (d) Each fundraising campaign for capital projects, endowment funds, etc. must be approved in advance in writing by the Bishop in accordance with the requirements of the USCCB norms relative to Canon 1262.
- (e) Initiation of litigation or arbitration requires the prior written consent of the Bishop. Any settlement of litigation, arbitration or other types of adverse claims for an amount that exceeds \$50,000 requires the prior written consent of the Bishop.

4.3 Extraordinary Administration

In addition to the requirements of 4.1 and 4.2 above:

In accord with canon 1277 and the complimentary norms of the USCCB, the following are to be considered **acts of extraordinary administration**, the canonical validity of which requires the Diocesan Bishop to obtain **the consent** of

the Diocesan Finance Council and the College of Consultors before he can grant approval:

- (a) Initiating a program of financing by the issuance of instruments such as bonds, annuities, mortgages, bank debt or any other form of borrowing in excess of \$750,000 (whether at the Parish, entity or Diocesan level).
- (b) Resolving an individual or aggregate claim(s) (whether asserted in litigation, arbitration or otherwise) by financial settlement in excess of \$750,000.
- (c) Engaging in the regular management or operation of a trade or business that is not substantially related to the performance of the religious, spiritual educational or charitable purposes of the Church, even if the purpose of such trade or business is to generate income to support Church activities.
- (d) Entering into any financial transaction or contractual agreement, the terms of which address matters involving an actual or potential conflict of interest for the pastor, parochial vicar, Parish administrators, business managers or any member of the Finance Council.
- (e) Filing a petition for relief under Title 11 of the United States Code (commonly referred to as the United States Bankruptcy Code).
- (f) Leasing of property owned by a Parish or other Diocesan entity when
 - (i) the market value of the property to be leased exceeds \$100,000 or
 - (ii) the lease has a term of one (1) year or more.

TEMPLATE FOR CONSENT
[PARISH LETTERHEAD]

CONSENT OF
PARISH FINANCE COUNCIL
[INSERT NAME OF PARISH]
DIOCESE OF DALLAS

By virtue of this decree, and in accord with canonical norms, we hereby declare that on [date of meeting], the Parish Finance Council gave consent (in compliance with the prescription of canon 127 and diocesan norms) for [insert brief description of transaction or expenditure requiring approval], in accordance with the attached summary.

In accordance with canons 166 and 167 § 1, we also testify that all members of the Council were duly notified and each member present voted personally.

Given on this day ___ of _____, 20__

Pastor

Attachment

Finance Council Members
at Meeting (quorum required):

Type name

Type name