



ARCHDIOCESE OF BOSTON  
66 BROOKS DRIVE  
BRAintree, MASSACHUSETTS 02184-3839

March 22, 2010

Dear Pastor / Administrator,

Enclosed you will find a copy of the newly promulgated Parish Finance Council Policies. These policies have been put in place in accord with canon 537 and have been enacted to assist parish finance councils of the Archdiocese in the administration of the goods of the parish.

These new policies repeal the Policy of 1985 and provide protocols, suggestions and a framework that we hope you will find helpful in the establishment and formation of your Parish Finance Council. An active, well formed Parish Finance Council is a strategic element in promoting the financial well being of a parish and helps to ensure that a parish is able to fulfill its mission. I appreciate the tremendous work that you do in your parish and in working with your Finance Council. With these policies I hope to make it easier for you to both utilize the talents of lay people in your parish and to empower those lay people who help you to do that work.

Thank you, Father, for all that you do on behalf of Christ and His Church here in Boston. If you have any questions about the policies please contact Denise McKinnon-Biernat, Director of Parish Financial Services at (617) 746-5685. Please do not hesitate to contact me if I can ever be of any assistance.

Sincerely,

A handwritten signature in blue ink, appearing to read "James P. McDonough".

James P. McDonough  
Chancellor



**ROMAN CATHOLIC ARCHDIOCESE OF BOSTON**

## ***Parish Finance Council Policies***

---



# ROMAN CATHOLIC ARCHDIOCESE OF BOSTON

## *Parish Finance Council Policies*

### Table of Contents

- I. INTRODUCTION AND BACKGROUND
- II. CONSULTATIVE BODY TO THE PASTOR
- III. MEMBERSHIP
- IV. MEETING PROTOCOLS
- V. SUBCOMMITTEES
- VI. RELATIONSHIP TO PASTORAL COUNCIL
- VII. RELATIONSHIP TO OTHER PARISH GROUPS/COUNCILS
- VIII. CHECKLIST OF MAJOR ACTIVITIES
- IX. APPENDIX



# ROMAN CATHOLIC ARCHDIOCESE OF BOSTON

## *Parish Finance Council Policies*

### **I. INTRODUCTION AND BACKGROUND**

An active Parish Finance Council is critical to the sound management of a parish. For this reason, every parish is required by the Code of Canon Law (Canon 537) to establish a Finance Council, which acts as a consultative body of the faithful to assist the pastor/administrator in the administration of the goods of a parish and to ensure accountability to the archdiocesan bishop and parishioners.

In addition, Canon 537 indicates that the archdiocesan bishop may issue local norms to fit the needs and circumstances of his diocese. Under Boston Archdiocesan norms, every parish is required to have a Finance Council that meets regularly to: 1.) review and discuss the budget and management of income and expenditures; 2.) review actual results compared to budgets; and 3.) consider and consult on operating and capital requirements.

The following outline suggests ways to organize and operate a Parish Finance Council.



## ROMAN CATHOLIC ARCHDIOCESE OF BOSTON

### *Parish Finance Council Policies*

#### II. CONSULTATIVE BODY TO THE PASTOR

The pastor, according to canon law, has responsibility for parish financial and temporal management. The Parish Finance Council is a consultative body that assists the pastor in meeting these obligations. While the Parish Finance Council does not have decision-making authority, consultation is at the heart of the decision-making process: sharing information, listening, contributing to the discussion, and promoting consensus.

In order to be effective in their responsibilities as members of the Parish Finance Council, members should have a love for the Church and its mission and develop a thorough understanding of the parish's mission, goals, people, and material resources. The members should have knowledge of archdiocesan statutes and policies regarding temporal issues and other financial matters. It is the pastor's responsibility to provide the members with appropriate background and information to enable them to carry out their duties.

Canon law also envisions that the pastor will consult the Finance Council on certain matters and in fact, under the Pastoral Guidelines, the pastor is required to consult the Finance Council under certain circumstances. Although the pastor is not obligated to follow the recommendations of the Finance Council, the pastor should not generally act against such advice, especially when there is consensus, unless there is a compelling reason. When acting contrary to a Finance Council recommendation, the pastor should provide to the Council an explanation of the reasons for his decision.

