

# **Roman Catholic Bishop of the Diocese of Calgary**



## **Diocesan Finance Council and Parish Finance Council**

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# PREFACE

## THE RELATIONSHIP BETWEEN THE PARISH AND THE DIOCESE

The dignity of the Church of Christ is embodied in the particular Church. The particular Church is not simply a group of people who on their own accord chose to come together for some common endeavor as in the case of an association where people come and which can also be legally tenable. The Church is a gift that comes down from the faith by the very fact of baptism where all are formed together in the particular Church. In this way particular Churches are not merely administrative decisions of people of God, but continue and manifest the nature of the universal Church.

The 1983 Code says that each diocese (particular church) is to be divided into distinct parts or parishes (cf. can. 374, §1). A parish is a certain community of Christ's faithful stably established within the particular Church and its pastoral care is given to the parish priest under the authority of the diocesan bishop (Can. 515 § 1). Hence, the parish constitutes the typical and immediate pastoral unit of the organization of the Church in which the Christ's faithful normally receive and practice their Christian life. Where the particular church is concerned, it is a pars, not a group or autonomous coetus. As regards the pastoral care which is its essential reason and purpose, the hierarchical relationship is strict, since it is the bishop who confers the mandate which legitimates the pastor, whose activities he must also direct.

The parish-diocese relationship is a key element to be considered in examining the nature and structure of parish. The parish is an integral and required part of the diocese but somewhat subordinate to it as a constitutive 'cell' and part of a larger organic whole (AA 10). The bishop normally is to entrust parish pastoral care to a pastor, thereby initiating a special relationship among the bishop, pastor, and the parishioner in exercising threefold functions of Christ and the Church. Parishes are established in the particular church for the purpose of communion, as the local embodiment of the "church as communion", a Church that is called

to be a sign and instrument of "intimate union with God and of the unity of all humanity" (LG 1).

The Parish is a hierarchically structured community. Parishes are established primarily for objective institutional rather than somewhat subjective reasons, i.e., the systematic provision of comprehensive pastoral care for all the faithful living in a given jurisdiction, territorial or personal. The parish today is not primarily an intentional group flowing from the individual choice of the faithful; rather it primarily reflects the Episcopal pastoral initiative, however broad or limited the decisional process preceding such an initiative.

There is also critical bishop-pastor relationship given their similar pastoral concerns. The pastor makes the bishop present in the parish and links the parish and the diocese. The pastor enjoys a certain independence of activity and special stability in exercising his ministry. He functions subject to the bishop's supervisory authority but does not act precisely in his name.

Vatican II emphasized the purpose for which a parish exists; to provide for pastoral care for the Christian faithful. Pastoral care is broadly described as teaching, sanctifying and governing in such a manner those parishioners and parish communities will really see that they are members of both the diocese and the universal church. Therefore, they should work together with other parishes, vicars forane (deans), and those engaged in supr-parochial ministry so that all the pastoral work will be unified and more effective.

Sincerely yours in Christ,

✠ F. B. Henry  
Bishop of Calgary

# INTRODUCTION

The goal of this document is to present the new policies for both the Diocesan Finance Council and the Parish Finance Council. As part of the accountability and transparency as a good practice and mandated by canon law, the councils should be created to support the Bishop and the Pastors on decisions regarding the finances of the organization. The main idea of the council is to gather members with different skills and backgrounds in order to get feedback on different matters. The document also brings clarity to the leaders and volunteers all over the Diocese in terms of the functions and goals of their Parish Finance Council.

In addition, this document will be part of the Parish Regulation manual which will be updated in 2015. After approval and in order to communicate the document, it will be posted on our new website under the Business Office in a section called resources. We will also provide printed copies for any interested party.

## Methodology

The methodology used is based on an extensive research of policies from other dioceses both in Canada and the US and in the Canon Law. We also used our existing policy as a base for this revised version. Each of the topics has been condensed on the following sections:

- Purpose
- Specific Responsibilities
- Composition
  - Meetings
  - Membership
  - Minutes
  - Confidentiality
- Canon Law Reference

# DIOCESAN FINANCE COUNCIL

## Purpose

The main purpose of the Diocesan Finance Council (DFC) in the Diocese of Calgary is to offer assistance and guidance to the Bishop in the administration of the Temporal goods of the Diocese of Calgary. In accordance with the Canon Law of the Roman Catholic Church, Canon 492 requires the Bishop to establish a Finance Council.

