

Finance Commission Charter of Policies and Procedures



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Our Lady of the Lake Parish Finance Commission Charter of Policies and Procedures

While Our Lord in the Sermon on the Mount urged his disciples to “store up for yourselves treasure in heaven that neither rust nor moth can destroy,” he also encouraged his disciples to be wise in the ways of the world to support the work of furthering the Kingdom. To this end, the Code of Canon Law states in canon 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 the goods of the parish, without prejudice to the prescript of can. 532.”

While the code of canon law requires a council to assist the pastor in the administration of parish temporal goods, in effect, the primary scope of this Parish Finance Commission is to attend to the financial good of the parish, leaving the other temporal goods as defined by the physical plant, infrastructure systems, and stewardship of other material and human resources to the parish Administration Commission. These procedures are designed to aid the pastor and members of the Finance Commission in effective work, but also to assist the other parish commissions and leadership groups in defining their own key responsibilities so as to encourage collaboration and avoid conflicts of interest. This framework supports the pastor in his stewardship of parish resources and being accountable for these resources to the parish and the diocesan bishop. An active, well-formed parish Finance Commission is a key element for promoting the financial health of a parish, assuring accountability, and assisting the pastor with his temporal and pastoral responsibilities.

I. Consultative Body to Pastor

The Finance Commission works closely with the pastor, who is accountable to the diocesan bishop for the administration and stewardship of the temporal goods of the parish.

1. The pastor, according to Canon Law, has among his responsibilities, the responsibility for parish financial and temporal management.
2. The Parish Finance Commission is a consultative body that assists the pastor in meeting these obligations. While the Parish Finance Commission does not have discrete decision making authority, consultation should be at the heart of the decision-making process—sharing information, listening, contributing to the discussion, and promoting consensus.
3. The Parish Finance Commission limits itself to the procedures and initiatives specific in this framework.

II. General Functions

1. As a standing commission of the parish, the Finance Commission shall offer its technical skills in fiscal matters to the pastor.
2. The Finance Commission is to assist and advise the pastor with respect to the administration of parish finances within the limits of the Code of Canon Law.
3. The Finance Commission plays an active role in the effective communication of the financial status of the parish to the parishioners themselves.

III.Membership

The Parish Finance Commission is about the life of a community of faith and, as such, its members should be members of that community of faith. As in other matters, the Pastor may use his discretion in the selection of qualified members from the parish community.

1. Membership should consist of six persons.
2. Members are typically appointed by the pastor for three year terms, limited to two consecutive terms.
3. Terms should be staggered to ensure continuity.
4. No parish employee or member of the family of an employee or relative of the pastor should serve on the Finance Commission.
5. Any person who may have a conflict of interest in view of other services, either paid or unpaid, rendered to the parish by a Parish Finance Commission member, the member's immediate family or member's business should be ineligible to serve as a member of the Finance Commission.
6. Above all commission members should be active members in the parish, demonstrating a commitment to the Church's mission, dedication to the sacraments, and the capacity to serve as a faithful model of membership in the Catholic Church.
7. Members should be chosen based on skills or expertise in management and/or finances. Skill sets to consider include business, law, accounting, communications, construction, engineering and purchasing.
8. For just cause, the pastor may replace a member of the Finance Commission if the member is no longer able to fulfill his or her obligations.

IV.Officers

The officers of the Parish Finance Commission shall be a Chairperson, a Secretary, and an Auditor.

1. In consultation with the Commission, the pastor shall appoint a Chairperson. The Chairperson shall preside at all meetings and in consultation with the Pastor, will be responsible for selecting the hour and location of meetings, preparing the meeting agenda, and any other duties assigned by the Pastor.
2. The Secretary will be responsible for the recording and distribution of minutes, notifying members of upcoming meetings, maintaining a permanent record of each member's tenure and of business conducted by the Parish Finance Commission, and any other duties assigned by the Chairperson.
3. The Auditor will be designated from among the six members, having a skill in the accounting disciplines, to assist the pastor in auditing the accounts of the parish on a monthly basis, working closely with the parish bookkeeper.