#### A. RECOMMENDED AREAS FOR FINANCE COUNCIL CONSULTATION

1. The advice of the Finance Council should be sought both for acts of ordinary administration and acts of extraordinary administration. However, the degree of consultation varies. For certain actions of day-to-day administration, the pastor does not need to consult in order to carry out such acts, but may find it helpful to seek the advice of the Parish Finance Council even in these matters. For example, while the purchase of ordinary amounts of office supplies is within the pastor's authority, the Finance Council may provide useful advice on strategies that reduce the cost of such recurring purchases.
2. It would be prudent for the pastor to consult with the Parish Finance Council for a commitment of parish resources over \$10,000, if the purchase had not been handled through the annual budget process.



**ROMAN CATHOLIC ARCHDIOCESE OF BOSTON**  
***Parish Finance Council Policies***

**II. CONSULTATIVE BODY TO THE PASTOR – continued**

3. The advice of the Finance Council may be considered and sought in regard to the following issues and circumstances:
- The management of parish funds and banking arrangements. A limited number of bank accounts should be established and procedures for approving new accounts should be in place.
  - Review and preparation of the annual parish budget. The Finance Council chairperson should co-sign the report before it is submitted to the archdiocesan bishop.
  - Formulation and communication of the Annual Financial Report to the parish community (required by Canon 1287.2). This report often includes a description of key issues, programs, events, and statistics related to church attendance, sacraments, and school and religious education enrollment.
  - Review of fundraising programs including the effectiveness of existing programs and recommendations for new programs and changes. On a regular basis, it would include the review of parish offertory practices (envelopes and electronic giving), grand annual campaigns, parish capital and major gift campaigns and parish planned giving efforts. It might also include ensuring compliance of other income producing vehicles, such as raffles, bingos, and bazaars, and compliance with state and regulatory compliance. This would include support for parish and archdiocesan stewardship programs and fundraising initiatives.
  - Indebtedness of the parish and assistance to the pastor in fulfilling his debt repayment obligations (Canon 1284.5).
  - Periodic (at least quarterly) review of financial reports: balance sheets, income statements, comparisons to budget, and prior year results and cash flow analyses. Each entity, such as schools and cemeteries, should be reviewed for budget to actual comparisons.
  - Review of internal control and procedures. This should include development of written procedures for cash receipts, cash disbursements, and administration of bank accounts, petty cash, and payroll.
  - Proper accounting practices and internal controls for all parish entities and organizations.
  - Review of auxiliary group activities to ensure proper accounting practices and internal control procedures and confirm that they are not jeopardizing the tax-exempt status of the parish.



**ROMAN CATHOLIC ARCHDIOCESE OF BOSTON**  
***Parish Finance Council Policies***

**II. CONSULTATIVE BODY TO THE PASTOR – continued**

- Transactions and expenses related to parish property, including construction, renovation, purchase, sale, and lease. Also included are utility and maintenance costs and implementation of risk management programs and recommendations.
- Review of internal audit report findings and assistance to the pastor on the implementation of recommendations. This requires Finance Council members to develop a knowledge and understanding of archdiocesan policies and procedures.
- Use of undesignated bequests or other unbudgeted revenue.
- Hiring, evaluating, and training business managers or other parish employees providing business services.

**B. REQUIRED AREAS FOR FINANCE COUNCIL CONSULTATION**

1. Prior to alienating parish property of significant value (as outlined below) (Canon 1291 and 1292) or leasing property (Canon 1297), a pastor must seek the proper approvals (as outlined below). Alienation is the sale or transfer of stable patrimony of the parish (i.e., fixed assets). It should be noted that other transactions might also require the same approvals when the stable patrimony and the thresholds listed below are implicated; for example, the collateralization or mortgaging of real property and the incurring of indebtedness (see Canon 1295).
2. Thresholds for such alienations, other significant transactions affecting the stable patrimony and leases, and the required consultations and consents are listed below. (Please note that the amounts are revised annually by the United States Conference of Catholic Bishops)
  - Alienations where the “value of the goods” is under \$29,000 (or 5% of the prior year’s ordinary annual income, whichever is greater) require:
    1. Consultation with Parish Finance Council
    2. Consultation with Parish Pastoral Council
  - Alienations over \$29,000 (or 5% of the prior year’s ordinary annual income, whichever is greater) but under \$5,705,000 require:  
Limited appraisal by experts for any alienation over \$29,000;  
Complete appraisal by experts for any alienation over \$400,000
    1. Consultation with Parish Finance Council
    1. Consultation with Parish Pastoral Council
    2. Consent of Archdiocesan Finance Council
    3. Consent of Archdiocesan College of Consultors
    4. Permission of Archbishop



