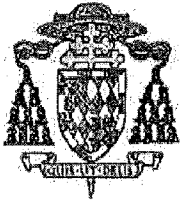


Archdiocese of Toronto
Guidelines for
Parish Finance Council Members

Revised November 2007



Archdiocese of Toronto
Parish Finance Council Member Statement

I have read and I understand the "Guidelines for Parish Finance Council Members"
(November 2007).

Name of Finance Council Member

Date

The signed form is to be placed in the parish's "Finance Council" file as a record.

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Preamble

The Parish Finance Council is a consultative body of lay persons established to advise the Pastor in matters pertaining to the financial affairs of the parish. Within the Archdiocese of Toronto, Parish Finance Councils were mandated for all parishes by a decree (the "Decree") dated March 1986. A copy of the Decree has been provided (see Appendix A). While the Decree and its particular legislation continue as the guiding principles, the experience gained over the years and new requirements have led to the development of some new practices and norms within Parish Finance Councils. The purpose of this document is to comment on certain sections of the Decree where those new standards or practices should be introduced.

Membership

- i) By Decree, the Pastor is ex-officio Chair of the Parish Finance Council. We recommend that the Pastor appoint one of the lay members as Vice-Chair. The Vice-Chair's responsibilities would include assisting in setting the agenda for meetings and working with the Pastor in the implementation of actions or proposals agreed to by the Parish Finance Council. The Vice-Chair could be the spokesperson for the Finance Council in its reports to the parish community.
- ii) The Decree suggests fixed terms for the members of one to three years with the ability to renew. We would recommend that the maximum term, including renewals, should not exceed six years.
- iii) The Decree requires that members have skills in finance and property. Additional skills that would assist the Parish Finance Council are experience in legal matters and personnel administration.
- iv) With respect to conflict of interest, the requirement of the Decree should be expanded as follows: As a general rule, no member of the Parish Finance Council may receive financial reward for advice or services provided to the parish while serving on the Parish Finance Council. However, in certain cases a Pastor may deem that such paid services would be of benefit to the parish. In these cases, the Pastor must receive the approval of the Chancellor for Temporal Affairs.
- v) With respect to eligibility for membership the following should be added: The Parish bookkeeper and other employees shall not be members of the Parish Finance Council. However, their attendance at Council meetings may be helpful and at times required. Members of the Parish Finance Council may not be related to the Pastor.

General Functions of Parish Finance Councils (the "General Functions")

Since the publication of the Decree there have been changes in requirements and the development of new standards by the Archdiocese. Set out below is an expanded and updated list of functions or responsibilities of the Parish Finance Council:

- 1) To ensure that an annual budget is properly prepared for review by the Pastor and the Finance Council.
- 2) To review, approve, and compare to budget, the semi-annual Financial Report that is submitted to the Archdiocese. (see Appendix B)
- 3) To ensure that the parish accounting conforms with Archdiocesan requirements.
- 4) To ensure that counting and recording of collections follow Archdiocesan procedures. (See Appendix C)
- 5) To review the Summary of Findings of the Parish Operational Review with the pastor and ensure a timely response. (See Appendix D. The Parish Operational Review Program is used to review parish records and make recommendations to assist with stewardship.)
- 6) To ensure that the Parish meets all requirements of federal, provincial and municipal regulations and maintains an accurate record of payment and compliance.
- 7) To develop a plan for systematic payment of any parish liabilities.
- 8) To evaluate and to make recommendations regarding fundraising and to review the offertory regularly in relation to the budget. (See Appendix E)
- 9) To present an annual financial statement and report to the parish community. (See Appendix F)
- 10) To regularly inspect church property using, as a guide, "The Archdiocese of Toronto Parish Property Maintenance Guidelines." (See Appendix E)

- 11) To ensure that the Parish is in compliance with fire and safety standards, has the mandatory, approved Fire Safety Plan (per 1997 Ontario Fire Code) and follows the recommendations of the Archdioceses' insurers' Risk Management Inspection Report.
- 12) To develop a plan for the financing of anticipated repairs and other capital expenditures.
- 13) To ensure the timely and accurate completion of the "Parish Finance Council Annual Report to the Archdiocese" each year.
(See Appendix F)
- 14) To encourage support of Archdiocesan fundraising projects as well as parish campaigns.
- 15) To review "The Archdiocese of Toronto Policies & Procedures Manual for Archdiocesan Employees in Parishes" and ensure that the practices contained in that manual are being adhered to in the parish.
(See Appendix E)
- 16) To ensure that the Archdiocesan Volunteer Screening Program is implemented and support its on-going operations.
- 17) To ensure that the Parish implements all Archdiocesan policies relating to financial, personnel and property matters.

