



Archdiocese of Miami

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Parish Finance Council Guidelines

August 1, 2011



## Table of Contents

I. Introduction and Background .....	1
II. Consultative Body to Pastor.....	1
A. Recommended Areas for Finance Council Consultation:.....	2
III. Membership .....	5
A. Representation.....	5
B. Number of Members .....	5
C. Officers .....	6
D. Conflicts of Interest / Preclusion to Membership .....	6
E. Role of Parish Employee .....	7
F. Acknowledgement of Members .....	7
G. Terms .....	7
IV. Meeting Protocols .....	7
A. Schedule Meetings .....	8
B. Use of Agendas and Review Materials .....	8
C. Documentation of Meeting Minutes .....	8
D. Confidentiality .....	8
E. Record Retention .....	8
V. Committees .....	9
A. Budget Committee .....	9
B. Facilities and Maintenance Committee.....	10
VI. Relationship to Pastoral Council.....	11
VII. Relationship to Other Parish Groups .....	11
VIII. A Checklist of Major Activities .....	11
A. Parish Annual Report .....	11
B. Parish Budget Report .....	12
C. Financial Review .....	12
D. Accounting / Internal Control Systems / Best Practices .....	12



Archdiocese of Miami  
Parish Finance Council Guidelines

E. Auxiliary groups .....	13
F. Compliance Oversight .....	13
APPENDIX - A	
SAMPLE FORM OF REPORT	14
APPENDIX - B	
SAMPLE CONFLICT OF INTEREST STATEMENT	15
APPENDIX - C	
SAMPLE PARISH STATEMENT OF ACTIVITIES	19
APPENDIX - D	
CHIEF FINANCIAL OFFICER CONTACT INFORMATION	20



## I. INTRODUCTION AND BACKGROUND

Parish Finance Councils assist the pastor in the administration of parish temporal matters. These guidelines are designed to aid Pastors and Finance Council members in the effective functioning of a Parish Finance Council by supporting the pastor in his stewardship of parish resources while being accountable to the parish and the Archbishop. An active, well-formed Parish Finance Council is a key element for promoting the financial health of a parish, assuring accountability and assisting the pastor with his temporal responsibilities.

In the administration of temporal goods of the parish, Canon 532 defines the role of the pastor as the authoritative representative of the parish. Canon 532 states: “The pastor represents the parish in all juridic affairs in accord with the norm of law; he is to see to it that the goods of the parish are administered in accord with the norms of canons 1281-1288.”

Canon 537 introduces the Parish Finance Council as a **mandated** body having an advisory and consultative role with the pastor. Canon 537 states: “Each parish is to have a finance council which is regulated by universal law as well as by norms issued by the diocesan bishop; in this council the Christian faithful, selected according to the same norms, aid the pastor in the administration of parish goods with due regard for the prescription of canon 532.”

Every parish therefore is required to have a Parish Finance Council, both by adherence to the Code of Canon Law and by local norms issued by the Archbishop. To be effective the Parish Finance Council should meet regularly with specific agendas and should have access to all the relevant financial information and policies of the parish.

## II. CONSULTATIVE BODY TO PASTOR

The Finance Council works closely with the pastor, who is accountable to the Archbishop for the administration and stewardship of the temporal goods of the parish. The pastor, according to Canon Law, has among his responsibilities, the 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.

Canon law states that the pastor is obligated to consult the Finance Council on certain matters. Although the pastor is not obliged to follow the recommendations of the Finance Council, the pastor should not act against such advice, especially when there is consensus, unless there is an overriding reason. In other words, the prudent pastor would not ignore the advice of the Finance Council unless there was a serious reason to do so. When acting contrary to its recommendations the pastor should provide an explanation to the Finance Council regarding the reasons for his decision.



Archdiocese of Miami  
Parish Finance Council Guidelines

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 other resources. The members should have knowledge of Archdiocesan policies regarding temporal issues and other financial matters. It is the pastor's responsibility to give the members appropriate background and enrichment so they are able to carry out their duties.

**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 any specific authorization 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. Archdiocesan norms require the pastor to consult with the Parish Finance Council at some level of financial commitment. In the Archdiocese of Miami the pastor must consult with the Parish Finance Council regarding any commitment of parish resources over \$10,000.
3. A pastor will also need to seek written approval of the Archbishop prior to performing extraordinary acts of administration (c. 1281.1). Extraordinary acts of administration are defined by local norms. Extraordinary acts taken without such approval of the Archbishop are invalid acts and may also be invalid from a civil law standpoint. Examples of actions that are considered to be extraordinary acts of administration include: instances where the expenditure is greater than \$10,000 and involves a contract (employment, construction/repair, equipment, consulting, or services such as landscaping or cleaning), the acquisition or alienation of real property, the entering of a lease, the collateralization or mortgaging of real property, the sale of religious artifacts that would be considered as part of a parish's patrimony (e.g. stained glass windows) and other matters. In the case of acts of extraordinary administration, the pastor must consult with his Finance Council prior to seeking approval of the Archbishop.
4. The advice of the Finance Council should be sought in 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. The Finance Council should approve a new bank account before it is opened. This also applies to bank accounts for auxiliary groups.
5. The Finance Council should review and recommend to the pastor for approval the parish annual budget and parish annual report. They should ordinarily be involved in the preparation of both reports, particularly the budget report. After



Archdiocese of Miami  
Parish Finance Council Guidelines

review, the chairperson of the Finance Council is to co-sign each report before it is submitted to the Archbishop.

6. Annually, along with the parish annual report, each parish is required to send a letter to the Archbishop containing:
  - a. The names and professional titles of the members of the Parish Finance Council.
  - b. The dates on which the Parish Finance Council met during the fiscal year for which the report was prepared, along with the dates of all meetings since fiscal year end.
  - c. The date(s) on which the approved (i.e. by the Parish Finance Council) parish financial statements/budgets were made available to parishioners during the preceding fiscal year and since the end of the fiscal year. A copy of said published financial statements/budgets should be provided to the Archbishop.

See Appendix – A, Sample Form of Report

See Appendix – C, Sample Parish Statement of Activities

- d. A statement signed by the pastor or parish administrator and the Parish Finance Council members that they have met, developed, and discussed the financial statements and budget of the parish.
7. The Finance Council should provide assistance in the formulation and communication of the Annual Financial Report to the parish community, as required by Canon 1287.2. The Annual Financial Report to the parish community often includes more than just financial information (e.g. description of key issues, programs and events, statistics related to church attendance, sacraments, school and religious education enrollment, etc.) Additionally, many parishes find it helpful to provide parishioners with semi-annual or even quarterly updates on the parish's financial condition. Understandable, regular and complete communication to parishioners is a key responsibility of the pastor/parochial administrator and an important area for the Parish Finance Council to assist. Communication keeps parishioners informed of the parish's condition, its priorities, its needs, and progress on previously announced initiatives.
8. The Finance Council should review any indebtedness of the parish and assist the pastor in fulfilling his obligations under canon 1284.5, i.e. to “pay the interest on a loan or mortgage when it is due and take care that the capital debt itself is repaid in due time.” Planning for debt repayment should be an integral part of the budget process.
9. Regularly review periodic (at least quarterly) financial reports – statements of financial position, activities, as well as prior year results and cash flow analysis.



Archdiocese of Miami  
Parish Finance Council Guidelines

10. Detail of budget to actual comparisons should be reviewed by individual program category, such as the elementary school and religious education. Significant variances from budgeted figures should be investigated and explained.
11. Review of internal control and procedures:
  - a. If written procedures do not exist, participate in the development of written procedures for cash receipts, cash disbursements, administration of bank accounts, petty cash, and payroll.
  - b. Review the financial reports for parish general operations, parish school(s) and other parish organizations or programs with bank accounts or revenue collection responsibilities, to determine that proper accounting practices and internal control procedures are in place.