**ROMAN CATHOLIC ARCHDIOCESE OF BOSTON**  
***Parish Finance Council Policies***

**II. CONSULTATIVE BODY TO THE PASTOR – continued**

- Alienations over \$5,705,000 require:  
Complete appraisal by experts
  1. Consultation with Parish Finance Council
  2. Consultation with Parish Pastoral Council
  3. Consent of Archdiocesan Finance Council
  4. Consent of Archdiocesan College of Consultors
  5. Permission of Archbishop
  6. Permission of Holy See
  
- Leases of parish assets when the market value of the asset to be leased is over \$100,000 or the lease is for one (1) year or longer require:
  1. Consultation with Parish Finance Council
  2. Consultation with Parish Pastoral Council
  3. Permission of the Archbishop
  
- Leases of parish assets when the market value of the asset to be leased is more than \$400,000 require:
  1. Consultation with Parish Finance Council
  2. Consultation with Parish Pastoral Council
  3. Consultation with Archdiocesan Finance Council
  4. Consultation with Archdiocesan College of Consultors
  5. Permission of the Archbishop
  
- Leases of parish assets when the market value of the asset to be leased is more than \$1,000,000 or the lease is for three (3) years or longer require:
  1. Consultation with Parish Finance Council
  2. Consultation with Parish Pastoral Council
  3. Consent of Archdiocesan Finance Council
  4. Consent of Archdiocesan College of Consultors
  5. Permission of the Archbishop
  
- Leases of parish assets if the market value of the asset to be leased is more than \$5,000,000 require:
  1. Consultation with Parish Finance Council
  2. Consultations with Parish Pastoral Council
  3. Consent of Archdiocesan Finance Council
  4. Consent of Archdiocesan College of Consultors
  5. Permission of the Archbishop
  6. Permission of the Holy See





# ROMAN CATHOLIC ARCHDIOCESE OF BOSTON

## *Parish Finance Council Policies*

### III. MEMBERSHIP

The Parish Finance Council concerns itself with the life of a community of faith and, as such, its members should be active members of that community of faith. The members should understand and support Catholic teachings and possess the highest integrity. As in other matters, the pastor may use his discretion in the appointment of qualified members from within the parish community. The pastor may remove a member of the Finance Council for a just cause.

When the office of pastor of a parish becomes vacant and a new pastor is appointed, the Finance Council ceases. The new pastor may choose to re-appoint some or all of the members of his predecessor's Finance Council but is not obligated to do so. When an administrator is appointed for a parish, the Finance Council does not cease. However, the administrator may remove a member of the Finance Council for a just cause and may appoint a replacement member.

#### A. REPRESENTATION

1. Members should be drawn from the parish community and reflect its diversity. This requirement may be waived if special expertise is required.
2. Members of the Parish Finance Council should be chosen based on demonstrable skills or expertise in management, finance, and/or fundraising. Skill sets to consider include business, law, accounting, communications, and development. Additionally, persons with professional knowledge and experience in engineering, construction, maintenance, and purchasing could also make a significant contribution and should be recruited where available. The pastor/administrator should seek out those with particular talents that can assist the deliberations of the Finance Council. A parish "Time, Talent, and Treasure" survey may be helpful in identifying parishioners having the desired skills and willingness to serve.

#### B. NUMBER OF MEMBERS

1. The Finance Council is to be appointed by the pastor and membership should consist of no fewer than three members. An administrator may appoint members to existing vacancies in membership and may appoint new members should a Finance Council not be in place when he is appointed.
2. A quorum shall consist of the majority of members.
3. It is recommended that the Parish Finance Council have an odd number of members.
4. It may be helpful to form subcommittees.



**ROMAN CATHOLIC ARCHDIOCESE OF BOSTON**  
***Parish Finance Council Policies***

**III. MEMBERSHIP - continued**

**C. OFFICERS**

1. The officers of the Parish Finance Council shall be a Chairperson and a Secretary.
2. The pastor shall appoint the Chairperson.

