

## 1300 - PARISH ADMINISTRATIVE COUNCILS

The following section explains the purpose, selection and responsibilities of the Parish Administrative Council (also known as the Parish Finance Council).

In the administration of the temporalities of the parish, Canon 532 defines the role of the Pastor as the juridic representative of the parish. Canon 537 introduces the element of a Parish Administrative Council as a mandated body having an advisory and consultative role on behalf of the Pastor.

*NOTE: As distinct from the Administrative Council, each parish shall have a Pastoral Council that shall develop a plan for the ministry in the parish community. See the [Parish Pastoral Planning](#) document for more details.*

### COUNCIL REQUIREMENT

✚ **1300.01:** Every parish shall be required, both by adherence to the Code of Canon Law and Archdiocesan regulation, to have an Administrative Council.

### MEMBERSHIP REQUIREMENTS

#### Christian Faithful

✚ **1300.02:** Members shall also be active parishioners as shown by his or her participation and commitment within the parish community.

#### Appointment by Pastor

✚ **1300.03:** Members shall be appointed by the Pastor for fixed terms to be determined at the local level and may be re-appointed or terminated in this role by the Pastor.

**1300.03a:** Members of the Administrative Council should be chosen based on demonstrable skills or expertise in management, business, finance, accounting, building maintenance and personnel. (Consider appointing a member(s) from the parish school advisory committee to Administrative Council). While this is not meant to imply that the council should not have varied representation, it is extremely important to find individuals who have a working knowledge in these areas.

#### Number of Members

✚ **1300.04:** Membership shall consist of no less than three (3) members. Maximum membership shall be at the discretion of the Pastor, but should not be so many as to be cumbersome or inefficient in operation.

## Conflict of Interest

✚ **1300.05:** Members of the Administrative Council may serve in other volunteer service roles in the parish, provided such dual service will not create a conflict of interest. Members shall not be related to the Pastor. The role of the Administrative Council should not be vitiated.

**1300.05a:** Parish employees shall serve on the Parish Administrative Council only as an ex-officio, non-voting members.

## ADMINISTRATIVE COUNCIL MEETING MINUTES

✚ **1300.06:** Administrative Councils shall meet at least once a fiscal year. Minutes of all Administrative Council meetings should be kept in the parish offices. All specific recommendations from the Administrative Council should be included in the minutes.

*It is recommended that councils meet at least quarterly with a strong preference to monthly meetings.*

## CONSULTATION BY PASTOR

✚ **1300.07:** The Pastor shall consult with the Administrative Council on the following matters, although he remains the juridic authority for final decisions:

- 1) Any commitment of parish resources in excess of the amount prescribed in Policy 5-2 below.
- 2) The management of funds that the parish is authorized to retain and manage under Canon Law 1281-1288.
- 3) At the minimum, review of the Annual Budget and Annual Parish Report before submission to the Pastoral Center. To the extent practical, they should be involved in the preparation of both reports, particularly the Budget report.
- 4) Priorities in budget preparation should reflect the parish Pastoral Plan developed by the parish Pastoral Council.
- 5) The Administrative Council should provide assistance and review in the formulation of the Parish Report to the parish community, as required by Canon 1287.

The Administrative Council is a consultative group that aids the pastor in the administration of the parish. This includes assisting the Pastor and other people of the parish in developing, maintaining and disbursing the material and financial resources of the entire parish.

The Administrative Council should develop a five-year financial planning document. The document should be a rolling financial plan that is revised annually and uses the guidelines set by the Pastoral Planning Guide.

Essential duties and responsibilities of the Parish Administrative Council required by the Archbishop include:

1. To assist in the development, review and recommendations of an annual budget.
2. To advise the Pastor on non-budgeted expenditures of \$5,000 or more (a lesser amount can be used with agreement of Pastor and Administrative Council).
3. Ensure that the standard Annual Financial Report is prepared and submitted to the Pastoral Center.
4. Regular review of financial statements and budget.
5. Evaluation and recommendations regarding needs and effectiveness of parish efforts of church support through offertory collections and fund raising efforts.
6. To consult with the Pastor on all “extraordinary” administrative acts including:
  - a) Acceptance/refusal of a major gift or inheritance
  - b) Sale/transfer or lease of church property
  - c) Significant capital repairs or improvements
  - d) Incurring long-term debt
  - e) Instituting financial campaigns/drives
  - f) Establishing a cemetery
  - g) Purchase of land or property
  - h) Special collections
  - i) Acts of Alienation

