



## Parish Finance Council

# Parish Finance Council Constitution

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The Parish Finance Council is a body of parishioners endowed with either special competence in financial matters or prudent judgment, whose ministry is to offer their time and talent in the development and management of the parish's financial resources so that the parish may effectively pursue its basic mission of spreading Christ's gospel and love. This body acts to assist and advise the pastor and the parish staff in matters pertaining to aspects of financial administration. The Finance Council shall observe the "Guidelines for Parish Finance Councils" extracted from the Diocese of Raleigh Pastoral Administrative Manual, and attached as an addendum to this Constitution.

In order to achieve this mission, the Finance Council is engaged in the following areas:

1. The Budget Formulation and Financial Reports
2. The Bishop's Annual Appeal
3. Financial Policies and Procedures
4. Long Range Financial Planning

### COMPOSITION

The Finance Council is to be comprised of not less than four parishioners nor more than nine. The pastor and Business Manager are ex-officio, non-voting members. The remaining members are to be appointed by the pastor from the parish at large based upon a review of parishioner talents and experiences.

### TERM OF APPOINTMENT

A discernment process is used to determine the members of the Parish Finance Council. All candidates are interviewed one at a time by two of the Parish Council members to discuss qualities and qualifications. Once this is completed the candidates have a time of discernment to determine if they wish to accept the position of becoming a Parish Finance Council.

The term will be for three years from July 1 – June 30. Subsequent terms may be in the amount of one, two, or three years at the discretion of the Pastor and Finance Council member. The aim should be to replace not more than 1/3 of membership annually.

Any vacancies that occur will be filled by appointment by the Pastor for the unexpired term of the departed member.

### LEADERSHIP

The Finance Council may make recommendations to the Pastor as to persons who might be appointed as Council Chairperson. However, the pastor will make the final determination and appoint the Chairperson for mutually agreeable term. In addition, a member will be designated

as the Vice-Chairperson. In the absence of the Chairperson at a Parish Finance Council meeting, the Vice-Chairperson will serve in his/her place. Further, a member will be designated as Secretary and that person will be responsible for the preparation and review of meeting minutes. The acting Secretary should have an acquaintanceship with the Robert's Rules of Order.

The Chairperson will attend Parish Pastoral Council meetings as an ex-officio member of that Council.

### **MEETINGS**

The Finance Council will meet quarterly or as otherwise necessary.

An agenda will be prepared and distributed in advance by the Business Manager in conjunction with the Chairperson and the pastor.

The Parish Finance Council strives to achieve a process of consensus for all recommendations. A consensus shall consist of a simple majority of the appointed members.

Each member is strongly encouraged to attend all meetings of the Finance Council. Members are to contact the Chairperson prior to a meeting in the event of an unavoidable absence.

### **RESPONSIBILITIES**

#### **BUDGET FORMULATION AND FINANCIAL REPORT**

##### **ESTABLISHING THE BUDGET**

The Business Manager will compile a draft budget in consultation with all of the Ministry Coordinators to be presented to the Parish Finance Council. Following a thorough review, the Finance Council will recommend to the pastor a proposed budget for the fiscal year.

##### **MONITORING THE BUDGET**

Quarterly, the Parish Finance Council will review actual income and expenses against the budget, looking at variances and evaluating the need for spending adjustments.

The Parish Finance Council will ensure that parish committees, commissions, ministry chairpersons, and parish staff members sign off indicating acceptance of their respective budgets. The Business Manager will keep all responsible parties informed of their expenditures to date as compared to budget and will review significant variances from budgeted amounts with the Finance Council.

##### **FINANCIAL REPORTS**

The Parish Business Manager will assure that monthly reports are prepared and distributed via email to each Council member. A report will be made to the parish at-large on a quarterly basis. The Finance Council will review all quarterly financial reports prior to their submission to the Diocese of Raleigh.

## **BISHOP’S ANNUAL APPEAL**

At the conclusion of the Bishop’s Annual Appeal (BAA) campaign, the BAA chairperson will make a written report to the Parish Finance Council summarizing the results. The report should include the amount pledged vs. goal, number of participants and any other statistical information deemed appropriate by the BAA chairperson.

## **FINANCIAL POLICIES AND PROCEDURES**

The Parish Finance Council will establish and monitor financial policies and procedures. The areas to be covered include, but are not limited to: 1) Collections, 2) Deposits, 3) Disbursements, and 4) Reports. Normally, internal audits will be performed by the Diocese of Raleigh every two to three years to ensure adherence to financial policies and procedures.

## **LONG-RANGE FINANCIAL PLANNING**

The Parish Finance Council, in conjunction with the Business Manager, will develop a long-range parish financial plan consistent with the parish growth plan developed in conjunction with the Parish Pastoral Council. The Parish Finance Council will implement, monitor, and evaluate capital campaigns as included in any plan approved by the Diocese and Council.

## **CONCLUSION**

The Parish Finance Council has the obligation of planning, providing for, and supervising the financial affairs of the parish, making regular financial reports, and recommending courses of action to the pastor. It oversees parish income and expenditures, develops an annual budget, and presents an annual financial report to the parish. The Finance Council is also responsible for developing long-range financial planning consistent with the parish planning process.

Approved by the Pastoral Finance on \_\_\_\_\_.

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Rev. John McGee, OSFS, Pastor