Review the activities of any parish auxiliary groups and verify cash balances of bank accounts. Annually meet with auxiliary groups to review the reporting of past year's activities and a review of the budget for the coming year. Assess the accounting practices and internal control procedures in use to insure compliance with Archdiocesan policies. Review the activities of the auxiliary groups to assure that they are not jeopardizing the tax-exempt status of the parish.

12. Consult on the construction or renovation of parish facilities, the sale or purchase of parish property, and lease agreements. The Finance Council assists the pastor in planning for repair, replacement, or service of property and equipment to ensure that the parish buildings and property are adequately maintained. Review maintenance and utility costs seeking to minimize costs through preventative maintenance, energy conservation, and the implementation of risk management programs and recommendations. Approval for construction and renovation, sale or purchase of property also requires the approval of the Archbishop.
13. Assess effectiveness of existing fund-raising programs and recommend new programs or changes to existing programs if revenues are insufficient. Support parish and Archdiocesan stewardship programs.
14. Review of fundraising activities, such as raffles, bingo, and concession sales for acquisition of required licenses, support documentation for tax filings, and actual tax filings.
15. Become knowledgeable on Archdiocesan fiscal policies and norms to provide advice on implementation. Evaluate compliance with Archdiocesan fiscal policies and assist the pastor in meeting these obligations.
16. Provide advice on what the parish needs to do to comply with Archdiocesan policies and USCCB recommendations with respect to conflicts of interest, protection of whistleblowers and fraud detection, reporting and prevention.



Archdiocese of Miami  
Parish Finance Council Guidelines

17. Provide advice on how to use undesignated bequests or other unbudgeted revenue.
18. Provide advice on hiring and evaluating a business manager or anyone providing business services to the parish. Provide advice on training that might be helpful for parish staff.
19. Where possible, help the pastor establish and manage a parish endowment program. Particularly, help insure that the purpose of the endowment is well-defined considering the long-term needs and life of the parish and that any restricted gifts are first reviewed to assure that the parish can accept the restriction and, once accepted, that the funds are spent consistent with the donor restriction(s). Similarly, provide advice and oversight if an endowment already exists

### **III. MEMBERSHIP**

The Parish Finance Council 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.

#### **A. REPRESENTATION**

1. Members should be drawn from the parish community and reflect its diversity. This requirement may be waived if special expertise is sought. Where appropriate, outside advice and counsel can also be engaged to obtain needed specific expertise.
2. Members of the Parish Finance Council should be chosen based on demonstrable skills or expertise in management and/or finance. Skill sets to consider include business, law, accounting, and communications. Additionally, persons with professional knowledge and experience in engineering, construction, maintenance, and purchasing could also make a significant contribution and should be recruited when available. Expertise can vary widely and include a business executive, accountant, lawyer, and small business owner (any business, even a small neighborhood business). The unique talents within the parish community should be sought. 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. Membership should consist of no less than five including the pastor.
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 and that, except for unusual circumstances, membership be capped at no more than nine voting members.



Archdiocese of Miami  
Parish Finance Council Guidelines

4. It may be helpful to form committees.

**C. OFFICERS**

1. The officers of the Parish Finance Council shall be a Chairperson and Secretary
2. The pastor shall appoint the Chairperson after the members have gone through a period of discernment.
3. The Chairperson will preside in a parliamentary manner at all meetings and, in consultation with the Pastor or Parochial Administrator, will be responsible for selecting the hour and location of meetings, preparing the meeting agenda, and any other duties so assigned by the Pastor or Parochial Administrator.
4. 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 Council, and any other duties so assigned by the Chairperson.

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

1. Parish Finance Council members owe the parish a duty of loyalty. The duty of loyalty requires a Parish Finance Council member to act in the interest of the parish rather than in the personal interest of the member or some other person or organization. In particular, the duty of loyalty requires a Parish Finance Council member to avoid conflicts of interest that are detrimental to the parish.
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. The role of the Parish Finance Council should not be vitiated.
6. It is recommended that no member should serve on the Parish Finance Council at the same time as a closely related person (e.g. husband and wife, mother and son, etc...).