**D. CONFLICTS OF INTEREST / PRECLUSION TO MEMBERSHIP**

1. Members should not be appointed where there is potential for a conflict of interest.
2. Any person who may have a conflict of interest in view of other services, either paid or unpaid, rendered to the parish by the Parish Finance Council member, the member's family or the member's business, is ineligible to serve as a member of the Parish Finance Council.
3. On an annual basis, the Parish Finance Council members should disclose in writing any known financial interest that the individual, or a member of the individual's family, has in any business entity that transacts business with the parish.
4. No parish employee or member of the family of an employee or relative of the pastor may serve on the Finance Council.
5. Members of the Parish Finance Council may serve in other volunteer service roles in the parish such as other committees or boards if, in the judgment of the pastor, such dual service will not create conflict of interest situations.
6. It is recommended that no member serve on the Parish Financial Council at the same time as a closely related person; e.g., husband and wife, mother and son.

**E. ROLE OF EMPLOYEES**

Parish employees are not members of the Parish Finance Council; they are staff and, as such, they support the Parish Finance Council by being available to answer questions regarding parish programs, accounting, financial reporting, and internal controls. The Finance Council should be provided relevant and timely information including financial reports (balance sheets, income statements, budgets to actual comparisons, loan balances, interest payments, investment of surplus funds and status of fundraising drives) to review.



## ROMAN CATHOLIC ARCHDIOCESE OF BOSTON

### *Parish Finance Council Policies*

#### III. MEMBERSHIP - continued

The business manager can play a primary supporting role in the administration of the parish. He or she should attend meetings in a consultative, non-voting capacity. It is important that the Parish Finance Council and the business manager communicate on issues and priorities and coordinate their activities. Likewise, when parish buildings and grounds are to be discussed, it would be prudent to include in these discussions the staff members responsible for these areas.

#### F. ACKNOWLEDGEMENT OF MEMBERS

The pastor/administrator should acknowledge members' contributions to the Finance Council and subcommittees at meetings, in the minutes, in the bulletin and in other appropriate ways.

#### G. TERMS

- Members should be appointed for one-year terms, with annual reappointments of up to ten years, with staggering membership for purposes of continuity.
- A member may be considered to serve beyond the ten year maximum following a one year break in service.
- Within one year of taking office, a new pastor/administrator should formally confirm the Finance Council or create a new one.
- When a member has completed their term, the pastor may recommend a member with a particular expertise to continue their service to the church and its mission by volunteering to serve on the finance council of another parish that is unable to obtain this expertise from within their parish community.

#### H. INSURANCE COVERAGE

As volunteers, Parish Finance Council members sometimes ask if they are assuming liability through their service to their parish. Appendix 1 contains a statement that gives some guidance as to how the archdiocesan insurance program applies to volunteers.



## ROMAN CATHOLIC ARCHDIOCESE OF BOSTON

### *Parish Finance Council Policies*

#### IV. MEETING PROTOCOLS

##### A. SCHEDULE OF MEETINGS

According to archdiocesan norms, every parish is required to have a Finance Council that meets regularly to review and discuss the budget and management of income and expenditures, to review actual results compared to budgets, and to consider and consult on operating and capital requirements. Therefore, it would be prudent to schedule meeting times at least once a quarter, or more frequently if required. Some parishes use a format whereby the Finance Council meets every other month and subcommittees meeting during the off months.

Since the purpose of the Parish Finance Council is to provide advice and support to the pastor, the pastor must be present at the Parish Finance Council meetings, unless he has agreed otherwise. Additionally, no meetings can be held without the consent of the pastor.

The Finance Council should formulate a communication method among members to deal with Parish Finance Council matters between meetings.

##### B. USE OF AGENDAS AND REVIEW MATERIALS

Meeting agendas should be prepared and distributed in advance of the meeting by consultation between the Pastor and the Chair of the Parish Finance Council. The agenda should list the major items for discussion.

##### C. RECORDING OF MINUTES

In striving for openness and accountability in its practices, meeting minutes summarizing the items discussed and the decisions reached should be recorded by the Parish Finance Council Secretary and archived in a secure location as part of the parish permanent record.

##### D. CONFIDENTIALITY

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

Parish Finance Council meetings are typically not open to the parish community. Reports to the community will be shared once decisions are finalized. Communication with the parish should also occur at the onset of studying an issue to solicit the needs, concerns, gifts and resources of the parish community. The primary purpose of the Parish Finance Council is to provide open and honest advice to the pastor.