Special Functions of Parish Finance Councils

The Pastor is required to seek written approval from the Chancellor for Temporal Affairs for activities which are listed in this section of the Decree. The most likely activities for which approval is required include capital expenditures which exceed \$10,000 and the signing of any other contract which will result in payments exceeding \$10,000, e.g. fund-raising contracts. In the case of any of the activities listed in this section, the Pastor is also required to consult with the Parish Finance Council.

Meetings

The norm is that Parish Finance Councils should meet six times each year. In no event should there be fewer than four meetings per year and, in many circumstances including major renovation projects, meetings should be more frequent than the norm. The agenda should be set by the Pastor in consultation with the Vice-Chair. The agenda of meetings over the course of a year should encompass a review of each of the General Functions listed above. Minutes of all Parish Finance Council meetings should be taken and retained and be available at the time of a parish financial review.

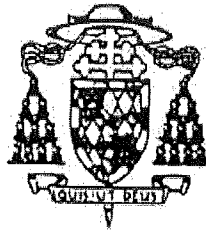
Affiliated Parishes

Since the decree was published in 1986 there have been several instances of two or more parishes being administered by one pastoral team. In those cases it may be practicable for one Finance Council to be formed to advise the pastor on the administration of the affiliated parishes. In such cases sensitivity to the needs and involvement of each of the constituent parishes should be observed.

Support and Training

By contacting the Office of the Chancellor for Temporal Affairs, support can be arranged to assist in the start-up and/or ongoing operations of a Finance Council.

Appendix A



Appendix A

ARCHDIOCESE OF TORONTO
CHANCERY OFFICE

355 CHURCH STREET, TORONTO, CANADA M5B 1Z8 · PHONE (416) 977-1500

1 August 1986

Reverend and dear Pastor:

Finance Councils

Enclosed please find a Decree containing the particular legislation for Parish Finance Councils enacted by Cardinal Carter at the last meeting of the Priests' Council.

Parish Finance Councils are mandatory institutes in every territorial and personal Parish according to the Code and this legislation regulates their composition and duties for the Parishes of this Archdiocese. Many Parishes may already have a group of people who assist the Pastor in financial affairs, and, as you will note, this document takes this into account as it calls for a Council distinct from the Parish Council to be established in each Parish.

Attached to the Decree is a Commentary which will help to explain in some measure certain questions concerned with temporal administration in the Church. It is meant to assist members of the Parish Finance Councils to understand better their responsibilities as assistants to the administrator of the Parish who is the Pastor.

This Commentary, unlike the Decree, is only a provisional document which can be revised and expanded as required. For the present it is given to you in a typewritten format until you have had an opportunity to discuss the matter with those men and women who will serve in your Council. Your comments are welcomed.

ARMcC/wi
Encls.


(Rev. Msgr.) Alan R. McCormack
Vice-Chancellor

Preamble

In each parish there is to be a Finance Council to assist the pastor who is the administrator of the goods of the parish. The Pastor, acting in all juridical matters in the person of the parish, is to ensure that the parish goods are administered in accordance with the norms of both universal and diocesan law.

General Financial Regulations

1. The legal title in civil law of the Archdiocesan Corporation is "Roman Catholic Episcopal Corporation for the Diocese of Toronto, in Canada".

All real estate civilly owned either by the Archdiocese or by the parish must be vested in the Roman Catholic Episcopal Corporation for the Diocese of Toronto, in Canada, except in the case of a parish canonically committed "pleno iure" to a Religious Institute.

No parish funds may be banked or invested in the name of the Pastor or of any other person, not even "in trust".

Parish book-keeping must be in accord with the "Uniform System" provided from time to time by the Chancery. The financial reports, based upon this system, are to be made to the Chancery semi-annually, for the periods which close on 30 June and 31 December. These reports are to reach the Chancery within ten days of these dates. Any annual report based on either date is to be made to the faithful of the parish.