See Appendix – B, Conflict of Interest Policy Statement

#### **E. ROLE OF PARISH EMPLOYEE**

Parish employees, vendors providing financial services to the parish, or volunteers serving as parish bookkeeper are not members of the Parish Finance Council; they are staff and support the Parish Finance Council. Parish employees should be 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 (statements of financial position, activities, budget to actual comparisons, loan balance payments and interest payments, investment of surplus funds, and status of fundraising drives) to review.

The parish Business Manager should attend meetings in a consultative, non-voting capacity. Likewise, when parish buildings and grounds are to be discussed, inviting staff responsible for these areas can enhance the discussion.

#### **F. ACKNOWLEDGEMENT OF MEMBERS**

Acknowledge members' contributions to the Finance Council and committees at meetings, in the minutes, in the bulletin and in other appropriate ways.

#### **G. TERMS**

1. Members are to be appointed by the pastor for fixed terms to be determined at the local level, and may be reappointed or terminated in this role by the pastor at the pastor's sole discretion. It is suggested that reappointments are limited to a specific period of time. It may be helpful to stagger the terms so that there is continuity of service and no disruption to the function of the Finance Council. For example, a parish may adopt a term of three years, renewable once.
2. When a pastorate becomes vacant, it is recommended that the Parish Finance Council remain in place to assist the administrator and to provide continuity in a transition. After a suitable period of transition with a new pastor, the new pastor can ask the council members if they are willing to complete their respective terms or whether he would like some or all of the members to resign so that new members can be recruited to the Parish Finance Council. The incoming pastor still reserves the right to appoint new and/or old members once their term expires. However, he can (if he deems it necessary for the good functioning of the council) recede the appointment of an old member for a reasonable cause. He can only dissolve the whole council once their terms are over.

### **IV. MEETING PROTOCOLS**

In striving for openness and accountability in its practices, meeting minutes summarizing the items discussed and the decisions reached should be recorded. Prepared agendas, distributed in advance, will keep meetings focused.



Archdiocese of Miami  
Parish Finance Council Guidelines

Plan meetings in advance and create an annual schedule of meeting dates and times. This will increase participation by members.

**A. SCHEDULE MEETINGS**

Schedule meeting times at least bimonthly or more frequently if required. Some parishes use a format of the finance council meeting every other month with committees meeting during the off months. Meeting times and dates should be predictable, such as a day and week of each month. Since the purpose of the Parish Finance Council is to provide advice and support to the pastor, the pastor should be present at the Parish Finance Council meetings.

Formulate a communication method among officers to deal with Parish Finance Council matters between meetings.

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

Meeting agendas should be prepared in advance of the meeting by consultation between the Pastor and Parish Finance Council Chair. The agenda should list the major items for discussion. Supplying information in advance to members will lead to more productive meetings.

**C. DOCUMENTATION OF MEETING MINUTES**

Minutes should be documented in writing by the Parish Finance Council Secretary and archived as part of the parish permanent record.

**D. CONFIDENTIALITY**

Members should 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 needs and 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, if the meetings occurred in a public forum, the discussion may be too limited. The Finance Council should advise the pastor on the best 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.



## **V. COMMITTEES**

It often makes sense to divide the Finance Council into committees to deal with responsibilities and duties. The magnitude and complexity of the different committees depends upon the size, resources, obligations, and needs of each particular parish. The Finance Council, following the priorities established by the Parish Pastoral Council, coordinates the work of these committees.

The work of the committees may encompass the following committees.