## ROMAN CATHOLIC ARCHDIOCESE OF BOSTON

### *Parish Finance Council Policies*

#### **IV. MEETING PROTOCOLS - continued**

If meetings were to occur in a public forum, the discussion might lack candor. The Finance Council should advise the pastor on ways to keep the parish informed and involved in key issues and decisions facing the parish.

#### **E. RECORD RETENTION**

The parish should retain meeting minutes, agendas, handouts, reports, and materials reviewed during the meeting for future reference by either internal or external parties.



## ROMAN CATHOLIC ARCHDIOCESE OF BOSTON

### *Parish Finance Council Policies*

#### V. SUBCOMMITTEES

In some cases, it is advisable to divide the Finance Council into subcommittees to deal with responsibilities and duties. The magnitude and complexity of the different subcommittees depends upon the size, resources, obligations, and needs of each particular parish.

The work of the subcommittees may, at the discretion of the pastor, encompass the following:

##### A. BUDGET SUBCOMMITTEE

- Assist the pastor in the preparation, presentation, and review of an annual budget for both operating and capital expenditures based upon the goals and objectives recommended by the Parish Pastoral Council. The approved budget should be published and made available to parishioners.
- Assist other programs and ministries in preparing and submitting their annual budgets to the parish.
- Study current and potential sources of parish revenue and make recommendations to the Parish Pastoral Council for maintaining and increasing revenues in order to meet parish objectives and priorities.
- Periodically (e.g., monthly or quarterly) review income and expenditures and make recommendations as necessary to; 1.) ensure that expenses are within set limits, and 2.) monitor parish contribution trends.
- Provide parishioners with periodic (e.g., semi-annual or annual), comprehensive written reports on the parish's financial position, including a statement of activity and balance sheet accounts. Consider oral reports to parishioners to elaborate on key results and issues.
- Review periodic internal audits of the parish performed by an independent auditor and advise on how to address and correct identified weaknesses, and assist in communicating results of audits to parishioners.
- Exercise oversight of internal controls, procedures and practices. Scrutinize receivables and payables in particular. Review procedures used for gathering, counting and recording Sunday offertory income, control of bank accounts and collection of tuition (whether for religious education or parish school students). Ensure that counting and deposit functions, as well as approval of reimbursements and disbursal of funds, are segregated. Share findings with appropriate archdiocesan personnel.



## ROMAN CATHOLIC ARCHDIOCESE OF BOSTON

### *Parish Finance Council Policies*

#### **V. SUBCOMMITTEES - continued**

- Ensure that the parish routinely uses an approved collection and counting procedure, and that deposits are placed in tamper-evident deposit bags. Tamper-evident bags with robust handling procedures are required for any activity handling cash, including events run by volunteers.
- Ensure that bank reconciliations are regularly completed within 15 days after each bank statement is received, and that someone other than the person performing the reconciliation verifies the reconciliation.
- Review cash conservation measures and implement them when necessary.

#### **B. FACILITIES AND MAINTENANCE SUBCOMMITTEE**

- Advise the pastor regarding the results of periodic maintenance inspections of the parish facilities.
- Recommend repairs or replacements based on priorities established by these inspections.
- Develop a detailed inventory of all parish buildings and grounds assets in accordance with Canon 1283.2, and update the inventory on an annual basis.
- Assist in the development of guidelines for the use of parish facilities.
- Assist in the development of parish energy conservation programs.
- Develop teams of parishioners who will donate time and talents for parish maintenance tasks, taking note of the extent to which such work should be performed by volunteers under the guidelines of the archdiocesan risk management and insurance programs.
- Review the parish risk management and loss prevention reports, and take corrective action as indicated.
- Ensure that the safety and security of the parish campus is reviewed and addressed on a regular basis.

#### **C. PARISH FUNDRAISING AND STEWARDSHIP SUBCOMMITTEE**

- Educate parishioners about stewardship and the need for parish involvement and support. If a parish has a separate stewardship committee, this responsibility would fall to that committee, but would involve clear lines of communication with the Finance Council.