*NOTE: Some of these extraordinary Administrative acts require approval or action by the Archbishop or his Designee. Check with either the Vicar General or the Director of Financial Services if questions arise.*

7. Contributions of time and talent to assist the Pastor in:
  - a) Short-term cash management
  - b) Asset allocation of investments
  - c) Detailed budget assistance
  - d) Bank statement review and reconciliation
  - e) Advice on restricted gifts, fixed assets, debt
  - f) Records and systems
  - g) Establishment and maintenance of a system of internal controls
  - h) Review of Internal Review findings

- i) Planning of new buildings
- j) Reviewing bids for remodeling and repair projects
- k) Capital maintenance needs assessment/implementation
- l) Risk management
- m) Ensuring compliance with Archdiocesan insurance guidelines
- n) Management of real estate (property rentals)
- o) Administration of parish related organizations
- p) Advice on personnel matters and implementation of personnel manuals.

DRAFT

# **SUGGESTED FINANCIAL CONTROL OVERSIGHT PROCEDURES FOR PARISH ADMINISTRATIVE COUNCILS**

## **FINANCIAL STATEMENTS**

Periodically, at least quarterly, review the parish financial statements, including the following steps:

1. Review actual revenue and expense results versus budgeted expectations for the period and/or year-to-date.
2. Review comparative (this year compared to last year) statements looking for significant differences or variations between line items and/or subtotals.
3. Ask questions of appropriate personnel concerning unusual items or significant variances between the budget and actual results.

In response to variances, take appropriate action to ensure the parish doesn't end in a deficit position.

## **COLLECTION COUNT**

Design and implement collection counting procedures as outlined in Offertory Collection Procedures. The Count Committee should periodically review procedures for compliance with parish policy, including the following steps:

1. Trace copies of deposit slips to the collection count records maintained by the counters.
2. Verify that two (2) members of the Count Committee have signed the count sheet.
3. Trace collection deposits to bank statements and verify that deposits were timely.

## **CASH DISBURSEMENTS**

Design and implement parish cash and disbursement policy and procedures as outlined in Tips to Prevent Fraud and Tips for Reviewing Bank Statements. Periodically review cash and disbursements procedures for compliance with parish policy, including the following steps:

1. For each account, prepare a bank reconciliation semi-annually (include a provision to receive bank statements unopened from the bank).
2. Review all bank reconciliations each month.
3. Trace canceled checks to cash disbursements journals or check register. Account for all check numbers including voids.
4. Payments are adequately supported by documentation as outlined in Section 500.

## **PAYROLL**

Design and implement payroll policy and procedures as outlined in Parish Accounting Procedures/Guidelines and the ADP Payroll Manual. Periodically review payroll procedures for compliance with parish policy, including the following:

1. Personnel files should be reviewed for applications, withholding forms, and wage rates (there should be documentation to support all pay raises).
2. If the payroll bank account is separate from the operating account, perform the same steps as outlined in the cash disbursement procedures.

## **OTHER CASH RECEIPTS**

Design and implement parish cash receipts policy and procedures as outlined in Miscellaneous Cash Receipts – Suggested Handling and Accounting Procedures. Periodically review parish cash receipts procedures for compliance with existing policy, including the following:

1. Foot manual cash ledgers. (Footing means to add a column manually with a calculator. Spreadsheets can have errors that might result in errors.)
2. Trace totals to the general ledger. (Tracing means to compare the physical deposit slips and their accompanying accounting distribution to the general ledger.)
3. Foot and balance the general ledger. The subsidiary records should equal the control account(s) in the general ledger.
4. Review that procedures for handling mail receipts are being followed.

## **PARISHIONER STATEMENTS**

Design and implement policies and procedures as outlined in General Principles of Charitable Contributions. Review procedures for data collection, entry, and reporting for compliance with parish policy as follows:

1. The total of the envelopes and loose checks should be compared with deposit records. The total of the envelopes and checks received without envelopes should balance with the totals entered into parishioner statements and in the bank deposit. This is a quick way to make sure contributions are being recorded properly.
2. Control the mailing of statements to parishioners. The person who ordinarily records donations into the accounting and census systems should not be able to access the statements and alter them. This allows donors to compare their records with those of the church. If they are different, parishioners should contact a third party to report the discrepancy. If there is an unexplained difference, it can be the result of fraud.