

OUR LADY OF THE ASSUMPTION PARISH

GUIDELINES FOR THE PARISH FINANCE COUNCIL

MEMBERSHIP

1. The Parish Finance Council is composed of not less than three and no more than five reputable and practicing Catholic members of the parish who are knowledgeable and skilled in financial matters, who have some management expertise and are known for their prudent judgment. Membership shall be by appointment of the Pastor who may consult with the Pastoral Council in making appointments to the Parish Finance Council.

TERMS OF OFFICE

1. Members are appointed for a minimum of three years and a maximum of five years.

OFFICERS

1. The Pastor of the parish is the President of the Parish Finance Council. He presides over the meeting and receives the Council's proposals.

2. A Pastor may appoint a Chairperson. The Chairperson performs tasks as may be delegated, including if the Pastor so desires, chairing and conducting the regular meetings of the Council. The Chairperson is appointed for a term of one year and may be reappointed.

3. A Pastor may appoint a Secretary, who shall schedule meetings, prepare meeting agendas and record the minutes of the Council's meetings, and communicate this information to the Pastor and Council members.

MEETINGS

1. The Parish Finance Council should meet monthly or as determined by the Pastor, but at least four times a year, i.e. during each financial quarter.

2. The Pastor ensures that minutes of each meeting be recorded.

3. All meetings of the Council shall take place in the Parish offices.

COMPETENCE

1. The Parish Finance Council is advisory to the Pastor and its decisions/recommendations are valid only when accepted and ratified by the Pastor.

ROLE OF THE COUNCIL

1. To ensure that an annual budget is properly prepared, i.e. ministries, religious education programs and schools are to be included in the formation of the parish budget; and the Pastoral Council and Finance Council are to be in agreement that the budget is designed to meet the Pastoral Plan for the parish's short and long-term goals. Since the school is the major component of the parish budget it should be reviewed in detail, approved and recommended to the pastor for final approval. The school budget must be approved by April 30. The parish budget's first draft is to be prepared by March 31 and the final version of the budget must be approved by the Parish Finance Council and the Pastor by May 31.
2. To implement the Diocesan bookkeeping and accounting practices for all parish finances as described in the Parish Financial Management Handbook.
3. To ensure that the submission of the Annual Financial Report for each fiscal year (July 1 – June 30) is prepared and submitted to the Diocese of Sacramento Finance Office by August 31 each year.
4. To ensure that excess parish funds are deposited in The Parochial Fund, Inc., i.e. the "parish bank" for the Diocese of Sacramento. Excess funds are those monies that exceed two months operational needs.
5. To provide the Pastoral Council with periodic reports (at least twice a year) on the financial status of the parish.
6. The Pastor shall consult with the Parish Finance Council concerning any major commitment of parish or school resources in excess of \$15,000 before permission is requested of the Bishop.
7. Assist in ensuring that an adequate system of internal control is in place at the parish, including assistance in the implementation of recommendations made via Parish Financial Operations Reviews. The parish Financial Council observes all policies and procedures outlined in the Parish Financial Management Handbook.
8. To evaluate and to make recommendations regarding the needs and effectiveness of the parish's support through the Sunday Offertory and other fund raising activities of the parish and school.
9. To develop short and long-term plans for the financing of necessary repairs, renovations and purchases.
10. To meet all requirements of federal and state tax laws and maintain an accurate record of payment.

11. Ensure that donations of cars, bequests and gifts, especially those with restricted purposes that are received by the parish, are administered in accordance with the donor's wishes. Such gifts are to be processed in a timely manner, including written correspondence to donors which provides the parish tax identification number. A permanent file of such gifts is also maintained.

12. Where appropriate, develop a Project Funding Loan Repayment Plan for major parish construction or acquisition projects. This plan would be prepared in consultation with the Diocesan Chief Financial Officer who assists the parish to meet its goal in this type of project.

13. In addition to the duties outlined above, it may sometimes be appropriate for the Finance Council to assume loss control responsibilities for the parish. Loss control awareness is intended to help protect parish assets and resources from costly losses and increased insurance premiums resulting from those losses. By establishing a safety-conscious awareness in and around parish buildings, the parish will protect staff and parishioners from accidents resulting from carelessness or simple oversight of safety issues. A Parish Buildings and Maintenance Committee may also be a benefit in developing this awareness and actually perform many of the needed safety tasks through volunteers in the parish who have experience in various trades. Their skills and resources are an asset in keeping parish grounds/buildings safe and in good repair.

14. Provide consultation concerning any commitment of parish or school resources in excess of \$15,000.

ANNUAL OPERATING BUDGET

1. All parishes and parish organizations are required each year to develop an annual operating budget to help guide and monitor their financial operations during the ensuing fiscal year. This budget forecasts receipts and expenditures for the fiscal year beginning July 1.

2. The budget should include an amount from the parish's excess operating receipts to be set aside for future capital maintenance projects and contingencies.

3. Each year, parishes are expected to operate with operational receipts at least equal to operational expenses. After the parish receipts and expenses have been estimated during the budget formation process, the budget should be balanced, i.e. not show an operating deficit. The Pastor is the final authority over the adoption of the parish budget.

4. It is important that throughout the fiscal year that the Pastor and the Finance Council monitor on a monthly basis the parish and school's actual income and expenses against the budgeted amounts.

5. Every parish prepares on a monthly basis, a Profit and Loss Statement, a Balance Sheet and a Year-to-Date Budget Performance Report. These reports are regularly reviewed by the Pastor and the Parish Finance Council.

6. Parishes are required to provide parishioners with a report of the financial condition of the parish at least once each year. Regular reports to the parish community are encouraged, e.g., weekly collection amounts, amounts received from capital campaigns and special collections.

7. Each parish society, organization or group operating in the parish prepares a written report to the Pastor at least annually as of June 30 each year.

8. Schools prepare financial reports at least quarterly for review by the Pastor and the Parish Finance Council. At a minimum such reports include a Balance Sheet, a Profit and Loss Statement, a Year-to-Date Budget Performance Report and a report of the status of tuition collection and fund raising efforts by the school and its support groups.

Approved and effective April 22, 2015.

Fr. Eduino Silveira, Pastor

Julie Nauman, President

Carmy Baca, Secretary

The foregoing is excerpted from the Diocese of Sacramento Parish Financial Management Handbook