### **A. BUDGET COMMITTEE**

1. To 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 determined by the Parish Pastoral Council. This approved budget should be published and made available to parishioners.
2. To assist other programs and ministries in preparing and submitting their annual budgets to the parish.
3. To study parish revenue and make recommendations to the Parish Pastoral Council for maintaining and increasing revenues in order to meet parish objectives and priorities.
4. To periodically (e.g. monthly or quarterly) review income and expenditures and make recommendations as necessary to see that expenses are within set limits. Monitor parish contribution trends.
5. To provide parishioners with periodic (e.g. semi-annual or annual), comprehensive written reports on the parish's financial position, and results of operations. Consider oral reports to parishioners to elaborate on key results and issues.
6. To work with the elementary school and the religious education program regarding the budget, review internal controls of the business office, and prepare recommendations regarding subsidy approval.
7. To promote financial transparency and accountability to the parish community, and credit banks if applicable, it is the Archdiocese's policy that triennially each parish shall have a financial statement review engagement performed by an independent certified public accountant. The budget committee shall recommend approval of these reviewed financial statements to the pastor and advise on how to address and correct identified weaknesses in internal controls if any. The budget committee may also assist the pastor in communicating results of financial statement reviews to parishioners as deemed necessary and appropriate by the pastor.



Archdiocese of Miami  
Parish Finance Council Guidelines

8. Conduct self-administered audits of internal controls and procedures. Particularly focus on areas involving cash receipts and any disbursements. Review procedures used for gathering, counting and recording Sunday collections and tuition and control of bank accounts. Confirm duties are adequately segregated. Share findings with appropriate Archdiocesan personnel.
9. To ensure that tamper-evident cash bags along with a robust collection and counting procedure is used in the parish without exception. Tamper-evident bags with robust handling procedures are required by the Archdiocese for any event or activity handling cash.
10. To ensure that bank reconciliations are regularly completed very soon after each bank statement is received and that the reconciliations are checked by someone other than the person performing the reconciliation.
11. To 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.
12. To review cost-cutting measures when necessary.

**B. FACILITIES AND MAINTENANCE COMMITTEE**

1. Advise the Pastor regarding the results of quarterly inspection of all parish facilities.
2. Recommend repairs or replacements based on priorities established by these inspections.
3. Develop a detailed inventory of all parish assets in accordance with Canon 1283.2 and update the inventory on an annual basis.
4. Assist in the development of guidelines concerning use of parish facilities.
5. Assist in the development of parish energy conservation programs.
6. Develop teams of parishioners who will donate time and talents for parish maintenance tasks, taking note of the extent to which such work is allowed to be performed by volunteers under the guidelines of the Archdiocesan risk management and insurance programs.
7. Review the parish's risk management and loss prevention reports in order to insure corrective action is taken where necessary.
8. Ensure that the safety and security of the parish campus is addressed and reviewed regularly.



9. Financial Planning and Development Committee
10. To provide long-range planning for both the financial and physical needs of the parish.
11. To work closely with the budget and maintenance committees, the Parish Pastoral Council, and other parish organizations to adequately plan and identify for the long range financial and physical needs of the parish.

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

Since the Parish Finance Council relates to the administrative responsibilities of the pastor, it should not be a part of the Parish Pastoral Council structure. However an officer from the Parish Finance Council may serve as an ex-officio member of the Parish Pastoral Council. Communication between the two councils is essential to share information regarding the parish finances in order to implement the pastoral plans and priorities.

The Finance Council is distinct from the Parish Pastoral Council in that the Parish Finance Council advises on the adequacy of resources to accomplish the mission and specific ministries of the parish.

An appropriate means of communication should be developed between the Parish Finance Council and the Parish Pastoral Council and this should be done so as to ensure that the Parish Finance Council does not enter into areas of policy and mission, which are the prerogative of the Parish Pastoral Council. The Parish Finance Council advises on the adequacy of resources to accomplish the mission and specific ministries of the parish.

The Parish Finance Council reviews a draft of the parish annual calendar prepared by the Parish Pastoral Council.

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

Although there is no formal reporting process between the Parish Finance Council and other parish groups, the Finance Council should interact with parish groups to study, create, and revise plans for the effective management and use of parish resources.