The Archdiocese is prepared to accept and pay interest at the rate of 5% on any amount of money in excess of \$500.00 to any parish that has funds on hand which it will not use in the course of the year. This money will be returned on request at a reasonable notice. The Chancery will render a semi-annual statement to parishes which have loaned money to the Archdiocese.

Diocesan collections are to be remitted to the Chancery within three weeks of the day on which the collection was taken.

2. The following are decreed to be Extraordinary Acts of Administration and are reserved to the competency of the diocesan Bishop according to the norms of Law:

- a) All forms of alienation including the sale or conveyance of church real property, as well as acts which could endanger the stable patrimony of juridical persons subject to him: the mortgaging of church real property, the pledging of church real property or fixed capital as security for any purpose, the borrowing of funds by the parish from any source, issuing bonds or debentures, or transfer of corporate ownership to lay boards;
- b) Acceptance or refusal of an inheritance, a bequest, a donation or foundation because of long term obligations;
- c) Erection of a cemetery;
- d) Court action;
- e) Purchasing real property.

The institute within each parish which fulfills the role of Finance Council is mandated in law to have an advisory and consultative role with the pastor. Both pastors and the Finance Council which assists them in material administration are bound to fulfill their duties in the name of the Church.

The Finance Council is separate from the Parish Council and responsible directly to the Pastor.

The group within each parish which serves as the Finance Council will be recognized as fulfilling this legal function provided that it meets the requirements and executes the responsibilities described below.

Membership

Parish finance councils shall be constituted as follows:

- a) The Pastor is ex-officio Chairman of the Council.
- b) Membership is to consist of a minimum of three and a maximum of seven including the Pastor.
- c) Members are to be freely appointed by the Pastor for fixed terms of no less than one year and no more than three years which may be renewed.
- d) Within three months of taking possession, a new Pastor must confirm the existing appointments or make new appointments to the Finance Council.
- e) Members should be drawn from the parish community. This requirement may be waived in the event of special expertise if all other conditions of membership are met. By exception, a non-Catholic Christian may be appointed provided that he has some connection with the parish community.
- f) Members are to have skills or expertise in management and for finance and property.
- g) Members may serve in other volunteer work in the parish such as other committees or boards, if the Pastor judges that there will be no conflict of interest.
- h) One member of the Finance Council must be a member of the Parish Council if one has been constituted.
- i) All members are bound to observe discretion in the confidential matters they treat as assistants to the administrator of the Parish.

General Functions of Parish Finance Councils

It is the function of the Finance Council to assist the Pastor in the administration of the goods of the parish:

- a) To coordinate the parish annual budget in consultation with other groups and in accordance with goals set by the parish council;
- b) To review the semi-annual financial reports which are to be made to the Chancery and to formulate an annual report to the parish community (as required by c.1287);
- c) To review periodically the income and expenditures in light of the annual budget;
- d) To ensure that the parish accounting conforms with Archdiocesan requirements;
- e) To review contracts and agreements especially regarding the engagement or termination of parish personnel; these instruments shall be subject to diocesan norms (c.1286);
- f) To inspect periodically all parish properties so that they remain in proper repair and to plan repairs as required;
- g) To encourage support of Archdiocesan fund raising projects as well as parish campaigns;
- h) The Pastor will determine the frequency and conduct of the meetings of the Finance Council.
- i) By special delegation in particular cases to act as an Appeal Board according to the norms established by the Archdiocesan Finance Council.

Special Functions of Parish Finance Councils

According to the norms of law, the Archbishop of Toronto defines the following acts to be of major importance to any parish and subject to the following regulations:

1. The Pastor must consult with the Finance Council in order to perform the following acts of administration:

- a) To institute parish financial campaigns, drives or systems of special collections for purposes other than ordinary expenditures;
- b) To prepare the semi-annual financial reports which are to be made to the Chancery Office.

2. The Pastor must consult with the Finance Council and obtain the written consent and any necessary civil procuracy of the local Ordinary in order to perform the following acts of administration (cf. c.1281):

- a) The signing of any contract related to a capital project;
- b) The use of fixed capital for any reason beyond that to which it was initially dedicated by a donor or competent authority;
- c) Any investment of Church funds (including the purchase of bonds);
- d) Any capital investment, repair or purchase exceeding a cost of ten thousand dollars (\$10,000.00).

