



# **The Roman Catholic Diocese of Thunder Bay**

## **Parish Financial Responsibilities**

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As the Church accomplishes its spiritual mission through the material resources at its disposal, we must insure that these resources are cared for in a practical manner. These directives are meant to help the priest or parish administrator and the parish finance council better manage the parish financial resources.

### **Parish Financial Record Keeping**

1. In union with the Finance Council the parish priest should ensure that the parish is in a positive financial position.
2. Proper maintenance of parish financial records is a must (v.g. Bills, Taxes, Benefits, Pensions, etc.)
3. Parish Bank accounts must be maintained and reconciled promptly after receiving the bank statements to minimize clerical errors. (v.g. Deposits, Cashed Cheques)
4. All appropriate information must be entered on the cheque stubs (v.g. Date, Payee, Amount, Balance) and in the Finance Register.
5. Parish financial records are to be retained in the following manner:
  - a) Bank account documentation and payroll records must be archived permanently.
  - b) Collection envelopes must be archived for a period of 2 years from the end of the calendar year.
  - c) Duplicate donation receipts must be archived for a period of 5 years from the end of the calendar year.
  - d) Parish financial records must be archived permanently.
  - e) Income Tax information must be archived permanently.
  - f) Insurance Policies for the parish should be kept on permanent file in the parish archives.

## **General Recommendations: Parish Priests**

1. Please get to know the members of your Parish Council and Finance Council and begin working with them for the good of your parish.
2. Make no major changes at the beginning of your ministry. Get to know your parish community for the first six months and discern the direction of their spiritual growth.
3. Work with the groups and committees that are already in place, share with them your interests and concerns and have them share with you.
4. Do not adjust Mass schedules etc. in haste. If this needs to be done, evaluate the present situation, consult with parishioners, and make any changes afterwards.
5. Continue to support projects and endeavours that have begun and see them to completion for the parish good.
6. The rectory is for the residence of the pastor, visiting priests and seminarians or, at times, maybe a family member. Rectories are not to be used for long time residence of anyone other than the priest.
7. Have the Chair of the Finance Council inform you as to the present financial status of the parish and the money set aside for special projects etc.
8. Allow your people to use their gifts and talents to assist you in your ministry for the good of all. Many are willing to assist the new priest. Work with them and share with them for the building up of the parish community.
9. The Parish Finance Committee should meet a minimum of three (3) times a year.
10. A current listing of members for the Finance Committee should be sent to the Chancery Office to be kept on file. This list should be updated when members have been added or deleted.

## Financial Responsibilities:

1. Pastors must make sure of the weekly deposits of the entire amounts of their Sunday collections including special collections. A petty cash float is normally used for small items and cash for the house.
2. Special Collections are to be submitted to the Pastoral Centre within two weeks of the collection. It is acceptable to make several payments for a specific special collection
3. Monthly health/pension payments are due at the 1<sup>st</sup> of the month payable to the Diocese. Please designate the health and pension amounts separately. One cheque for both is acceptable.
4. Monthly payroll remittance to the Receiver General is due by the 15<sup>th</sup> of the month following the payroll. Please be sure to write your ENTIRE PAYROLL NUMBER on your cheque and HIGHLIGHT it. Also include with your cheque the form provided by the Canada Customs & Revenue Agency.
5. Cathedraticum is due monthly or quarterly, payable to the Diocese.
6. Yearly insurance for the Church and rectory buildings is payable to HKMB "In Trust" for the OCCB and is usually billed in June or July. This could be a substantial amount.
7. Your yearly annual parish report to the Diocese is due in February of each year. Forms will be mailed to you in early January for this report.
8. Your yearly Registered Charity Information Report is to be sent to Canada Customs & Revenue Agency and is due by June 30<sup>th</sup>. Canada Customs is getting more insistent on this report being completed and sent each year on time.
9. Yearly you are to send in your claim for 50% for the GST paid out on the previous year. Use the form "Application of GST/HST Public Service Bodies Rebate and GST Self-Government Refund" (form is on the Internet). This is sent to Canada Customs & Revenue Agency.