## **VIII. A CHECKLIST OF MAJOR ACTIVITIES**

The Parish Finance Council should establish an annual plan of its activities. Such a checklist could include the following activities:

### **A. PARISH ANNUAL REPORT**

1. Review completed annual statements of financial position and activities (Logos standard reports) prior to submission to the Archbishop. The report should be complete within 45 days of the end of the fiscal year.



Archdiocese of Miami  
Parish Finance Council Guidelines

2. Coordinate communication to parish community of the financial situation of the parish. Consider using printed material, oral presentations, and parish hall meetings. Report should be presented to the parish as soon as possible, but no later than 4 months after the end of the fiscal year.

**B. PARISH BUDGET REPORT**

1. Project and plan resources to meet specified goals.
2. All individual program budgets are reviewed: church, elementary school, religious education, and auxiliary groups.
3. Share proposed budget with the Parish Pastoral Council and the general parish.
4. Complete and submit to the Archbishop as required.

**C. FINANCIAL REVIEW**

1. Financial report and significant financial facts should be prepared for every meeting.
2. Budget amounts are compared to the actual income and expenditures to monitor results in comparison to budget projections.
3. Year over year trend reports for programs, revenues, and expenses are analyzed to plan corrective action.
4. At least quarterly, a representative from the Finance Council should review the general ledger detail and reconciliation of cash and investment accounts.

**D. ACCOUNTING / INTERNAL CONTROL SYSTEMS / BEST PRACTICES**

1. Review accounting system to determine if it produces current and accurate financial records. Logos accounting software is the standard accounting package to be used by all parishes in the Archdiocese. The system is auditable and provides for the ready consolidation of parish financial reports and budgets. Its use aids pastors as they transfer between parishes with common accounting systems and charts of accounts. It facilitates accounting support, enabling bookkeepers and accountants to quickly render support to parishes in need of accounting services.
2. Ensure that appropriate risk management practices are in place.
3. 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.
4. Review current bank account signature cards and account reconciliements for all parish accounts on a regular basis.



Archdiocese of Miami  
Parish Finance Council Guidelines

5. Review the separation of duties, to the extent possible, of personnel involved in the finances of the parish.
6. 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 a parish (not personal) purpose and are coded to the proper general ledger account.

**E. AUXILIARY GROUPS**

1. Review budget and upcoming activities for the next year.
2. Review revenue and expenses along with bank account reconcilements.
3. Meet with the groups to acknowledge their contribution of time, talent, and treasure. Reinforce financial accountability from various groups to the parish.

**F. COMPLIANCE OVERSIGHT**

1. Taxable Activities: review support documentation and tax filings for payroll taxes (including W-2's), bingo, and concession sales.
2. Licensing Activities: review support documentation and filings for bingo, carnivals, raffles and other events that may be restricted by the local municipality.
3. Payments for Services Provided to Parish: Confirm that 1099 Federal forms are complete and filed for independent contractors.
4. Deductions from parish employee pay: Confirm that payroll deductions are submitted on a timely basis to the benefit providers.
5. Confirm that all compensation to lay employees and contractors, including bonuses or gifts, is reflected appropriately on the respective form W-2 (for employees) or form 1099 (for independent contractors) and consistent with Internal Revenue Service Rules and Regulations.
6. Confirm that all compensation to priests including stole fees and stipends is reflected appropriately on form W-2, and consistent with Internal Revenue Service Rules and Regulations.
7. Confirm that all quarterly and annual, federal and state payroll tax reports are timely filed including Federal Forms W-2, W-2, 1099, 1096, and State Form UCT-6.



