

THE FINANCE COUNCIL AND THE FINANCE OFFICER

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1. Canon Law:

Can. 492 §1. In every diocese a Finance council is to be established, over which the diocesan bishop himself or his delegate presides and which consists of at least three members of the Christian faithful truly expert in Financial affairs and civil law, outstanding in integrity, and appointed by the bishop.

§2. Members of the Finance council are to be appointed for Five years, but at the end of this period they can be appointed for other Five year terms.

§3. Persons who are related to the bishop up to the fourth degree of consanguinity or affinity are excluded from the Finance council.

Can. 493 In addition to the functions entrusted to it in Book V, The Temporal Goods of the Church, the Finance council prepares each year, according to the directions of the diocesan bishop, a budget of the income and expenditures which are foreseen for the entire governance of the diocese in the coming year and at the end of the year examines an account of the revenues and expenses.

Can. 1284 §1. All administrators are bound to fulfill their function with the diligence of a good householder.

§2. Consequently they must:

1/ exercise vigilance so that the goods entrusted to their care are in no way lost or damaged, taking out insurance policies for this purpose insofar as necessary;

2/ take care that the ownership of ecclesiastical goods is protected by civilly valid methods;

3/ observe the prescripts of both canon and civil law or those imposed by a founder, a donor, or legitimate authority, and especially be on guard so that no damage comes to the Church from the non-observance of civil laws;

4/ collect the return of goods and the income accurately and on time, protect what is collected, and use them according to the intention of the founder or legitimate norms;

5/ pay at the stated time the interest due on a loan or mortgage and take care that the capital debt itself is repaid in a timely manner;

6/ with the consent of the ordinary, invest the money which is left over after expenses and can be usefully set aside for the purposes of the juridic person;

7/ keep well organized books of receipts and expenditures;

8/ draw up a report of the administration at the end of each year;

9/ organize correctly and protect in a suitable and proper archive the documents and records on which the property rights of the Church or the institute are based, and deposit authentic copies of them in the archive of the curia when it can be done conveniently.

§3. It is strongly recommended that administrators prepare budgets of incomes and expenditures each year; it is left to particular law, however, to require them and to determine more precisely the ways in which they are to be presented.

Can. 1280 Each juridic person is to have its own finance council or at least two counselors who, according to the norm of the statutes, are to assist the administrator in fulfilling his or her function.

Can. 741 §1. Societies and, unless the constitutions determine otherwise, their parts and houses are juridic persons and, as such, capable of acquiring, possessing, administering, and alienating temporal goods according to the norm of the prescripts of Book V, The Temporal Goods of the Church, of cann. \Rightarrow 636, \Rightarrow 638, and \Rightarrow 639, and of proper law.

§2. According to the norm of proper law, members are also capable of acquiring, possessing, administering, and disposing of temporal goods, but whatever comes to them on behalf of the society is acquired by the society.

2. Ordinance (July 1, 2001)

3. Constitutions C.M. (1985):

Const. 149

Since all goods are in common, members are co-responsible, according to the norm of law, for the acquisition, administration, and use of the temporal goods of the house and province to which they belong. This principle applies, on appropriate basis, even to the goods of the entire Congregation.

4. Statuts C.M. (1985):

Statute 103,1

Treasurers must give an account to superiors and keep members informed of their administration.

Questions

1. In the Provinces where there is a Finance Committee, how long has it existed and what role has it had in the decisions of the Province?

2. How is the role of lay people in the Finance Committee seen by the Province? Are there Lay people in your Finance Committee?

3. What is the more positive aspect of this Finance Committee? What is the lack aspect of this Committee?

Rome, July 1, 2001

To the Visitors of the Congregation of the Mission

My very dear Confreres,

May the grace of Our Lord be always with you!

As I mentioned during our meeting in Dublin, I am enacting, in accord with Article 107, 2°, and with the unanimous consent of the members of the General Council, a general ordinance applicable in all of the provinces of the Congregation.

