

*Cathedral of St John the Baptist, Norwich*

**PARISH FINANCE COMMITTEE  
PROCEDURES**

Version 2 – approved by the Parish Finance committee on 3<sup>rd</sup> December 2020

## **1.1 Duties and responsibilities of the Parish Priest**

In Canon Law, Can 532 states that in all juridical matters, the parish priest acts in the person of the parish, in accordance with the law. He holds the primary responsibility to administer parish goods in accordance with Can 1281 – 1288. Under Can 532 the parish priest is the administrator of the parish and must ensure that the temporal goods of the parish are administered correctly. In civil law the parish priest is the agent of the Diocesan trustees and he is delegated the responsibility of administering the temporal goods of the parish in accordance with the law and in accordance with the purposes of the charity as stated in the Diocesan trust deed.

The parish priest must ensure that an effective Parish Finance Committee (PFC) is formed and that all relevant information is made available to its members. While he is encouraged to delegate many financial and administrative matters relating to the parish to people with relevant expertise, it is his duty to keep himself fully informed of all material matters relating to the parish. He must ensure that all necessary documents are completed accurately and within the time allowed. He is ultimately responsible for the administration of the juridical person – the parish. That responsibility cannot be delegated.

## **1.2 Charitable Status**

The Diocese is a registered charity (No. 278742) and all the assets – land, buildings, contents, investments and cash – are held in trust. The purpose of the trust is “the advancement of the Roman Catholic religion and education”. The Trustees are appointed by the Bishop as the appointing Trustee, and are responsible in civil law for the correct administration and application of the Diocese’s assets.

Registered charity status bestows great benefits to the Diocese, for instance, through the Gift Aid Scheme and Small Donations Scheme. At the same time, we have grave responsibilities and there are civil and criminal sanctions against abuse and failure to follow correct procedures.

The main aim of the Charities Act 2006 is to ensure that all assets of a charity are managed prudently and effectively. In particular, the Trustees must ensure that:

- all property of the charity is under the control of the Trustees.
- all monies are held in bank accounts that are operated according to Diocesan procedures.
- full and accurate accounting records are kept.
- parish accounts are presented annually to the faithful.
- annual budgets are prepared and monitored.
- accounts of the Diocesan Trust are made available to parishioners through parishes.

### **1.3 Composition of Parish Finance Committee**

The Cathedral Dean will freely appoint the members of the PFC and its Chair. The Cathedral Dean may freely replace any member at any time. The Chair should not be a member of the parish clergy. The Diocesan Finance Office must be consulted if there is a need to replace the entire PFC in any one year. The PFC should comprise the Cathedral Dean together with a minimum of four lay people, one of whom will undertake the role of Treasurer and one of whom will act as Gift Aid organiser. The PFC is regulated by the universal law and by the norms laid down by the Diocesan Bishop. The composition of the PFC is drawn from members of the faithful selected according to these norms.

This core can be expanded on a temporary or permanent basis as required to include, for example, people to take responsibility for fund-raising. The role and inclusion of the Gift Aid organiser is important; HM Revenue & Customs now undertakes audits of dioceses and parishes on a regular basis and any discrepancy found on an initial audit leads to a much deeper investigation and even possible prosecution of the Trustees.

### **1.4 Duties and Responsibilities of Parish Finance Committee**

Can 537: In each parish there must be a Finance committee to help and advise the parish priest in the administration of the goods of the parish, without prejudice to Can 532. This also applies to Diocesan parishes staffed by a religious order. The PFC is a consultative body that assists the parish priest. It is expected that all members of the PFC observe the strictest confidentiality.

The members of the PFC may also have additional functions, such as fund-raising. It is important that any lay persons willing to offer their services in this way are given full information and understand the nature of their responsibilities.

The PFC must be consulted over any expenditure in excess of £5,000 and before any application for a borrowing facility is requested from the Diocese or a bank. The members of the PFC shall also be consulted about applications to the Diocesan Finance Committee for permission to lease, sell, demolish or structurally alter parish property.

The PFC will ensure that any lay staff employed in the parish are, in accordance with Can 1286, paid a living wage and all civil laws relating to labour observed. In particular income tax and National Insurance must be deducted from wages and paid to HM Revenue & Customs as necessary. All employees should have written employment contracts.

The PFC must ensure that, in accordance with Can 1288, all litigation is avoided and that where this is not possible the permission of the Bishop is obtained.

The PFC shall ensure that parish property is well maintained and safe, and due diligence is exercised over all parish assets. The appointment of a suitably qualified Treasurer is of vital importance in this regard, and personal references should be obtained before a Treasurer is appointed, and these references should be seen by members of the PFC, before the appointment is approved.

The signatories on the bank mandate should be (at a minimum) the Cathedral Dean, the Diocesan Director of Finance and one other person. Any cheques over £500 should be signed by at least two signatories on the bank mandate. Cheques of £500 and below can be signed by only one signatory. Bank debit cards will be issued to the Cathedral Dean and the Treasurer (where this is deemed appropriate). The Treasurer must ensure that approval has been received from the Cathedral Dean before payments are made on behalf of the parish, although this will not be necessary for repeat payments, such as regular payments to the Diocese.

The PFC will have access to the books of account, bank statements and any other documents necessary at every meeting and at other times as necessary. The PFC is responsible for ensuring that full and proper books of accounts are kept in accordance with Diocesan procedures.

At each meeting of the PFC the Chair or Treasurer should present a list of receipts and payments made by the parish since the previous meeting, for observation by the PFC. In addition, a budget must be prepared in advance of the following year, and income and expenditure monitored against it. The annual accounts should be published to the parish and the PFC shall decide on the form in which this will be done so long as they conform to the minimum regulations laid down by the Diocese. The PFC is responsible for ensuring that a copy of the latest Diocesan accounts is made available on the parish website.

The PFC will have access to all Diocesan procedures and guidelines in connection with finance and property administration. Any parish policies on its financial or property assets must be approved by the Diocesan trustees.

Minutes of meetings will be kept and will be made available to the Diocesan auditor and the Bishop on his visitation. The name and address of the Chair of the PFC shall be provided to the Finance Office, and updated where necessary.

### **1.5 Frequency of Meetings**

The PFC should meet at quarterly intervals or more frequently if required. A quorum for meetings is the Cathedral Dean and two appointed lay members. In addition, the Cathedral Dean may call a meeting at any time giving seven days' notice.

### **1.6 Parish Councils, Committees and Volunteers**

The PFC is the only council or committee prescribed by canon law. The Cathedral Dean is free to decide whether to create or wind up other bodies; he is sole arbiter on membership. All appointments to any committee or individual voluntary roles within a parish should be for a set term. No one should be made to feel that s/he have to hold a post indefinitely. The Cathedral Dean may freely make or rescind appointments or replace individuals, as he sees fit. All councils, committees and individuals report to the Cathedral Dean and not the PFC.

Any funding requirements by council, committees or individuals should be presented on their behalf by the Cathedral Dean to the PFC.

### **1.8 Annual Parish Meeting**

It is good practice to hold a parish meeting every year. The Cathedral Dean and his various lay helpers, including the PFC, can present a report to the faithful on the activities of the parish and its finances for the year. Future plans can also be discussed.