

4 Parish Organizations



Subsection

- 4.0 Introduction
- 4.1 Sample Pastor's Letter to Parish Organizations
- 4.2 Principles for the Management and Use of Funds Generated by Parish Facilities and Organizations – Example
- 4.3 Scouting Organizations, K of C, SVDP

	This	Replaces
Section	4.0	5.0
Page	1 of 1	1 of 1
Date	11/01/12	05/01/09

4.1 Introduction

Parish organizations are essential to the life of any parish. They are one of the most essential means for involving the lay apostolate in the catechesis and various ministries of the Catholic Church. As part of the parish and, as it is true for most organizations, there are financial issues to consider. There is a common misunderstanding among many members of parish organizations that they are stand-alone entities with regard to their finances. Any organization that uses the name **or** tax identification number of the parish operates under the presumption of tax-exempt status and, as such, is under the direction and control of the Pastor.

The Archbishop of St. Louis reinforced this notion in his March 29, 2000 letter to all pastors when he wrote:

All funds must be recorded in the parish's financial accounting system. No "off the books" accounts are allowed. Many parish organizations have separate bank accounts that use the name and/or tax identification number of the parish. These accounts are the property of the parish and, as such, the bank statements and cancelled checks should be sent to the parish office.

Even though more and more parishes are employing business managers, the Pastor should open the statements and review all checks for propriety and authenticity of signature. In all cases the Pastor should be an authorized signer on every account including those in the names of parish organizations.

The Archdiocesan Finance Office strongly encourages parishes to centralize the accounting and financial reporting for parish organizations through the parish office. There have been cases reported by several parishes where invoices are not paid on a timely basis, cash receipts are not properly accounted for, and/or officers of organizations are subject to suspicion or criticism. In most cases these accounts are maintained by people who are volunteers that give generously of their time but receive no compensation. By centralizing the accounting, these people are distanced from reproach, proper authorization of cash disbursements can still be achieved and internal controls are significantly strengthened.

Only clergy are to be signatories on parish bank accounts. (See Section 5.5.)

In this section you will find a sample copy of one pastor's letter to parish organizations in response to the Archbishop's directives. Following that is a set of guidelines used by another parish that prioritizes the management and uses of funds generated by that parish's organizations.

	This	Replaces
Section	4.1	5.1
Page	1 of 1	1 of 1
Date	11/01/12	02/01/08

4.2 Sample Pastor's Letter to Parish Organizations

Organization Head
Address
City, State, Zip

Dear Sir/Madam:

Recently, the Archbishop has written to every Pastor in the Archdiocese reminding us of the policies of the Archdiocese as covered by Archdiocesan Statutes #36 through #57 regarding the temporalities of the parish. In order to bring our Parish in full compliance with the Archdiocesan Policies, there are several procedural changes we need to make. First, the bank statements and cancelled checks for every account held by any organization in the parish will need to be sent by the bank to the Rectory. After the statement is reviewed, the statement and checks will be given to the Treasurer of the organization. Secondly, the Pastor will need to be on the list of signatories for all accounts. Thirdly, a monthly financial statement is to be submitted by the Treasurer of each organization to the Pastor.

The monies in the organizational accounts will remain at the discretion of the organizations along with the consent of the Pastor. I am enclosing a copy of the Archbishop's letter so that you know the reasons for these changes.

I certainly am appreciative of all of your efforts and the consistent support you and your organization have given to the Parish over the 42-year history of our Parish. With your efforts on behalf of the Parish, a great deal has been accomplished. Thank you.

May God continue to bless you and your efforts.

Sincerely yours in Christ,

Reverend
Pastor

	This	Replaces
Section	4.2	5.2
Page	1 of 1	1 of 1
Date	11/01/12	02/01/08

4.3 Principles for the Management and Use of Funds Generated by Parish Facilities and Organizations—Example

St. XXX Parish (example only)

The following principles are based on the underlying presumption that there will be good reason for parish facilities and organizations to intentionally generate income through activities and services provided for the parish and general public. In such a case, the following shall be considered governing principles for the management and use of such funds:

1. Such revenues are primarily in support of programs, activities, and/or services of the facility or organization to the parish community and general public.
2. Secondly, they are to be considered as revenues for the general fund and operation of parish facilities or in support of the parish debt reduction effort.
3. The generation of income and the disbursement of revenues should be planned by those responsible for the particular parish facilities, operations, or organizations. Both projected revenues and expenses should be prepared in the form of an annual budget submitted to the Parish Finance Council each year in April.
4. Priorities in the use of revenues by those responsible for parish facilities or organizations will be:
 - a. Normal expenses of the organizations.
(Entire amount determined by those responsible)
 - b. General operational expenses for the facility used by the organization or operation.
(Amount determined by the leadership of the group or management in consultation with Parish Finance Council)
 - c. Contribution toward parish debt reduction.
(Amount determined by the leadership of the group or management in consultation with Parish Finance Council)
 - d. Repairs, replacements or additions of equipment or materials essential to the programs, activities, or operations of the organization or facility.
(Amount negotiated between those responsible and the Parish Finance Council)
 - e. Capital improvements or additions (generally in excess of \$1,000).
(Amount negotiated between those responsible and the Parish Finance Council; A long-range plan, including a funding plan approved by the Pastor in consultation with the Parish Finance Council will be required)
 - f. Additional contributions to parish operations or debt reduction.
(Amount determined by those responsible. Generally these will be funds over what would be considered a reasonable beginning balance for the coming fiscal year)

	This	Replaces
Section	4.3	5.3
Page	1 of 1	1 of 1
Date	07/01/15	11/01/12

4.4 Scouting Organizations, K of C, SVDP

Cub Scout and Boy Scout troops are considered member organizations of the sponsoring parish. As such, all bank accounts belonging to such troops should reference the troop number and use the parish's federal tax identification number. The pastor must be an authorized signer on these accounts. These accounts must be included on the parish's financial statements.

Girl Scout troops are members of Girl Scouts of Eastern Missouri and, legally speaking, are not member organizations of the sponsoring parish. All bank accounts belonging to such troops should use the tax identification number 43-0662471, which belongs to Girl Scouts of Eastern Missouri.

The Knights of Columbus and St. Vincent de Paul Society are parish organizations that are chapters of larger national or international organizations of the same name. As such, neither their bank accounts nor transactional activity should be recorded on the books of a parish.