## Specific Responsibilities

The Finance Council shall have the following specific responsibilities:

- Review and recommend approval of :
  - The Year-end financial statements of the Diocese (c. 493).
  - The annual operating and capital budget of the Diocese (c. 493).
- The DFC must be consulted when:
  - There is a proposal for the imposition of any tax upon the Parishes (c. 1263). (assessment)
  - The more important acts of administration relative to fiscal matters.
  - The determinations of norms establishing the limits of ordinary administration for juridic persons subject to the Bishop, whose own statutes do not specify these norms. (c. 1281 § 2)
  - The investment of money and movable goods assigned to an endowment, foundation or retirement fund (c. 1305). *See section about investment subcommittee.*
  - The diminishment of obligations arising from a foundation when their fulfillment becomes impossible (c. 1310 § 2)
  - Review any Financial Guarantees or loans outside the Diocese greater than one million dollars (\$1,000,000.00).
- The DFC must give consent for the following decisions:
  - The performance of acts of extraordinary administration. (c 1277)

- The alienation of property within the range of the minimum and maximum amounts determined by the Canadian Conference of Catholic Bishops. (c. 1292 § 1)
- The completion of any transaction in addition to alienation, which could worsen the financial condition of the Diocese (c. 1295).

## Composition

### Membership

- The Bishop shall appoint no less than three (3) lay members to the Finance Council,
- In addition to the Lay members, the membership may include both Vicars General, the Chancellor and one Pastor.
- The Bishop may remove any member from membership of the DFC at any time for a just cause (c 193 §.2) which shall include, but is not limited to, absence from three consecutive DFC meetings without reasonable justification.
- Quorum: A quorum shall be not less than a majority of the members of the Finance Council present at or participating in such meeting by means of conference telephone or teleconference.
- Indemnification: Shall serve without remuneration, except for the reimbursement of pre-approved expenses incurred, while acting in this role.
- All members of the Council shall receive an up to date copy of this regulation.

### Term:

Members are to be appointed by the Bishop for fixed terms of no less than five (5) years, with opportunity for re-appointment for other terms. Members who wish to resign are required to provide one (1) month notice in writing.

### Meetings:

The Council shall meet at least twice a year or as required.

**Minutes:**

Written minutes of all meetings shall be recorded and must be kept permanently as part of the Diocesan records.

**Confidentiality:**

Members must maintain confidentiality on all matters designated as confidential. Materials such as agendas, meeting minutes, and review materials should not be disclosed to others if designated as confidential.

**Standing Committee for the DFC:**

There will be one standing committee for the DFC which shall be the:

**Investment Committee****Purpose**

The main goal is to monitor investment results, performance and evaluating fund managers. Overall, all funds should be measured against “Performance Expectations”. Also, it will review investments goals and objectives of Fund assets.

**Specific Responsibilities**

- To review the investment performance of the invested assets and make recommendations.
- To recommend investment policy guidelines, investment allocation ratio, selection of investment managers.
- To address any other matter referred to it by the Bishop or the DFC
- To review the Annual Investment Report for presentation to the DFC.

**Composition****Membership**

The Bishop shall designate all members in this committee. At least two members of the DFC shall sit as members (One lay member and one Vicar General/Chancellor). The members may be changed at any time.

### **Term:**

Members are to be appointed by the Bishop for fixed terms of no less than five (5) years, with opportunity for re-appointment for other terms.

### **Meetings**

The committee shall meet at least twice a year or more frequently if necessary.

### **Minutes**

Records must be maintained and reported to the DFC at least annually.

## **Canon Law Reference**

Can. 492 §1. In every diocese a Finance Council is to be established, over which the diocesan bishop himself or his delegate presides and which consists of at least three members of the Christian faithful truly expert in Financial affairs and civil law, outstanding in integrity, and appointed by the bishop.

§2. Members of the Finance Council are to be appointed for Five years, but at the end of this period they can be appointed for other Five year terms.

