

April 18, 1988

**Diocese of Altoona-Johnstown
Parish Finance Council Directives**

BACKGROUND

According to the Code of Canon Law, each parish is required to organize a Finance Council. In Canon 537, the Code offers the following instructions:

“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 prescription of Canon 532.”

Canon 532 addresses the responsibility of the Pastor to represent the Parish in all juridic affairs, and reiterates the Pastor’s responsibility to insure that the goods of the Parish are administered in the proper and lawful manner. Additionally, Canon 127 establishes the method by which consultation and consenting decisions of a finance council must be solicited.

In keeping with the statutes of the Code of Canon Law, the following directive is immediately effective within the Diocese of Altoona-Johnstown and must be implemented in every parish of the Diocese by no later than July 1, 1988:

MISSION

The Parish Finance Council’s mission is to share in the responsibility of developing, within the parish community, an awareness of the Gospel call for sound stewardship. The Finance Council’s role is essential in the complex age in which we find ourselves living. Serving the Parish in a two-fold capacity: as an advisory body to the Pastor on matters of ordinary administration, and as a consenting body in matters of extraordinary administration, the Finance Council is an important and critical addition to the life of the Parish.

In order to fulfill its purpose, the members of the Parish Finance Council must have a personal spirituality that involves them in the life of the Parish, providing them with a familiarity of the pastoral needs of the parish community and a ministerial awareness that is open to developing the Parish’s outreach where it is needed. The Finance Council cannot lose the perspective that they are sharing in the ministry of our Lord Jesus and not just responsible for sound business oriented decisions.

MEMBERSHIP

1. The membership of the Council is to be comprised of at least five, but no more than nine, parishioners of good integrity who are truly skilled in financial affairs and/or civil law. On the Council there should be at least one member whose expertise is more of a ministerial nature than finance. No paid employee of the Parish may be a member of the Council. The Pastor of the Parish presides over the Finance Council. Neither the Pastor, nor any other member of the clergy is to be considered as a member of the Council.

2. For the purpose of initially establishing finance councils in each parish within the Diocese, council members are to be appointed by the Pastor. Members are to be appointed for a three year term; but having completed this term, they may be named to other three year terms. Once the diocesan directives for parish pastoral councils are promulgated, additional criteria for the selection of finance council members will be included.
3. The Finance Council shall elect, from the members of the Council, a chairperson who will be responsible for insuring that the Council meets regularly and is performing those functions that are assigned to the Council.
4. In order for the Finance Council to be convoked, the Pastor of the Parish must be in attendance. At a minimum, the Finance Council shall be convoked four times annually.

RESPONSIBILITIES OF THE COUNCIL

1. Assist and advise the Pastor concerning the ordinary administration of parish goods within the limits of Canon Law and the directives of the Diocesan Bishop.
2. Prepare and approve an annual parish budget including both operating and capital income and expenditures. The budget should be based on the goals and objectives of the Parish, including but not limited to, the areas of liturgy, Christian service, total religious education, and Catholic school.
3. Periodically review income and expenditures to determine if the Parish is operating within the approved budget, and recommend appropriate corrective actions where necessary.
4. Provide the parishioners with periodic written reports of the financial condition of the Parish. At a minimum, such reports are to be made on an annual basis.
5. Coordinate all fund raising in the Parish, emphasizing the scriptural concept of stewardship including an individual's time commitment to service and their sharing of skills and abilities as well as financial contributions.
6. Review and advise on all parish banking arrangements, investment decisions, and any contracts being entered into by the Parish.
7. Develop procedures for the counting of parish receipts, including record keeping, and the establishment of proper controls for the depositing and safeguarding of such receipts.
8. Review and approve the annual financial statement for submission to the Chancery Office. The signature of the chairperson of the Finance Council must be affixed to the financial statement along with the Pastor's signature.
9. In addition to their advisory capacity to the Pastor in matters of ordinary administration, the consent of the Finance Council is necessary in acts of extraordinary administration. The following should be considered as matters of extraordinary administration:
 - A. The purchase of land or buildings.
 - B. The alienation of church property or goods. Alienation is defined as the transfer of goods or property, or the rights over the goods or property from one person to another. Alienation applies

to real property as well as to invested funds, and for this purpose includes the demolition of buildings and other structures.

- C. The refusal of a major bequest.
- D. Construction of new buildings or the extensive remodeling of existing buildings.
- E. Leasing or long-term renting of property.
- F. Opening of a cemetery.
- G. Establishing a school or other institution.
- H. The long-term investment of capital.
- I. The entering into of any legal and binding document, contract, or other encumbrance upon the parish.
- J. Any other administrative action that requires the assent and approval of the Diocesan Bishop.

DIOCESAN FINANCIAL REGULATIONS

Finance council members need to be advised of the current diocesan requirements regarding financial matters within the Altoona-Johnstown Diocese so as to facilitate their function. The following financial regulations have been developed by the Diocesan Finance Council and approved by Bishop Joseph:

1. Before making, or committing to make, any expenditure in excess of \$25,000.00 for any purpose, the written permission of the Diocesan Bishop must be received. Approval of the Finance Council is necessary for any expenditure of \$10,000.00 or more.
2. Requests for permission to make expenditures are to be submitted on a **Petition for Expenditure** to the Diocesan Director of Finance. The signature of the Chairperson of the Parish Finance Council must be included along with the signature of the Pastor. Copies of this form are available from the Diocesan Finance Office.
3. Given the current legal structure of the Diocese as a fiduciary trusteeship, only the Diocesan Bishop can enter into a legal contract in the name of the Diocese of the Parish. Therefore, the Bishop's signature is required on all deeds, contracts, or any other legal and binding document.
4. The permission of the Diocesan Bishop must be granted before any diocesan entity, or parish, may enter into any debt. Pastors should submit their requests in writing to the Diocesan Director of Finance. The signature of the Chairperson of the Parish Finance Council must also be included with this request to become indebted.
5. All cash reserves are to be on deposit with the Mutual Aid Plan of the Altoona-Johnstown Diocese. The written permission of the Diocesan Bishop must be requested and received before any parish may have more than 10% of their total annual income (both ordinary and extraordinary) or \$10,000.00 whichever is larger, on deposit outside of the Mutual Aid Plan. Written requests for such permission should be submitted to the Diocesan Director of Finance.

Parishes with reserves currently on deposit outside of the Mutual Aid Plan should close out these accounts and make their deposit to the Mutual Aid Plan by no later than the beginning of the new Fiscal Year (July 1, 1988). In those situations where such actions are not possible or practical, requests for permission to temporarily deviate from this directive should be forwarded to the Diocesan Director of Finance.