

# St. Joseph's Parish Finance Council

## Terms of Reference

Draft revision 2021-05-11

The following Terms of Reference set out the key roles and responsibilities of the St. Joseph's Parish Finance Council (*Finance Council* or *Council*), its membership, obligations of members, respective responsibilities of and selection of the Chair, Vice-chair, Treasurer, and Recorder, quorum and decision-making, reporting, and other matters essential to the effective functioning of the Council.

The Finance Council functions in the spirit of collaborative leadership and shares in the [pastoral mission](#) and activities of St. Joseph's Parish. It does so by ensuring the applicable directives of the Archdiocese of Ottawa-Cornwall governing parish finance councils are observed. It also carries out its mandate with guidance from the Missionary Oblates of Mary Immaculate, OMI Lacombe Canada.

### 1. Reporting Structure and Accountabilities

The Finance Council is a permanent advisory body to the Pastor and the St. Joseph's Parish Pastoral Council (*Pastoral Council*). It sits at the discretion of the Pastor and is responsible for ensuring the Pastor and the Parish Council are well-informed in all their decision-making with respect to financial matters. Their decisions need to be informed by a sound assessment of the resources available to the Parish as well as any potential risks to the short- and long-term stability of the Parish associated with those decisions. It is essential that the Pastor and the Pastoral Council have access to timely information regarding the state of the Parish's finances rooted in good accounting practices, and an assessment of risks based on sound forecasting of revenue and expenses. In addition to its role as an advisory body to the Pastor and Pastoral Council, the Finance Council also acts as a resource working closely with the Executive Director.

### 2. Roles and Responsibilities

The Finance Council is responsible for:

- Reviewing draft annual operating and capital budgets prepared by the Executive Director and other staff for consideration by the Pastor and the Pastoral Council;
- Tracking variances from budget forecasts, and alerting the Pastor and the Pastoral Council in a timely manner of any significant deviations from the budgets that would impact the Parish's financial status;
- Drafting policies related to the financial management of the Parish, including policies related to:
  - contracting;
  - expenditure controls, including the receipt and payment of invoices;

- monetary investments;
  - the Parish reserve and the use of funds in the reserve; and
  - the use of one-time contributions to the parish (such as bequests).
- Assessing and providing independent advice to the Pastor and the Pastoral Council on fundraising proposals or other proposals requiring funding, and the risks, if any, to the financial health of the Parish associated with such projects or decisions; and
  - Carrying out any special reviews or analyses requested by the Pastor, the Pastoral Council or the Executive Director.

### 3. Membership

The Finance Council consists of no less than five voting members.

The Council also includes the following non-voting *ex officio* members:<sup>1</sup>

- Pastor;
- Executive Director.

Voting members are to be selected from among the parishioners, based on their experience in financial management to the extent possible. Accounting credentials and experience on boards of corporate bodies or associations or management teams where financial issues are considered as part of management's deliberations are assets.

The Council may seek potential voting members on an individual basis or through a broader call for potential members. The process by which the Council seeks and recommends potential members must be open and transparent.

Voting members are to be recommended by the Council and appointed by the Pastor in consultation with the Pastoral Council.

### 4 Terms of Members

Each appointed member of the Finance Council is to serve for a term of two years. Terms begin on August 1.

A member's term can be renewed up to two times. The maximum number of consecutive years a person can serve as a member of the Finance Council is six, after which time they must withdraw from the Council for at least one year. They can be recommended again by the Council following a hiatus of at least one year.

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<sup>1</sup> For clarity, in the context of these Terms of Reference, *ex-officio* means appointed by virtue of their position, not selected by vote, appointment, or other selection mechanism. Nonetheless, *ex-officio* members are full members of Committee, and participate in discussions and decision-making as set out in these Terms of Reference

## 5 Responsibilities of Members

### 5.1 General

Finance Council members are expected to:

- Adhere to the attendance policy set out below;
- Notify the Chair if they anticipate not being able to attend meetings;
- Read documentation sent by the Chair in advance of each meeting; and
- Come prepared to discuss the matters on the agenda and made any required decisions and recommendations.

### 5.2 Member Terms of Engagement

Each appointed member must complete and sign the Member Terms of Engagement before becoming a member of the Council. The Terms of Engagement are attached as an Appendix to these Terms of Reference.

### 5.3 Attendance Policy

It is recognized that

- members will occasionally face scheduling conflicts that prevent them from attending Council meetings;
- continuity and a full understanding of the Parish's financial situation can only be developed through regular participation in Finance Council meetings and are critical to making informed decisions in the best long-term interest of the Parish.

Therefore:

1. If an appointed member misses three consecutive meetings without providing advance regrets to the Chair, they are considered to have resigned from the Council.
2. If an appointed member misses six meetings of a rolling 12 meeting count, they are considered to have resigned from the Council.
3. However, the member may continue on the Council if exceptional circumstances have contributed to their absences and the Council views their continued membership to be necessary for its ongoing work.

### 5.4 Confidentiality

Members will be exposed to confidential information of the Parish. Confidential Information is information obtained by, or disclosed to, a member in the course of serving on the Finance Council, including employee salaries, benefits and appraisals, donor identities and contributions, and any information disclosed *in camera*. Members are to keep this information confidential to members of the Finance Council and the Pastoral Council and are not to disclose it otherwise

without the authorization of the Pastor, the Finance Council or the Pastoral Council.