§3. Persons who are related to the bishop up to the fourth degree of consanguinity or affinity are excluded from the Finance Council.

Can. 494 §1. In every diocese, after having heard the College of Consultors and the Finance Council, the bishop is to appoint a Finance Officer who is truly expert in Financial affairs and absolutely distinguished for honesty.

Can 1277. To give or withhold consent, for the bishop to perform acts of extraordinary administration.

Can 1292. To give or withhold consent, for the bishop to alienate property within the range of the minimum and maximum amounts determined by the Canadian Conference of Catholic Bishops.

# PASTOR

## General Description

The priest or pastor is the ordained and traditional leadership of a church or parish community.

According to **Canon 519**, the pastor *"is the proper shepherd of the parish entrusted to him, exercising pastoral care in 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 carries out for his community the duties of teaching, sanctifying and governing with the cooperation of other presbyters or deacons and the assistance of lay members of the Christian faithful"*

**Canon 530** addresses the functions which are especially entrusted to **the pastor**. These functions which impact parish life include:

- The administration of baptism.
- The administration of the sacrament of confirmation to those who are in danger of death.
- The administration of viaticum and the anointing of the sick.
- The assistance at marriages and the imparting of the nuptial blessing.
- The performing of funerals.
- The blessing of the baptismal font during the Easter season.
- The more solemn celebration of the Eucharist on Sundays and holy days of obligation.

In terms of the administration of the temporal goods, the following are the main responsibilities of the Pastor

### Responsible:

- Legal Concerns,
- Ensure procedures are in complete compliance with diocesan policy and government regulations,

## Oversight:

- Leader: Attend meetings and lead both the Pastoral and Finance Councils,
- Personnel: General HR functions including hiring, terminations, and contracts reviews,
- Financial Management: Including budget and annual reports, CRA filings requirements (Payroll, GST, Charitable Return), signing cheques, approving invoices and opening and reviewing of bank reconciliations,
- Care of Buildings and other Assets,
- Maintain Records both pastoral and financial according to canon law and Diocesan regulations,

## Canon Law Reference

In all juridical matters, the parish priest acts in the person of the parish, in accordance with the law. (Canon 532). He is to ensure that the parish goods are administered in accordance with Canons 1281 - 1288.

Can. 1283 Before administrators begin their function:

1/ they must take an oath before the ordinary or his delegate that they will administer well and faithfully;

2/ they are to prepare and sign an accurate and clear inventory of immovable property, movable objects, whether precious or of some cultural value, or other goods, with their description and appraisal; any inventory already done is to be reviewed;

3/ one copy of this inventory is to be preserved in the archive of the administration and another in the archive of the curia; any change which the patrimony happens to undergo is to be noted in each copy.

Can. 1288 – Administrators are neither to initiate nor to contest a lawsuit on behalf of a public juridic person in civil court unless they obtain the written permission of their own ordinary.

# PARISH FINANCE COUNCIL

## Purpose:

The following section explains the responsibility of the Parish Finance Council (PFC) as well as it provides a reference of the canon law. The PFC is an advisory body for the Pastor on temporal matters. The Pastor looks to his Council for sound financial guidance and assistance in effectively planning the resources needed to develop and implement parish plans and programs. As such, they serve the Pastor as a corporate finance officer might serve their president. Although ultimate authority and accountability rests with the Pastor by law, decisions should be made in a collaborative, collegial and co-responsible manner.

## Specific Responsibilities

- Ensuring that appropriate internal controls and safeguards are in place, including all measures taken for the purpose of:
  - Protecting the resources from loss.
  - Ensuring the accuracy and reliability of accounting data.
  - Securing compliance with Diocesan policies, and evaluating performance.