In accord with the requirements of universal law, I hereby decree that a Finance Council is to be established in every parish of the Archdiocese. Quasi-parishes, known as Missions, are considered part of the Parish with the resident pastor and shall be united under one Finance Council as determined at the local level. Quasi-parishes, known as Missions with the Care of Souls, are not required to have a Finance Council.

This Decree shall become obligatory six months after it is published by Circular Letter throughout the Archdiocese.



Archbishop of Toronto



Vice-Chancellor

Given at Toronto,
this 11th day of
March, 1986.

Appendix B

Archdiocese of Toronto
PARISH FINANCIAL REPORT

For the period _____ to _____

Parish Name _____

Address _____

Telephone No. _____ Fax No. _____

Pastor _____

RECEIPTS

Church Revenues:

1. Offertory	\$	_____
2. Other parish collections		_____
3. Easter and Christmas		_____
4. Baptisms, Marriages, Funerals		_____
5. Bequests, Legacies, Donations		_____
SUB-TOTAL	\$	_____

6. Hall Revenues (events, rental)	\$	_____
--------------------------------------	----	-------

7. Interest and Rental		
Bank Interest	\$	_____
Chancery Investment Interest		_____
Other		_____
Rentals (other than Hall)		_____
SUB-TOTAL	\$	_____

8. Sundry Receipts (detail major categories)	\$	_____
_____		_____
_____		_____
_____		_____
_____		_____
SUB-TOTAL	\$	_____

9. Special Diocesan Collections		
ShareLife	\$	_____
Holyland		_____
Papal Charities		_____
Catholic Missions & S.F.M.		_____
Needs of the Canadian Church		_____
Marygrove Camp		_____
World Mission Sunday		_____
Mission Co-Op		_____
Shepherd&Fruit		_____
Humanitarian Relief		_____
Other		_____
SUB-TOTAL	\$	_____

10. New Loans		
Bank Loan	\$	_____
Chancery Loan	\$	_____
Other Loan	\$	_____

11. Property Sold	\$	_____
-------------------	----	-------

12. Investments Sold (List details on page 4)		
Chancery	\$	_____
Other Investments sold		_____
SUB-TOTAL	\$	_____

TOTAL RECEIPTS FOR THE PERIOD	\$	_____
Transfers from Other Bank Accounts (List details on Page 4)	\$	_____
SUB-TOTAL	\$	_____
Cash Balance at the beginning of the Period (from parish records)	\$	_____

*TOTAL \$ _____

*THESE TWO TO

TING ACCOUNT

PAYMENTS

Church Expenses:

1. Clergy salaries	\$	
2. All other salaries	.....
3. Income tax, CPP, EI, benefits	.....
4. Office supplies, services	.....
5. Taxes, insurance, hydro, heating	.....
6. Repairs and renewals	.....
7. Other church expenses	.....
7a. Choir, Music	.....
7b. Grounds landscaping, snow removal	.....
7c. Traffic control, security service	.....
SUB-TOTAL	\$	
8. Hall Expenses	\$	
9. Rectory Expenses	\$	
10. Diocesan Assessment	\$	
10a. Clergy Health / Pension Assessment	\$	
11. Sundry Expenses (detail major categories)	\$	
.....	
.....	
.....	
SUB-TOTAL	\$	
12. Special Diocesan Collections	\$	
ShareLife	.....
Holyland	.....
Papal Charities	.....
Catholic Missions & S.F.M.	.....
Needs of the Canadian Church	.....
Mangrove Camp	.....
World Mission Sunday	.....
Mission Co-Op	.....
Shepherds Trust	.....
Humanitarian Relief	.....
Other	.....
SUB-TOTAL	\$	
13. Principal Loan Repayments	\$	
Bank Loan	\$	
Chancery Loan	\$	
Other Loan	\$	
14. Interest Payments on Loans	\$	
Property Additions (List details on page 4)	\$	
15. Land and buildings	\$	
16. Furnishings & equipment	\$	
SUB-TOTAL	\$	
17. New Investments (List details on page 4)	\$	
Chancery	\$	
Other investments purchased	\$	
SUB-TOTAL	\$	
TOTAL PAYMENTS FOR THE PERIOD	\$	
Transfers to Other Bank Accounts (List details on Page 4)	\$	
SUB-TOTAL	\$	
Cash Balance at the end of the Period (from parish records)	\$	
*TOTAL \$	\$	