**APPENDIX - A                      SAMPLE FORM OF REPORT**

*On Parish Letterhead*

Dear Archbishop \_\_\_\_\_:

Enclosed are the financial statements that were made available to parishioners for the fiscal period ended \_\_\_\_\_. Please accept this statement as the annual certification concerning financial governance of the parish for the current fiscal period. This is to certify to the following:

That the annual budget was made available to parishioners on \_\_\_\_\_ (date);

That periodic financial statements (including, but not limited to a Statement of Financial Position and Statement of Activities) were made available to parishioners, as follows:

Date of financial statements	Date Issued to Parishioners
_____	_____
_____	_____

That the enclosed financial statements represent, to the best of our knowledge and belief, are an accurate and complete accounting of parish finances;

That the finance council regularly reviews and discusses the budget and periodic financial statements. Meetings of the finance council during the above period, and since the end of the period, were held on the following dates:

_____	_____
_____	_____
_____	_____

The above is hereby attested to by the Pastor and the members of the Parish Finance Council:

Printed Name	Occupation	Signature
_____	_____	_____
_____	_____	_____
_____	_____	_____

Sincerely yours,

\_\_\_\_\_  
Pastor

cc: Archdiocesan Chief Financial Officer



## APPENDIX – B SAMPLE CONFLICT OF INTEREST STATEMENT

### *Policy*

The purpose of the conflict of interest policy is to protect the Parish's interest when it is contemplating entering into a transaction or arrangement that might benefit, directly or indirectly, the private interest of an employee or volunteer of the Parish. This policy is intended to supplement but not replace any applicable federal or state laws governing conflicts of interest applicable to nonprofit and charitable corporations.

### *Purpose*

Employees and volunteers of the Parish are to exercise particular care to conduct their affairs so as to avoid conflicts (or the appearance of conflicts) between their own interests (including the interests of their family members and other related parties) and the interests of the Parish.

The term "conflict of interest" pertains to any situation in which an individual or a related party benefits or stands to benefit at the expense or potential expense of the Parish or where the situation of an individual or related party and the Parish present a potential conflict of interest. The policy regarding conflict of interest may also apply in circumstances when the closeness of relationship with the one who would benefit may suggest the perception of undue influence.

The conflict may be any activity, financial interest or relationship with another person or organization that would (a) impair or appear to impair an individual's independent judgment in the discharge of his/her duties, (b) conflict with the best interests of the Parish or (c) result in a personal profit or advantage to these individuals at the expense of the Parish. The conflict may involve direct or indirect interests, and may arise if an action is taken which may compromise the individual's capacity to act in the best interest of the Parish.

### *Definitions.*

Interested Person. Any employee or volunteer of the Parish who has a direct or indirect Financial Interest, as defined below, is an Interested Person.

Financial Interest. A person has a Financial Interest if the person has, directly or indirectly, through business relationships, close friendships, investment interests, or family members (including relatives) (collectively, "Related Party" or "Related Parties"):

- an ownership or investment interest in any entity with which the Parish has a transaction or arrangement, or
- a compensation arrangement with the Parish or with any entity or individual with which the Parish has a transaction or arrangement, or
- a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Parish is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts, travel or favors that are substantial in nature (more than \$100). A Financial Interest is not necessarily a conflict of interest, but in no event shall an Interested Person, provide financial management or investment counseling services (collectively, "Financial Services") to the Parish. Therefore,



if an Interested Person, directly, or indirectly through a company or entity in which he has a Financial Interest, provides Financial Services, a conflict of interest exists and conflict shall disqualify the Interested Person from serving the Parish in that capacity. As per this policy, in cases other than the provision of Financial Services, a person who has a Financial Interest has a conflict of interest only if the Parish decides that a conflict of interest exists.

### ***Procedures***

**Duty to Disclose.** In connection with any actual or possible conflicts of interest, an Interested Person must disclose the existence and nature and all material facts to the Parish considering the proposed transaction or arrangement and the benefit, if any, to the Interested Person or a Related Party.

**Determining Whether a Conflict of Interest Exists.** After disclosure of the financial interest and all material facts, and after discussion with the Interested Person, he or she shall not participate in a committee or management discussion while the determination of a conflict of interest is evaluated. The Interested Party's Committee chair or supervisor shall decide if a conflict of interest exists, except in cases involving the provision of Financial Services.

### **Procedures for Addressing Conflicts of Interest.**

An Interested Person may provide information or make a presentation but he or she shall not participate in the discussion of, and the decision related to, the transaction or arrangement that results in the conflict of interest.

