STATUTES FOR THE FINANCE COUNCIL OF THE DIOCESE OF DULUTH

ARTICLE I  The name of this body shall be the Diocesan Finance Council (DFC)

ARTICLE II  Purpose

The Diocesan Finance Council is one of the two major councils of the Diocese of Duluth. It is established by the Bishop for the purpose of advising and assisting him in financial matters.

Functions

- The DFC must prepare the annual diocesan budget. (While the annual budget may initially be prepared by the staff of the diocese, final approval and recommendation to the Bishop rests with the DFC).
- The DFC must examine the annual report of income and expenditures prepared by the diocesan finance officer. (This examination may take the form of reviewing the annual audited financial statements as presented by the diocese's independent auditors.)

The DFC must give or withhold consent to the Bishop on the following:
- Performance of an act of extraordinary administration as defined by the United States Conference of Catholic Bishops (USCCB) (c. 1277)
- Leasing of ecclesiastical goods owned by the diocese when the market value of the property to be leased exceeds $1,000,000 or the lease is to be for three years or longer (c. 1297 and USCCB Complimentary Norms for Canon 1297)
- Alienation of property at or above the amount established by the USCCB (c. 1292 § 1) and updated annually based on the consumer price index.
- Alienation of property of other public juridic persons subject to the Bishop at or above the amount established by the USCCB (c. 1292 § 1) and updated annually based on the consumer price index.
- In addition to alienation, the entering into any transaction that worsens the financial condition of the diocese (c. 1295)

The DFC is to hear (give counsel to) the Bishop on the following:

1. Appointment of a finance officer (c. 494)
2. Removal of the finance officer (c. 494)
3. Imposition of taxes, either ordinary or extraordinary (c. 1263)
4. Decisions relative to the more important acts of administration (It is for the conference of bishops to define what is meant by acts of extraordinary administration.) (c. 1277)
5. Determination of the meaning of acts of extraordinary administration for institutes subject to his control if the statutes are not specific (c. 1281.2)
6. Review of annual reports submitted to him by clerical and lay administrators of any ecclesiastical goods (c. 1287.1)
7. Leasing of ecclesiastical goods owned by the diocese when the market value of the property to be leased exceeds $400,000 (c. 1297 and USCCB Complimentary Norms for Canon 1297)
8. Investment of tangible and intangible property assigned to an endowment (c. 1305)
9. Modification of the obligations imposed in executing last wills for pious causes if such obligations cannot be fulfilled (c. 1310.2)

In addition to the canon law requirements outlined above, the DFC will also advise the Bishop with regard to the following:

- Appointment of auditors (In addition, the DFC will perform the audit committee oversight role, including oversight of financial management policies and the implementation thereof.)
- Appointment of legal counsel
- Employee compensation and benefits
- Insurance and risk management
- Property management
- Construction management
- Investment policies
- Internal controls
- Strategic planning
- Capital spending
- Development (fundraising)—See USCCB Complimentary Norms for Canon 1262 (effective August 15, 2007) and U.S. Catholic bishops, Principles and Guidelines for Fund Raising in the United States by Arch/Dioceses, Arch/Diocesan Agencies and Religious Institutes (November 16, 1977), available from the USCCB Finance Office
- Banking arrangements
- Fulfilling the requirements of the Resolution on Diocesan Financial Reporting that became effective January 1, 2001
- Recommend new members
- Other matters as necessary

ARTICLE III Membership

DFC shall be composed of not fewer than 5 persons and not more than 15, including the Bishop of Duluth, or the person who, in his stead, exercises ordinary jurisdiction over the spiritual and temporal affairs of the Diocese of Duluth in accordance with legislation of the Roman Catholic Church and the Vicar General of the Diocese. Members are appointed by the Bishop and are to be members of the Christian faithful, living in the Diocese who are truly expert in financial and business affairs and civil law, outstanding in integrity and honesty (Can 492.1).

1) Three members of the DFC shall be appointed by the Bishop annually as:
   a) