

FINANCE COMMITTEE GUIDELINES FOR THE DIOCESE OF CHARLOTTETOWN

Just as each of our bodies has several parts and each part has a separate function, so all of us, in union with Christ, form one body, and as parts of it we belong to each other.

Romans 12:4-5

THE NECESSITY OF THE FINANCE COMMITTEE

Canon Law (Can. 537) requires that a parish have a Finance Committee. This Committee is to assist the pastor or administrator in the administration of parish goods and properties. It must be understood that the role of the Finance Committee is consultative and advisory to the pastor/administrator, since only the pastor or administrator has the canonical authority to act on behalf of the parish. The pastor/administrator is not a member of the Finance Committee.

FREQUENCY OF MEETINGS

The Finance Committee should meet with the pastor/administrator at least every two months, with the possible exception of the months of July and August. At each meeting the Committee should review, with the pastor/administrator, the financial situation of the parish and projected extraordinary expenses.

MEMBERSHIP AND DUTIES

Members of the Finance Committee should have some knowledge or expertise in the areas of finance and property. The Committee must have at least three (3) members, and it is recommended that there not be more than six (6) members. All of these members may be appointed by the pastor/administrator, or some may be elected. It is recommended that at least half of the Committee members be appointed, so that there is assurance that the Committee has members with sufficient knowledge or expertise in the necessary areas.

The term of Committee members is three years, renewable once. After serving two terms, a member should be off the Committee for at least one year before serving again. Every effort

should be made to have the terms of members expire on a rotating basis, so as to assure some continuity on the Committee.

One member of the Finance Committee should serve as a liaison between this Committee and the Parish Pastoral Council.

No paid parish employee, or member of the employee's immediate family, should serve as a member of the Finance Committee.

A chairperson is to be elected by the members of the Committee.

FUNCTIONING OF THE COMMITTEE

A simple majority (one-half plus one) of the members of the Committee shall constitute a quorum for meetings.

The Finance Committee should assist and advise the pastor/administrator in the following areas:

- The temporal affairs of the parish, such as bookkeeping, investments, repairs and maintenance of buildings and property, construction, fundraising, employee salaries, etc.
- Where possible, the preparation of periodic and annual financial statements.
- Any other areas determined by consultation between the pastor/administrator and the Committee members.

ADDITIONAL INFORMATION FOR PARISH FINANCE COMMITTEES

1. Maintenance of Parish Property

All parish property - buildings, grounds, etc.- should be maintained in such a way that their appearance is consistent with that of the area in which they are located.

Adequate fire protection measures should be taken, especially in buildings which are used for public assembly. Fire escapes, and fire doors, should be checked for correct operation on a regular basis.

Areas around hot water tanks, fuel tanks, and furnace, should be cleaned regularly, and these areas kept free of debris.

The electrical system should be inspected on a regular basis (at least every ten (10) years).

To prevent deterioration of buildings, proper ventilation is to be employed, e.g. louvers, windows, etc. should be kept open during proper seasons.

2. Expenditure of Parish Funds

The expenditure of more than ten thousand dollars (\$10,000) from parish funds, for any project, must have the prior approval of the Bishop.

3. Financial Borrowing

The Diocese, through the Roman Catholic Episcopal Corporation, is responsible for monies borrowed by the parishes. Therefore, all borrowing of funds must have the prior approval of the Bishop.

One of the main considerations when giving approval for borrowing will be the ability of the parish to repay the debt. For this reason, it is important that any request for borrowing approval give complete details of the funding requirements, and the repayment plans. Details of the parish's existing financial resources, existing debt, new sources of funding, etc. should accompany any request for borrowing.

Any project requiring borrowing should be kept within reasonable costs relative to the need of the parish for such a project.

4. Diocesan Central Fund

The Diocesan Central Fund was established subsequent to the sale of the Maryfield property. The funds from this sale were to be used to make loans available , at a low interest rate, to the parishes of the Diocese. Funds borrowed are to be repaid within five (5) years or less so that other parishes may also benefit.

Monies borrowed from the Central Fund are to be used for capital projects only, not for ordinary operating expenses.

Any parish wishing to borrow funds from the Central Fund must first commit fifty percent (50%) of the estimated cost of the project, i.e. cash on hand, commitments, collections, etc.

The current rate of interest on funds borrowed from the Central Fund is five percent (5%). Interest is to be paid monthly directly to the Credit Union Central of P.E.I.

Any parish wishing to borrow from the Central Fund must first complete the "Central Fund/Parish Loan Agreement" form which outlines the conditions for repayment of the principal.

5. Rental of Parish Property

No parish organization should be charged for the use of parish facilities. However, should such organizations fail to leave the facility in an orderly or clean condition, or if any property has been damaged, a charge sufficient to cover the cost of clean-up or repair may be charged.

Rent may be charged for commercial use, or to any non-parish organization or individual. A copy of the rental conditions should be given to anyone renting the property.

The use of alcohol on church property should be in compliance with the regulations of the P.E.I. Liquor Control Commission.