## ROMAN CATHOLIC ARCHDIOCESE OF BOSTON

### *Parish Finance Council Policies*

#### V. SUBCOMMITTEES - continued

- Review an annual plan to increase parish income, consisting of offertory enhancement campaigns, grand annual campaigns, planned giving efforts, capital campaigns and major gift campaigns.
- Assist the pastor in the execution of the annual Catholic Appeal which supports the central ministries of the Archdiocese of Boston.
- Provide long-range planning for the financial needs of the parish.
- Provide long-range planning for the physical needs of the parish.
- Work closely with the budget and maintenance subcommittees in order to adequately identify and plan for the long range financial and physical needs of the parish.





## **ROMAN CATHOLIC ARCHDIOCESE OF BOSTON**

### ***Parish Finance Council Policies***

#### **VI. RELATIONSHIP TO PASTORAL COUNCIL**

The Parish Finance Council operates as a separate and distinct entity from the Parish Pastoral Council; therefore, the pastor should ensure that appropriate cooperation and communication develop between the Parish Finance Council and the Parish Pastoral Council. One or two members of the Finance Council may also be members of the Parish Pastoral Council. At least on an annual basis, a joint meeting of both councils is recommended.



## **ROMAN CATHOLIC ARCHDIOCESE OF BOSTON**

### ***Parish Finance Council Policies***

#### **VII. RELATIONSHIP TO OTHER PARISH GROUPS/COUNCILS**

An appropriate means of communication should be developed between the Parish Finance Council and other parish groups. It may be useful to assign a liaison between the Parish Finance Council and other councils. The Finance Council should interact with parish groups/councils to study, create, and revise plans for the effective management and use of parish resources.



## ROMAN CATHOLIC ARCHDIOCESE OF BOSTON

### *Parish Finance Council Policies*

#### VIII. CHECKLIST OF MAJOR ACTIVITIES

The Parish Finance Council should establish an annual plan of its activities. As a reference, a sample list of annual activities has been included in Appendix 2.



**ROMAN CATHOLIC ARCHDIOCESE OF BOSTON**  
***Parish Finance Council Policies***

**IX. APPENDIX**

- A. **Appendix 1 Boston Insurance Program & Volunteers**
- B. **Appendix 2 Parish Finance Council Checklist of Major Activities**
- C. **Appendix 3 Proposed Parish Financial Reporting Timeline**



## ROMAN CATHOLIC ARCHDIOCESE OF BOSTON

### *Parish Finance Council Policies*

#### Appendix 1

#### **Archdiocese of Boston Insurance Program & Volunteers**

As volunteers, Parish Finance Council members sometimes ask whether they are assuming liability through their service to their parish. The following statement gives some guidance as to how the archdiocesan insurance program applies to volunteers.

The success of the mission of the Catholic Church in the Archdiocese of Boston is largely dependent upon the continued generosity of talent and time by the thousands of lay volunteers. And nowhere are the efforts of these volunteers more visible than within the parishes. Thus, it is important for our volunteers to be aware that the broad insurance programs of the Archdiocese of Boston do indeed extend this protection to them for their work in their volunteer roles.

The Archdiocese of Boston's insurance policies specifically define "assured" to include "officials, members of boards or commissions, trustees, directors, officers, partners, volunteers, student teachers... while acting within the scope of their duties as such."

Our insurers are obligated to pay those sums that we become legally obligated to pay because of a covered loss due to accident or negligence, including claim defense costs.

It is important to understand that EXCLUDED from insurance coverage are acts that are dishonest, fraudulent, criminal, malicious or intentional.



**ROMAN CATHOLIC ARCHDIOCESE OF BOSTON**  
***Parish Finance Council Policies***

**Appendix 2**

**Parish Finance Council Checklist of Major Activities**

1. Parish Annual Report to Parishioners
  - A. Coordinate communication to parish community of the financial condition of the parish. Consider using printed material, oral presentations, and all-parish meetings. Report should be presented to the parish by September 30th.
  - B. The report should include actual operating results compared to the budget for the fiscal year just ended, and the budget for the current fiscal year.
  - C. A signed copy should be submitted to the Archdiocese by December 31st.
  
2. Parish Budget Report
  - A. Project and plan resources to meet specified goals.
  - B. All individual budgets are reviewed: church, elementary school, cemetery, religious education, and auxiliary groups, where applicable.
  - C. A copy should be submitted to the Archdiocese by May 31st.
  - D. Share proposed budget with the Parish Pastoral Council and the general parish as part of the Annual Report to Parishioners by September 30th.
  