***See Collection Handling Procedures, for Finance Council role in protecting the Offertory in the Parish Regulation Manual.***

- Directing the preparation of the annual budget, including:
  - Reviewing the financial pattern of the parish for recent years.
  - Ensuring that projected income balances with anticipated expenditures.
  - Ensuring that funds are available for ongoing building maintenance and future repair and replacement costs.
  - Seeking input from the Parish Pastoral Council, especially on projects that are financed for the growth of the parish and which arise from the pastoral ministry.
  - Liaising and reporting on different committees who have been given accountability for various budget programs.
- Monitoring actual financial results, by:

- Establishing a process for pre-authorization and approval of expenditures in accordance with the budget.
  - Analyzing the variance between actual monthly income and expenditures as compared to budget to determine if operations are proceeding in accordance to plan.
  - Recommending fund raising measures and spending adjustments to maintain a positive cash flow or improve cash flow performance, and depositing excess capital in the Central Fund.
  - Considering whether the income received is proportionate to the ability of the faithful to contribute and recommending action, when economic and other factors have caused a decline in collections, or the parish is relying heavily on inappropriate sources of funding.
  - Communicating written financial information to parishioners, to keep them informed as to how their gifts are being used at least annually.
- The PFC shall be a body separate from, but in close communication with, the Parish Pastoral Council.
  - The PFC must work closely in communication with the maintenance group or maintenance employee of the Parish.
  - Given the nature and mandate of a Parish Finance Council, it ceases to exist in law with the death or transfer of the Pastor or administrator to another appointment. However, it is recommended that for purposes of continuity of operations, the newly assigned Pastor or administrator extend its mandate for six-month period, a new council should be appointed according to universal and particular church law.

### **Extraordinary Administration**

The Bishop has defined the following as Extraordinary acts of Administration. The Pastor must seek advice of the PFC and then apply for approval of the Bishop on the following acts:

- Any expenditure, capital investments, major renovations, building projects or repairs that exceed fifteen thousand dollars. (\$15,000.00)
- Purchase or alienation of parish property.

- Sale of religious artifacts that would be considered part of parish patrimony (e.g. stained glass windows)
- To initiate or contest a lawsuit or court action (c. 1288)
- Borrow money from the Diocese
- Erection of a Cemetery or Columbarium

## Composition

The Parish Finance Council (PFC) is an advisory body of at least two members who will work with the Pastor or Administrator.

## Membership

Shall be:

- Members in good standing in the parish, who are competent in financial affairs and can work well with others in providing such administrative assistance,
- Individuals who are well acquainted with, or willing to learn, the civil, canonical and diocesan regulations pertaining to the temporal administration of the parish.
- Individuals who are familiar with sound business practices and can read and interpret financial statements, or have a willingness to learn.
- Shall not be employees of the parish or members of an employee's immediate family.
- The bookkeeper shall not sit on the Council or carry a vote, but shall be encouraged to attend meetings and provide written financial reports.
- All members of the Council shall receive an up to date copy of this regulation upon joining and annually thereafter.
- The Council shall meet at least every quarter to review its activities to date and establish priorities, or adjust its financial estimates for the future.
- Indemnification: Shall serve without remuneration, except for the reimbursement of pre-approved expenses incurred, while acting in this role.

## Term (Lay Persons):

Members are to be appointed by the Pastor for fixed terms of no less than three (3) years, with opportunity for re-appointment. The Pastor may remove any person from the

membership on the Finance Council at any time with just cause. The removal of a member(s) must be reported to the Bishop.

**Meetings:**

The council shall meet at least quarterly.

**Minutes:**

Written minutes of all meetings shall be recorded and must be kept permanently as part of the Parish records.

**Confidentiality:**

Members must maintain confidentiality on all matters designated as confidential. Materials such as agendas, meeting minutes, and review materials should not be disclosed to others if designated as confidential. As the Council often deals with sensitive issues, and matters of a personal or private nature, members shall act, at all times, with confidentiality, discretion and sensitivity. Members shall not place themselves in a conflict of interest by personally benefiting from the provision of goods and/or services to the parish.

**Exceptions:**

Any exception to this regulation requires the written approval of the Ordinary or his designee

**Canon Law Reference**

Can 532. In all juridical matters, the parish priest acts in the person of the parish, in accordance with the law. He is to ensure that the parish goods are administered in accordance with Canons 1281 - 1288.

Can 537. In each parish there is to be a Finance Council which is governed, in addition to universal law, by norms issued by the diocesan bishop and in which the Christian faithful, selected according to these same norms, are to assist the Pastor in the administration of goods.