V. Specific Duties

1. The Commission will meet monthly on an established date. On rare occasions months may be skipped if circumstances warrant.
2. The Commission shall assist the pastor in the administrator of parish goods by the preparation each year of a proposed budget of the income and expenditures foreseen for the operations of the entire parish in the coming year. The budget is prepared by consulting parish staff and the four commissions of the parish.
3. The proposed budget of income and expenditures will be reviewed by the Parish Pastoral Council, then reviewed and approved by the pastor prior to the beginning of each fiscal year.
4. The Commission shall review the various parish income and expense reports for the total parish each month.
5. The Commission shall assist the pastor in the preparation of an annual financial report of assets, income, and expenditures covering all parish operations as required by the Diocesan Finance Office and sign the report.
6. The Commission shall provide a comprehensive financial report to the parishioners once a year.
7. The Commission shall regularly inform the parishioners of the financial status of the parish.
8. The Commission shall assist the pastor in assuring that the following fiscal functions are performed:
 - a. Timely payment of debts
 - b. Timely payment of vendor invoices
 - c. Timely interest payments
 - d. Investment of surplus funds, especially in the Jefferson City Diocesan Fund.

- e. Assure adequate revenue through various means such as accepted tithing programs, parish fundraisers and planned giving programs.
 - f. Frequent communication to all parishioners the financial needs of the parish.
9. The Finance Commission shall work with the Administration Commission to implement a stewardship plan for the parish using the materials and procedures put forth by the Diocesan Office of Mission Advancement.
 10. The Commission shall assist the pastor in the coordination of the fiscal activities with other parish organizations such as the Parish Pastoral Council and parish commissions.

VI.Pastoral Planning

1. The Parish Finance Commission shall assist the pastor, the parish pastoral commission, and the parish commissions at every stage of pastoral planning.
2. No significant initiative should take place without direct and explicit consultation with the Finance Commission regarding the resources available in the parish. This consultation might take the form of a joint meeting of commissions where a consensus can be reached to recommend to the pastor.
3. The Parish Pastoral Council is the proper forum where discussion takes place regarding initiatives beyond the normal scope of a parish commission's charter, especially in consideration of adding or reducing staff, major capital improvements, or significant pastoral initiatives; but no major initiative should begin without direct involvement of the Finance Commission.

VII.Confidentiality

The primary purpose of the Parish Finance Commission is to provide open and honest advice to the pastor. The commonly accepted rationale for this is that if the meetings occurred in a public forum, the discussions may be too limited or easily evolve into issues and responsibilities that are not in the purview of the commission. Members should maintain confidentiality on those matters designated as confidential.

1. Materials such as agendas, meeting minutes, and review materials should not be disclosed to others if designated confidential.
2. Parish Finance Commission 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 so solicit needs and concerns, gifts and resources of the parish community.

3. The Finance Commission should not only advise the pastor on the best ways to keep the parish informed and involved in the key issues and decisions facing the parish, but be ready to take an active role as the pastor recommends in making that communication take place and soliciting parishioner input.

VIII.Role of Parish Employees

Parish employees are not members of the Parish Finance Commission; they are support to the Parish Finance Commission. Parish employees should be available to answer questions regarding parish programs, accounting, financial reporting, and internal controls. The Finance Commission should be provided relevant and timely information including financial reports (balance sheet, income statement, budget to actual comparisons, loan balance payments and interest payments, investment of surplus funds, and status of fundraising drives) to review.

1. The bookkeeper will provide regular access to parish financial records the auditor chosen for the commission, and to the Chairperson or his or her designate as needed.
2. The bookkeeper will provide a suitable report of the financial status of the parish before each Finance Commission meeting for review.
3. The bookkeeper and/or parish secretary shall facilitate communication between the Parish Finance Commission and the parishioners.
4. Parish staff shall provide an appropriate accounting of the stewardship history and habits of the parishioners as necessary.
5. The bookkeeper should attend all finance commission meetings.

IX.Relationship to the Parish Pastoral Council and Other Parish Organizations

Since the Parish Finance Commission relates to the distinct canonical responsibilities of the pastor, it should not be a part of the Parish Pastoral Commission structure and oversight. However, communication between the two commissions is essential regarding the parish finances in order to implement pastoral plans and priorities.