The ordinance reads as follows:

In each province of the Congregation of the Mission a finance committee will be established. It shall be presided over by the provincial superior or his delegate. It shall be composed of the provincial treasurer and at least three other members, knowledgeable in financial matters and the related portions of civil law, some of whom may be lay persons. It shall have an advisory role, offering recommendations to the provincial and the members of his council. The members of the finance committee shall be appointed by the provincial for a three-year term, which is renewable.

The enclosed document, which I hope you will find useful, sets the ordinance in a broader context; namely, the proper administration of the temporal goods of the Congregation, which are the “patrimony of the poor” (C. 148 § 1) and the need for great transparency in rendering accounts of the receipts and expenditures of our houses, provinces, and the Congregation as a whole, as well as about the status of our patrimony.

I ask you to examine this document carefully with the members of your council and, if you have not already done so, to establish a finance committee by January 1, 2002.

During the next General Assembly, we will have the opportunity to evaluate the functioning of such committees. With all of the members of the General Council, I hope that they will be of great help to the provinces in administering our goods well and in avoiding some of the serious problems which have arisen in recent years.

Your brother in St. Vincent,
Robert P. Maloney, C.M.
Superior General

**Sample Guidelines for the Finance Committees
Of the Congregation of the Mission**

Mission: The Finance Committee shall assist the Provincial Treasurer in advising the Provincial Superior and his council in financial matters. The purpose of the Finance Committee is to promote the prudent management of the financial resources of the province always keeping in mind its mission to the poor and the well being of the confreres. The Committee researches and proposes policy on issues, as requested by the Provincial Superior or the Provincial Treasurer.

Appointment: The Members of the Finance Committee are proposed by the Provincial Treasurer and appointed by the Provincial Superior with his council. Members are appointed for a three-year term renewable only twice, unless for a serious reason and upon the recommendation of the Provincial Treasurer, the Provincial Superior with his council should judge a further extension to be opportune.

Composition: The Finance Committee is composed of no less than five members, some of whom might be lay persons. The members should be selected so that the Committee manifests financial, legal, real estate, and planning skills, as well as Vincentian and religious values.

Duties: The duties of the Finance Committee include, but are not limited to, the following:

- To assist the Provincial Treasurer in
 - establishing an annual budget for the province;
 - developing financial strategies for supporting the province's future plans;
 - monitoring the purchase, the obtaining of proper legal titles, the alienation, renovation, construction, or management of property owned by the houses of the province or the province itself;
 - creating the year-end report of receipts and expenditures of the province;
 - reviewing investment management;
 - interpreting the annual audit;
 - studying house budgets and assisting houses in their financial management when asked by the Provincial Treasurer;
 - other areas as assigned.
- To seek the advice of consultants as necessary.

Procedures: The Provincial Superior convenes meetings at least twice a year and, with the Provincial Treasurer, establishes the agenda for the Finance Committee. The Provincial Superior serves as its chairperson. He also invites consultants or observers to attend meetings as appropriate.

The Committee shall elect a secretary who will keep all records and all documents of the Committee. Minutes of each meeting will be recorded and distributed to the members at least one week prior to the Committee's next meeting. These minutes, including the policies, documents, and actions of the Committee will be incorporated by the Provincial Treasurer in his reports and recommendations to the Provincial Superior and his council.

Some Norms for the Financial Administration

Of the Provinces of the Congregation of the Mission

Our Constitutions (Articles 148-155) and Statutes (Articles 75-77 and 100-107) speak at length about the administration of the goods of the Congregation. The *Practical Guide for the Visitor* also speaks about this matter in considerable detail (§§ 240-247 and 309).

1. Our norms call us to great transparency in rendering accounts of the receipts and expenditures of our houses, provinces, and the Congregation as a whole, as well as about the status of our patrimony. In this light, for the future well-being of the Congregation and also, unfortunately, because abuses have arisen, I would like to call to mind the following norms of the Congregation:

1.1. The treasurers of the local houses are to present an account of the receipts and expenditures of the houses, as well as a report on the status of the houses' patrimony, once a month to the local superior. A signature of approval is to be affixed to the account, provided that it is found to be accurate (Statute 103 § 2).

