



ARCHDIOCESE OF SAINT PAUL AND MINNEAPOLIS

CLERGY BULLETIN

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Parish Finance Councils

Reverend and dear Fathers,

Each of us shares the goal of being good stewards of the many and varied resources entrusted to us. As pastors and administrators of parishes, you bear the ultimate responsibility for the financial well-being of your parish community. Fortunately, there are skilled parishioners in our parishes who can be of great assistance in this task. As you are probably aware, the 1983 revision of the *Code of Canon Law* requires that every parish have a finance council (canons 537 and 1280). While most parishes in this Archdiocese already have such consultative bodies, questions have lingered regarding the purpose and scope of finance councils. Other concerns exist about how to help these councils work effectively. This bulletin will address these questions.

Responsibilities of the Finance Council

Parish Finance Councils are similar to parish pastoral councils in that they are consultative in nature, offering advice to the pastor. Finance councils must observe both canon and civil law in sound management of the temporal goods of the parish.

¹ Implemented by Most Reverend John R. Roach, D.D., Archbishop of St. Paul and Minneapolis Clergy Bulletin Vol. XIX, No. 1, August 5, 1993 and amended by Most Reverend Harry J. Flynn, D.D., October 2003.

The annual budget process should begin with the finance council receiving and studying budget requests and compiling the overall parish budget. The council ensures that provision to satisfy all obligations of the parish is included in the budget, including those to lenders and programs of the Archdiocese. Next, the parish pastoral council, or a committee of it, should review the budget in light of parish goals and priorities. The pastor then approves the final budget, and communicates the status of the budget to the parish.

Management of Monies

Further, the council will inquire as to satisfaction of generally accepted internal control practices. It monitors revenues and parish assets, and reviews expenses and payments to ensure budget compliance. The council oversees parish investments in accord with the Clergy Bulletin on Parish Administration.

Required Consultations

The finance council is to assist the pastor in fulfilling the requirements of canon law for the administration of parochial goods (canons 1281-1288), as well as in matters which require proxies by the parish civil corporation. These are listed in the Clergy Bulletin on Parish Administration.

The finance council assists the pastor in the development and review of the annual financial report, which must be reported to the parish and submitted to the Archbishop (canon 1287).

Financial Review

The finance council will assist the pastor in complying with the requirements for periodic external review of the parish's accounting records and processes, as outlined in the Clergy Bulletin on Parish Administration, as well as the requirements of canon 1283 regarding the inventory of parish property.

The finance council will advise the pastor on the selection of independent public accountants and will review management letters issued by said accountants including resolution of internal control deficiencies.

Audits are conducted at parish expense. The completed audit, along with the parish's annual financial report, is to be forwarded to the Archdiocesan Director of Finance.

The Role of the Trustees

Discussions about finance councils frequently generate questions regarding the role of parish trustees. The trustees are the members and officers of the civil corporation registered with the state. Their role fulfills civil statute requirements. Trustees are not required to serve on pastoral or finance councils. However, trustees must have access to all information required to fulfill their responsibilities. Pastors should encourage trustees

to ask searching questions and to exercise independent judgment as they perform their duties.

Trustees should not be employees of the parish. They should be parishioners of the parish who reside within the territory of the Archdiocese of Saint Paul and Minneapolis.

Compliance with the Clergy Bulletin on Parish Administration

Finance councils with review adherence to the Clergy Bulletin on Parish Administration particularly Part I regarding proxies, Part II regarding properties, and Part III regarding administration and finance. Certain areas outlined therein require specific approval by the Finance Council.

Conclusion

Most of these measures are probably familiar to you as standard practice, effectively and successfully used by many for profit and non-profit businesses. I am confident that they will also help contribute to the efficient management of our parishes. In addition, finance councils can help ease the burden of administration. They can offer sound advice so that pastors are not required to be experts about all financial matters.

Given at Saint Paul, Minnesota, this 4th day of May, in the year of Our Lord 2011. All things to the contrary notwithstanding.



The Most Reverend John C. Nienstedt
Archbishop of Saint Paul and Minneapolis



Jennifer Haselberger
Chancellor for Canonical Affairs