10. T4's for any employee will need to be distributed to the employee by February 28<sup>th</sup> and the summary is to be filed with Canada Customs & Revenue Agency also by February 28<sup>th</sup> each year.
11. Yearly Presbyteral Council dues are payable to the Diocese. A form will be forwarded to you for this membership fee.

## **BANKING INFORMATION FOR PARISHES:**

In a recent meeting with representatives from the Royal Bank, who maintain the Diocesan Accounts – we were asked to remind you of the following procedural norms in banking for parishes and in the diocese.

1. Pastors or Administrators are not allowed to open new accounts with the Royal Bank or any bank for their parishes without the written permission and approval of the Bishop. This includes accounts not directly parish related v.g. Bingo, Raffle, etc.
2. No Investments are to be made from parish funds or bequests without the written permission and approval of the Bishop.
3. Information concerning all parish bank accounts, including account numbers, addresses, etc. must be recorded at the Pastoral Centre and also on your Annual Parish Report.
4. Pastors and those with cheque-signing authority are not to sign blank cheques in advance of holiday's etc. The Bank has warned us of dangers of this practice.
5. All cheques, including payroll for all parish accounts should have two signatures; the parish priest is always the first signer, and a second person, possibly a member of the Parish Finance Council, the second signer. The name of all second signers must be on file at the Pastoral Centre. The use of signature stamps is not permitted.
6. Unused cheques are to be securely stored.

7. All cheques should include the vendor invoice number and cheques should be numbered and used consecutively.

PLEASE make sure these norms are maintained in a current file and adhered to.

Please keep these recommendations on hand as a reminder for you or your parish secretary. For clarification on any of the financial issues, please call Debbie Keating at the Pastoral Centre (807)343-9313.

## **Collection Administration**

1. Direct Deposit for parish donations by parishioners is becoming more popular and is recommended by the bank for security purposes. The bank will assist any parish in setting up this program for your parishioners.
2. Parishes with no branch office of the Royal Bank in their town are to make deposits in their local bank and then have the money transferred within 12 hours to the appropriate Royal Bank branch. This arrangement is authorized by the Royal Bank with your local bank. Pastors are to transfer these funds within the time limit. Some bank charges by the local bank may apply to the parish in these cases.
3. Parishes should deposit Sunday collections directly and in tamper proof deposit bags. It is recommended that two people accompany each other for the deposit and for safety purposes.
4. Security of parish collections is important and a small safe or secure deposit box in the sacristy is recommended. Each collection should be safeguarded after every Mass, and then placed in a secure place until it is counted and deposited in the bank.
5. Collections should be counted and recorded by at least a team of two designated persons. Parishes are encouraged to recruit more than one counting team so they can count on a rotating basis. The parish priest is not to count the collection on his own.

6. The counting team should be together in a secure place until the entire collection is counted, recorded and sent for deposit.
7. All cheques are to be stamped "For Deposit Only" and are to be recorded properly and the contents of each envelope should be validated for accuracy.
8. The parish should use tamper-proof deposit bags supplied by the bank for their deposits.
9. Parish collections must never be taken home or elsewhere by anyone for counting or recording.
10. Parish bookkeepers must ensure that the count sheet, deposit slip, bank statement and the collection recording program all agree.
11. Cash or cheques received by mail, and pre-authorized deposits are subject to the collection handling procedures of this document.
12. Parish groups and fundraising groups are also subject to the collection handling procedures of this document.

## **Disbursement Administrations**

1. The parish priest is responsible for all purchasing commitments in the parish, unless he assigns this responsibility to another designated person on a 'case by case' basis. Purchasing should be done in accordance with the approved budget recommendations.
2. All payments or disbursements, with the exception of petty cash, must be made using parish cheques and all cheques should make reference to the vendor's invoice number where applicable.
3. All petty cash payments must be accompanied by an original invoice or paper documentation indicating the cost and payment received. Normally one person should control the petty cash box and disbursements. Receipts are to be kept in the box or retained elsewhere. Petty cash is replenished by a parish cheque payable to the person who attends to the bank deposits. A paper trail is to exist for all petty cash use.