If needed, the Interested Person's Committee chair or supervisor shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement. After exercising due diligence, a determination shall be made whether the Parish can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.

If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the Interested Person's Committee chair or supervisor shall determine whether the transaction or arrangement is in the Parish's best interest, for its own benefit and whether the transaction or arrangement is fair and reasonable and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

### **Violations of the Conflicts of Interest Policy.**

If the Interested Person's Committee chair or supervisor has reasonable cause to believe that an Interested Person has failed to disclose actual or potential conflicts of interest, it will ordinarily inform the Interested Person of the basis for such belief and afford the Interested Person an opportunity to explain the alleged failure to disclose.



Archdiocese of Miami  
Parish Finance Council Guidelines

If, after hearing the response of the Interested Person and making such further investigation as may be warranted in the circumstances, the Committee chair or supervisor determines that the Interested Person has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate corrective action.

**Annual Statements:** Each volunteer or management employee shall sign a statement which affirms that such person:

- has received a copy of the conflicts of interest policy;
- has read and understands the policy;
- has agreed to comply with the policy; and
- understands that the Parish is a charitable organization and that in order to maintain its federal tax exemption, it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

**Prohibited Behaviors.** Volunteers and Employees of the Parish should avoid putting themselves in a position that might present a conflict of interest or even the appearance of a conflict of interest. Such a situation can call into question one's integrity and professional conduct and does not support the stewardship of Church resources that is expected of those who serve the Church. One should avoid even the perception of a conflict of interest by not engaging in prohibited behaviors, including but not limited to:

- Accepting gifts, travel, entertainment beyond items of modest, nominal value;
- Accepting gifts or favors of any value from individuals or vendors with whom the Parish is considering, or is engaged in, purchasing goods or services;
- Awarding contracts or business agreements to Related Parties for their or the Related Parties personal or business gain at the expense of the Parish;
- Awarding or receiving loans from the Parish;
- Using confidential information for personal gain or for personal or business gain of Related Parties.

Engaging in prohibited behaviors may result in action up to and including termination from volunteer service or employment.



DISCLOSURE REGARDING CONFLICT OF INTEREST

At this time, I, \_\_\_\_\_, am a  
\_\_\_\_\_an employee of (Parish Name)  
\_\_\_\_\_volunteer serving (Parish Name)

This is to certify that I, except as described below, am not now nor at any time during the past year have been:

- A participant, directly or indirectly, in any arrangement, agreement, investment, or other activity with any vendor, supplier, or other party; doing business with the Parish which has resulted or could result in personal benefit to me.
- A recipient, directly or indirectly, of any salary payments or loans or gifts of any kind or any free service or discounts or other fees from or on behalf of any person or organization engaged in any transaction with the Parish.

Any exceptions to 1 or 2 above are stated below with a full description of the transactions and of the interest, whether direct or indirect, which I have (or have had during the past year) in the persons or organizations having transactions with the Parish.

Exceptions: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Printed name: \_\_\_\_\_



## APPENDIX – C SAMPLE PARISH STATEMENT OF ACTIVITIES

*On Parish Letterhead*

Sample Parish  
Statement of Activities  
For the Five Months Ended November 30,

	<u>20XX</u>
Support and Revenue	
Offertory	\$ 434,016
Fund Raising	41,582
Gifts & Donations	30,320
CCD, Youth, And Other Ministries	16,683
Financial Income	15,762
Total Support and Revenue	<u>538,363</u>
Expenses	
Salaries	243,323
Benefits	60,831
Utilities	57,462
Assessment	40,630
Payroll Taxes	17,956
Supplies	16,520
Repairs & Maintenance	11,870
Fund Raising	7,881
Total Expenses	<u>456,471</u>
Net Income	<u><u>\$ 81,891</u></u>



## APPENDIX – D CHIEF FINANCIAL OFFICER CONTACT INFORMATION

**Mr. Michael A. Casciato CPA**  
Chief Financial Officer  
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Miami Shores, Florida 33138  
  
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