## 5.5 Removal from Council

When the Pastor is of the opinion that a member is unable to fulfill their responsibilities as a member because of illness, failing to abide by the Member Terms of Engagement, or for other exceptional circumstances, the Pastor may, after consulting the other members of the Council, remove the member from the Council.

## 6. Conditions of Service

Finance Council members serve and exercise their functions without remuneration from the Parish. However, legitimate expenses incurred by a member in the conduct of the business of the Council are to be reimbursed by the Parish in accordance with the Parish Reimbursement of Expenses Policy.

## 7. Conflict of Interest

Members of the Finance Council are to declare any interest (personal, family or business) in matters before the Council that could conflict with the interests of the Parish. A conflict of interest exists when a member could benefit disproportionately from access to information or from a decision, or when such a conflict might be reasonably perceived. It involves interests significant enough to have, or be perceived to have, the potential for divided loyalty. Examples of possible conflict of interest include having a personal or business relationship with the Parish as a supplier of goods or services or with someone who is employed by the Parish.

## 8. Chair, Vice-chair, Recorder and Treasurer

The Chair, Vice-chair, Treasurer and Recorder are to be selected by the Council from among its members on an annual basis.

The *Chair* is responsible for preparing agendas for meetings and managing the discussions of the Finance Council.

The *Vice-Chair* is the alternate to the Chair and carries out the Chair's responsibilities when the Chair is absent.

The *Recorder* records the minutes of the meeting and presents them for ratification at subsequent meetings of the Council.

The *Treasurer* is responsible for signing financial statements and other documents of a financial nature. The Treasurer is responsible for reporting to Pastoral Council on any matters within the Finance Council's mandate. In reporting to the Pastoral Council, the Treasurer works to ensure that decisions taken by the Pastoral Council are fully informed by the advice of the Finance Council and that decisions that would benefit from the advice are postponed until the advice is provided.

## 9. Meeting Frequency

The Finance Council meets regularly, including during the summer months. At the discretion of the Chair, meetings may be conducted by teleconference or electronic means (such as email or a web-conferencing platform). Meetings may be more frequent if volume, deadlines, or urgent issues so require.

## 10. Quorum

Quorum for a meeting is half the voting members of the Council, including at least one of the Chair, Vice-Chair and Treasurer.

## 11. Decision-making

Decisions and recommendations of the Finance Council should be reached by consensus. If consensus cannot be reached because of a significant divergence of views, the key differences should be noted in the minutes.

### 11.1 Addressing urgent matters

If the Chair identifies an item as urgent, it may be dealt with by email or other electronic means (such as email or a web-conferencing platform). Regardless of the urgency, the quorum must be met.

## 12. Meeting Minutes

Minutes are to be kept for all Council meetings. The minutes are to record the nature of the discussion and the decisions, recommendations and action items agreed upon. Minutes should avoid attribution of comments to any one person, so as to ensure open and frank discussion at meetings. The Chair, or Vice-chair as appropriate, and the Recorder sign ratified minutes to confirm the ratification.

Minutes are to be maintained, shared and sent to the Finance Council members and the Parish Council. They are also to be made available to parishioners on request.

## 13. Reporting Potential Financial Mismanagement

Financial mismanagement and malfeasance in an organization have the potential to attract significant media attention and cast the organization into disrepute. They also erode the confidence and commitment of employees and volunteers. As St. Joseph's is a Catholic parish served by OMI Lacombe Canada, financial mismanagement and malfeasance would also have a negative impact on the reputation of the Catholic Church and OMI Lacombe Canada.

If any member of the Pastoral Council, the Finance Council or the Parish at large becomes aware of activity on the part of any parishioner (including members of the Finance Council and Pastoral Council) or a staff member that could be considered financial malfeasance, they must report this information immediately and in confidence to the Pastor for investigation and

action in accordance with the practices and procedures of OMI Lacombe Canada.

Possible financial malfeasance on the part of the Pastor is to be reported to the Provincial of OMI Lacombe Canada.

#### **14. General Principles to Guide Finance Council**

The Finance Council is to carry out its work taking into consideration:

- International Reporting Standards or such other accounting practice standards as may from time to time become the norm adopted by non-governmental organizations to demonstrate sound financial management and controls;
- Any controls OMI Lacombe Canada may consider appropriate to ensure the Parish is being managed soundly; and
- Financial guidelines issued by the Archdiocese of Ottawa-Cornwall.

#### **15. Review and Amendment of Terms of Reference**

The Finance Council is to review these Terms of Reference before each Annual General Meeting. If the Council determines they should be revised, the proposed revisions are to be considered by the Pastor and the Pastoral Council.

#### **16. Effective Date**

These Terms of Reference come into effect on the date of approval by the Pastor.

\_\_\_\_\_  
Pastor

\_\_\_\_\_  
Date

### **Appendix – Member Terms of Engagement**

I, \_\_\_\_\_, agree to serve as a member of the St. Joseph's Parish Finance Council and fulfill that role in accordance with, the Terms of Reference for the Council.

\_\_\_\_\_  
Member

\_\_\_\_\_  
Date