4. According to the Diocesan Policy any purchase or projects in excess of \$5,000 in cost, must be approved by the Chancery Office and receive written permission from the Bishop to go forward.

## **Credit Card and Debit Card Administration and Gift/Retail Cards**

1. A parish may only establish a credit card account in accordance with Diocesan policies and permission

2. A parish is only permitted to use a debit card to review on-line banking information.

3. Any Gift/Retail card program initiated by the parish must be approved by the Chancery Office with the use of specific guidelines if permission is given.

## **The Parish Finance Council**

1. In accordance with Canon 537 of the New Code of Canon Law, there is to be a Finance Council in every parish to help the Parish Priest in the administration of the temporal goods of the parish and to enable the parish to fulfil its mission in the church and in the world.

2. The Parish Priest is the Administrator of the Parish, subject to the norms laid down by the Bishop. The Finance Council is an advisory body with a consultative but not an executive function, and is separate from the Parish Council. For the purpose of liaison, one member of the Parish Finance Council should have a seat on the Parish Council.

3. The members of the Finance Council shall be a minimum of three, including the Parish Priest, but should not exceed six in number. They should be of outstanding integrity, with at least some members possessing a working knowledge of accounting principles and procedures and a general understanding of financial matters. Members are not to be family members of the parish priest or the associate parish priest. This council is to be appointed by the Parish Priest and it should have a Chairperson and Secretary. The term of office shall be for a period of three years, which can



be renewed. In the event of a council member's resignation or death, a new council member is to be appointed.

4. The Parish Finance Council, as an advisory partner with the Parish Priest, should do everything it can to lessen the administrative demands placed upon the Parish Priest, follow sound Christian principles of stewardship, foster a sense of ownership of the parish and the diocese, assist in setting financial priorities and making decisions according to good business practice. Each member should bring to finance council meetings the expertise that each possesses in finance, law, construction, aesthetics, etc. which will assist in attaining a high degree of efficiency and effectiveness.
5. Parish Finance Council members should realize that their decisions and responsibilities extend beyond their own parish, they should also consider the needs of other parishes, the diocese, and the church in mission lands. This is done to a large extent through the cathedraticum, "special collections", and the Bishop's Diocesan Ministry Campaign.

## **DUTIES AND RESPONSIBILITIES**

6. The Finance Council should develop and maintain accurate financial records for income, expense and payroll, ensuring that government regulations are adhered to.
  1. Prepare each year, a budget of income and expenditure to assure the Parish does not operate in a deficit position.
  2. Review and monitor the budget regularly and report to the Parish
  3. The council should meet at least three times a year or on a quarterly basis.
  4. Clear and accurate minutes should be kept on all Finance Council meetings and retained in parish files

## **COUNCIL/ADVISORY BOARD**

5. The Council should report to the parishioners more frequently if the parish is encountering financial challenges.
  6. Review the annual parish statements of Revenue and Expense as submitted to the Chancery Office.
  7. Co-operate with the Auditors in compiling a Parish Audited Statement at those times when an audit is performed.
  8. Prepare a financial overview of the yearly financial report based on the Diocesan form suggested for presentation to the Parish either by the Parish Priest or by a member of the Finance Council.
  9. Encourage and support Diocesan fund-raising campaigns
  10. Establish effective means of raising funds necessary to attain the goals of the Parish and the Diocese.
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- 7 The Finance Council should also assist the Parish Priest to identify general areas of concern to the parish with regard to the physical condition of equipment, furniture and structure of the church, rectory, and other buildings forming part of the property.
    1. Plan, in advance, for capital expenditures which will be required for renovations and replacements in connection with the property.
    2. Prepare a capital budget plan, at least three years in advance, and update each year, indicating the type of expenditure required and an estimate of the expense.
    3. Formulate a financial plan for the future capital expenditures to accomplish the objectives set.

4. Assist the Parish Priest with the implementation and completion of any major capital undertaking approved by the Diocese.
5. Assist the Parish Priest in formulating personnel policies, contracts, salary scales, benefits and controls. Sample Employee contracts are available through the Pastoral Centre.