1. A member of the Parish Finance Commission shall be designated to attend each meeting of the Parish Pastoral Commission and provide the Parish Pastoral Council with appropriate information as to the financial status of the parish.
2. The Parish Finance Commission does not enter into areas of pastoral policy and mission, which are the prerogative of the Parish Pastoral Commission

3. The Parish Finance Commission advises on the adequacy of resources to accomplish the mission and specific ministries of the parish.
4. The Parish Finance Commission understands, supports and monitors how parish staff, parish organizations, and parish volunteers comply with best accounting practices. Specific oversight should attend to:
 - a. Best practices and diocesan guidelines on the handling of money, especially the collections at mass and income from parish activities
 - b. Security of parish resources and information, especially on the technical requirements to keeping private data from public access
 - c. On-line stewardship activities and security
 - d. Parish data management, especially as it relates to stewardship history and participation
 - e. Compliance with federal, state and local government regarding income and benefits reporting, sales, retail and fund-raising activities, and other critical areas that pertain to the management of the parish's tax exempt status.
 - f. Financial record keeping and long-term budget forecasts.
5. In keeping with Diocesan guidelines, the Parish Finance Committee shall review regularly the financial status of parish organizations and societies.
6. The members of the Finance Commission should receive copies of all the agendas and minutes of the Parish Pastoral Council and the parish commissions to assist in comprehending the scope and the needs of all pastoral initiatives.

X. Values, Assessments and Continued Growth

The commission reviews its work on a yearly basis to discern how effective it is in putting into practice the vision, values, and policies of its charter.

1. **Operational Values:** Effective collaboration begins with a shared vision and becomes a sustaining reality only through the hard work it takes to share common values and put selfish concerns aside. The Parish Finance Commission finds its vision in the collective mission of the parish as articulated in the charters for the Parish Pastoral Council and the charters of the various commissions and promulgated by the pastor. The following values should at all times be operational in the work of the commission. Commission members will be productive and provide coherent and valid leadership in the community by endorsing these values and carrying them out in all the work they do.

- a. Fidelity:** commission members understand that faith in Christ requires constant and enduring fidelity to the Gospel, to Christ's Church, and to the faith community to which they belong. Members do not participate because they want to endorse a favorite project or to control parish finances according to their own interests and opinions. Fidelity is a promise to be present, to show up and take part in the divine relationship between Christ and his people. To be faithful means to be counted on to be present as circumstances and custom require in meeting the needs of the whole community.
- b. Collaboration** in achieving the common good. Perhaps no parish organization requires more self-denial than the Finance Commission. The finance commission receives the custodianship of the goods of the parish and relinquishes any type of authority or control regarding the ultimate vision and allocation of parish resources. In order for this true servant leadership to take place, the finance commission must engage actively and constantly in understanding the work of the parish pastoral council and the commissions. Most important, the commission engages in constant dialog with the pastor so that they comprehend fully the breadth of the pastoral initiative and activities of the parish.
- c. Prudence** is the cardinal virtue most important in the work of the Finance Commission. The finance commission will be advising the pastor and the parish as to the resources available for any project or initiative. As such they will take the time needed to know what resources are on hand, what is the actual potential for procuring further resources, and the work needed to ensure that any pastoral plan can succeed with the resources that are allocated for it. From time to time, the commission will be need to be the voice of caution. At other times the commission might call the parish to greater focus in its central mission and safeguard the resources available so that they do the most good for the most people. The commission can serve a key role in reminding the parish of the values that last forever and assist in refocusing on the Gospel values, especial the preferential option for the poor.

d. Integrity asks that commission members commit to living out the commandments of the Lord at all times and in all places. Financial acumen may be one requirement for service on the commission, but it can never be the only one. Members ought to demonstrate that their lives, both in regard to their professions and their families, put into practice the one great commandment that is a coin with two sides: Love God with your whole heart and love your neighbor as yourself. St. Paul puts it very clearly in his letter to the Corinthians: the kingdom does not belong to those who take what doesn't belong to them, who are greedy, who are frauds, abusive to others, and who can't control their own impulses.

- 2. Assessment:** The Pastor shall review with the Finance Commission the effectiveness of its ministry, especially in relation to this charter, and adapt policies and procedures as written amendments to ensure continuity and clarity. The assessment may take place in a formal process, such as each member filling out a survey to guide the self-study or through a systematic review of the agendas and actions of the committee the previous year.
- 3. Continued Growth:** From time to time the commission should invite a speaker or arrange the attendance at a conference, such as put on by the Diocese of Jefferson City, to assist in continued growth. The CFO of the Diocese would be an appropriate guest to invite to facilitate an open forum on best practices and areas of potential growth. The chair of the commission might attend a finance meeting of another parish, especially one of the larger parishes in the Diocese, to understand the culture of Finance Commissions, identifying practices to adopt and practices to avoid through first-hand experience.

Approved by the Pastor and Adopted by consensus of the Formation Group

Pastor

date

Core Team Members

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