TOTALS MUST AGREE

BANK RECONCILIATION: Main (Operating) Account

Bank Name: _____ Transit: _____ Account No. _____

(a) Cash Balance per PARISH RECORDS at end of period (per page 3)	\$ _____	} These two figures should agree
Add outstanding cheques	_____	
Deduct outstanding deposits	_____	
Add / deduct other	_____	
TOTAL	\$ _____	
Balance per BANK STATEMENT at end of period	\$ _____	

(b) OTHER PARISH BANK ACCOUNTS
List balances (at end of period) for any other Parish bank accounts administered by Pastor

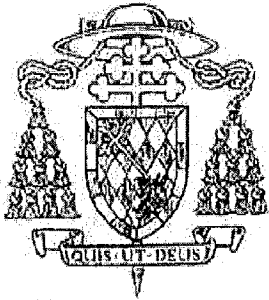
Name of Bank	_____	_____	_____
Address	_____	_____	_____
Account and Transit Number	_____	_____	_____
Balance per bank at beginning of period (per parish record)	\$ _____	\$ _____	\$ _____
ADD: Deposits (details below)	\$ _____	\$ _____	\$ _____
Interest	\$ _____	\$ _____	\$ _____
Transfer from operating accounts	\$ _____	\$ _____	\$ _____
SUB-TOTAL	\$ _____	\$ _____	\$ _____
DEDUCT: Payments (details below)	(_____)	(_____)	(_____)
Transfers to operating	(_____)	(_____)	(_____)
Balance per bank at end of Period	\$ _____	\$ _____	\$ _____
Description/details of Deposits:	_____		
of Payments:	_____		

LOANS PAYABLE	From Bank	From Chancery	From Others (Name)
Balance at beginning of period (per parish records)	\$ _____	\$ _____	\$ _____
ADD: New borrowings	_____	_____	_____
Sub-Total:	_____	_____	_____
DEDUCT: Principal Repayments	_____	_____	_____
Balance at end of period	\$ _____	\$ _____	\$ _____
Comments:	_____		

INVESTMENTS	Term Deposits Stocks & Bonds	Loans to Chancery	Loans to Parishes (Name)	Loans to Others (Name)
Investments at Beginning of period (For Parish Report)	\$ _____	\$ _____	\$ _____	\$ _____
ADD: New Investments (costs)	_____	_____	_____	_____
Interest	_____	_____	_____	_____
Sub-Total:	_____	_____	_____	_____
DEDUCT: Investment sold	_____	_____	_____	_____
Proceeds	_____	_____	_____	_____
Profit or Loss in Sale	_____	_____	_____	_____
Balance at End of Period	\$ _____	\$ _____	\$ _____	\$ _____

PROPERTY purchased or sold during period	Description	Purchased	Proceeds	Sold	Cost
Land	_____	\$ _____	\$ _____	\$ _____	\$ _____
Buildings	_____	_____	_____	_____	_____
Furnishings	_____	_____	_____	_____	_____
Equipment	_____	_____	_____	_____	_____
TOTAL		\$ _____	\$ _____	\$ _____	\$ _____

Appendix C



ARCHDIOCESE OF TORONTO

Appendix C

20

Catholic Pastoral Centre
1155 Yonge Street
Toronto, Ontario M4T 1W2

Accounting & Finance, Suite 603
Tel (416) 934-0606 Fax (416) 934-3432

MEMORANDUM

TO: All Pastors, Administrators, and Rectors
FROM: William C. Dunlop, Comptroller
DATE: August 10, 2005
SUBJECT: COUNTING/DEPOSIT PROCEDURES

*Delivered by Fax
Three Pages*

It has been some time since there has been any review of the procedures around counting and deposit of collections and, based on the inquiries from several pastors, it is timely to state the policy and procedures about this important activity.

Employee/volunteer embezzlement or the mishandling of funds from a parish can have more than a disabling financial impact; it also causes a traumatic loss of esteem, trust and confidence by all parties affected. Therefore, it is incumbent upon pastors and their finance councils to implement safeguards designed to avoid "near-occasion" situations that may tempt employees/volunteers or might be perceived to be areas of weakness in internal control in the financial administration of their parish. The overall concept is to protect both the assets of the church as well as the reputations of the volunteers/employees involved.

With these objectives in mind, the attached procedures for handling of parish collections should be implemented as soon as possible.

If you have any questions about this, please do not hesitate to call.

WCD:sl

Attachment (3 pages)