# **THE BUILDING AND LOAN COMMITTEE OF THE DIOCESE OF THUNDER BAY**

## **PURPOSE:**

1. The function of the Diocesan Building and Loan Committee which functions through the Diocesan Finance Council is to study proposals for the construction of new buildings, the restoration or renovation of existing buildings, major maintenance projects, the sale of surplus property holdings and the purchase of new properties with a view to make recommendations to the Bishop who is ultimately responsible for the physical facilities and the liturgical appointments which serve the needs of our parish communities.
2. In the case of a new church or the renovation of an existing one, the objective of the Committee is to assist the parish in achieving a result which will serve its worship and devotional needs, be in accord with liturgical norms and reflect dignity and good taste.
3. In a spirit of solidarity and charity, excess parish funds deposited with the Diocese are available for those parishes requiring financial assistance for capital expenditures. (It is understood that the monies deposited with the Diocese would always be available for the approved capital project and operational needs of the parish from which they are received). The current interest paid on deposits and the interest charged on loans are reviewed and adjusted annually by the Diocesan Finance Council. When a particular parish requests financial assistance by way of a loan in order to initiate and complete a capital expenditure project, the Diocesan Building and Loan Committee is to study the request from the point of view of: 1) the appropriateness, and cost of the proposed project given the needs of the individual parish as well as those of the Diocese as a whole, and 2) from the point of view of the estimated cost of the proposed project including the terms of repayment of any debt to be incurred. The Committee will then forward a recommendation to the Bishop for consideration in the decision he will make.

## **MEMBERSHIP:**

1. The Vicar General and members of the Diocesan Finance Council are the members of the Diocesan Building and Loan Committee. In order to meet its responsibilities, the Committee may request the service of professional people (e.g. architect, engineer) on an “ad hoc” basis.

## **MEETINGS:**

1. Meetings are normally held quarterly and at such times as deemed necessary by the Bishop.

## **IDENTIFICATION OF NEED AND APPROVAL PROCESS:**

1. The parish priest, in consultation with his parish associates, Parish Pastoral Council and other appropriate parish committees should clearly identify the need for the project and make a feasibility study. Minor repairs, i.e. those where total related expenditures will not reasonably exceed \$5,000 are not part of the purview of the Committee.
2. The parish priest and representative members of the above mentioned groups should forward to the Bishop in writing: 1) an explanation of the perceived need, 2) a full description of the proposed capital project itself, 3) an explanation identifying how the project will address the need, 4) a desired time-table, 5) an explanation of the parish’s financial capacity, and 6) a request for approval in principle. The Bishop in turn will refer the proposal to the Diocesan Building and Loan Committee for study and await the Committee’s recommendation to assist him in the decision he will make.
3. The Diocesan Building and Loan Committee will not generally initiate building or renovation projects, but will be prepared to assist those initiated at the local parish level. The Committee may seek the presence of the pastor and the parish committee at a meeting to gather further information about a project and its general requirements. The Diocesan Building and Loan Committee, or one or more of its members, may make arrangements with the pastor for an on-site visit for further clarification at any time during the process.

4. In the event of the approval of a project (in excess of \$5,000.), the parish shall forward a detailed contract to the Bishop for approval and authorization before any commitment is expressed to any builder, contractor, workman or supplier of materials.

## **FINANCIAL ARRANGEMENTS:**

1. Major projects will be considered for approval by the Diocesan Building and Loan Committee, when the parish has acquired at least 33% of the total estimated cost. Exceptions may be made for necessary maintenance projects.
2. For **Building Projects**, the normal repayment time for a loan is approximately 10 years or less.
3. For **Major Maintenance Projects** (roof repairs, heating, cooling systems, windows, etc.) The parish must submit to the Committee: preferably three price quotations from tradesmen or suppliers, designating the parish's choice, together with reasons; a complete financial cash flow statement showing anticipated donations from parishioners and loan repayment date, and a contract.
4. Only the Bishop or the Vicar General of the Diocese may approve and authorize the entering into a contract for a project exceeding \$5,000. If the approval is given, it will be in the name of the corporation sole, "The Roman Catholic Bishop of Thunder Bay" and will be in written form for recording purposes.



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