1.2. The provincial treasurer is to present an account of the receipts and expenditures of the province, as well as a report on the status of the province's patrimony, twice a year to the provincial with his council. A signature of approval is to be affixed to the account, provided that it is found to be accurate (Statute 103 § 2).

1.3. Members entrusted with the administration of special works of either a province or a house shall submit an account of the receipts and expenditures to their respective superiors at the time and in the manner determined by provincial norms (Statute 103 § 3).

2. In order to foster the proper administration of temporal goods and to obtain broader financial advice, Canon 1280 requires that every juridic person have a finance council.¹

2.1 In this spirit, with the consent of the members of the General Council, in accord with Article 107, 2° of our Constitutions, I am establishing a general ordinance applicable to all of the provinces of the Congregation of the Mission. It is as follows:

In each province of the Congregation of the Mission a finance committee will be established. It shall be presided over by the provincial superior or his delegate. It shall be composed of the provincial treasurer and at least three other members, knowledgeable in financial matters and the related portions of civil law, some of whom may be lay persons. It shall have an advisory role, offering recommendations to the provincial and the

¹Canon 1280: Each juridic person is to have its own finance council or at least two advisors, who according to the norm of its statutes assist the administrator in carrying out his or her function. Cf. also: Canon 492 § 1: In each diocese a finance council is to be established by the bishop, over which he himself or his delegate presides, and which is to be composed of at least three members of the Christian faithful truly skilled in financial affairs as well as in the civil law, of outstanding integrity and appointed by the bishop.

§ 2: Members of the finance council are to be named for a five year term; but having completed this term they may be named to other five year terms.

§ 3: Those persons are excluded from the finance council who are related to the bishop up to the fourth degree of consanguinity or affinity. Cf. also:

Canon 493: In addition to the duties committed to it in Book V: "The Temporal Goods of the Church," the finance council is to prepare each year according to the directions of the diocesan bishop a budget of the income and expenditures foreseen for the governance of the entire diocese in the coming year; moreover at the close of the year it is to examine a report of receipts and expenditures.

members of his council. The members of the finance committee shall be appointed by the provincial for a three-year term, which is renewable.

I ask that this ordinance be put into practice within six months from the date of this document; that is, by January 1, 2002.

2.2 Among the competencies of this committee shall be the following:

2.2.1 It shall prepare annually a budget of the income and expenditures of the province for the coming year.

2.2.2 At the end of each fiscal year, it shall review and present for the approval of the provincial superior the account which the provincial treasurer has prepared of the province's receipts and expenditures, as well as the report on the status of the patrimony of the province, making appropriate recommendations to the provincial superior and provincial treasurer in this regard.

2.2.3 It shall supervise the conservation, growth and administration of the patrimony of the province and make appropriate recommendations to the provincial superior and the provincial treasurer in this regard.

2.2.4 It shall serve as a consultative body to the provincial superior and provincial treasurer in relation to significant economic questions concerning investments, expenditures, and the conservation and disposal of the patrimony of the province.

2.2.5 It will serve, when asked, as a consultative body to the provincial superior and the provincial treasurer in relationship to any other economic matters that they might propose to the committee.

Some provinces already have norms concerning the matters described above. Such norms remain in effect, unless they are contrary to what is prescribed above. If necessary, such norms should be revised to include the points contained in this document.

3. It is recommended that, in each province at least one confrere, perhaps someone pertaining to the finance committee, be instructed by the provincial treasurer about the working of the treasurer's office, so that in the case of the absence, sickness, or sudden death of a treasurer someone would be capable of taking over the running of the office.

To assist finance councils already established or to be established in the provinces, I offer the attached sample guidelines, which are intended as illustrative and not normative.