3. Financial Review
  - A. Financial reports and significant financial facts should be prepared for every meeting.
  - B. Budget amounts are compared to the actual income and expenditures to monitor results in comparison to budget projections.
  - C. Year-over-year trend reports for programs, revenues, and expenses are analyzed to plan corrective action.
  - D. At least quarterly, a representative from the Finance Council should review the general ledger detail and reconciliation of cash and investment accounts.
  
4. Parish Fundraising, Stewardship & Income Growth  
(Using suggestions and best practices of the Archdiocesan Development Office)
  - A. Review plans to increase offertory, particularly via an offertory enhancement campaign (at least every two years). Assist in the selection of an approved professional fundraising consultant (if necessary).
  - B. Review the parish's plan to increase parishioner use of electronic giving. Assist in the selection of an approved electronic giving provider (if necessary).
  - C. Review the gift options on the parish's offertory envelopes. Every three years, review the parish's choice of offertory envelope providers.



## ROMAN CATHOLIC ARCHDIOCESE OF BOSTON

### *Parish Finance Council Policies*

#### Appendix 2 - continued

- D. Review the parish's grand annual campaign process. Assist in the selection of an approved professional fundraising consultant (if necessary).
  - E. Review and/or institute a parish program for planned gifts.
  - F. Review plans for any capital and major gift campaigns. Assist in the selection of a capital campaign consultant.
  - G. Assist the pastor with an annual campaign for parishioners to renew their stewardship commitments of time and talent.
  - H. Assist the pastor with a regular registration renewal so that the parish census/database is up-to-date.
  - I. Ensure that the parish's communication vehicles such as the bulletin, website, email, ministry and newsletter convey stewardship messages regularly.
5. Accounting / Internal Control Systems / Best Practices
- A. Review accounting system to determine if it produces current and accurate financial records.
  - B. Ensure that appropriate risk management practices are in place.
  - C. Identify all parish bank accounts, not just known operating accounts. Confirm that these account balances are reflected in the financial statements. Determine if the number of accounts can be reduced to ease administration.
  - D. Review current bank account signature cards and account reconciliation for all parish accounts on a regular basis.
  - E. Review the separation of duties, to the extent possible, of personnel involved in the finances of the parish.
  - F. Review any statements received for any parish account related to a credit or debit card, store account, purchase order, purchasing card or other similar instrument. Verify that purchases had the necessary approvals, were for parish (not personal) purposes, and are coded to the proper general ledger account.
6. Auxiliary Groups
- A. Review budgets and planned activities for the next year.
  - B. Review revenue and expenses along with the bank account reconciliation.
  - C. Meet with the groups to acknowledge their contribution of time, talent, and treasure.
  - D. Reinforce financial accountability from various groups to the parish.



## ROMAN CATHOLIC ARCHDIOCESE OF BOSTON

### *Parish Finance Council Policies*

#### Appendix 2 - continued

#### 7. Compliance Oversight

- A. Taxable activities: review support documentation and tax filings for payroll taxes (including W-2s), bingo, raffles, and any other lottery-based activity.
- B. Licensing activities: review support documentation and filings for bingo, raffles and other events that may be restricted by the local state or municipality.
- C. Payments for services provided to parish: confirm that 1099 Federal forms are complete and filed for independent contractors.
- D. Deductions from parish employee pay: confirm that payroll deductions are submitted on a timely basis to benefit providers.
- E. Confirm that all forms of compensation to employees and contractors, including bonuses or gifts, are reflected appropriately on the respective form, W-2 or 1099.





**ROMAN CATHOLIC ARCHDIOCESE OF BOSTON**  
***Parish Finance Council Policies***

**Appendix 3**

**Proposed Parish Financial Reporting Timeline**

July	Begin preparation of Annual Report to Parishioners
August	Review final year end reporting prior to close of fiscal year
September	Finalize and present Annual Report to Parishioners by Sept 30th
December	Copy of signed Annual Report submitted to the Archdiocese by December 31st
January	Begin budget planning process for upcoming year – Note 1
April	Finalize budget for upcoming fiscal year
May	Copy of signed budget report for upcoming fiscal year submitted to the Archdiocese by May 31st

**Note(s):**

(1) For parish schools, the budget process would begin in November. An earlier time frame is needed to ensure that tuition rates are set in advance of registration and the Catholic Schools Week in January.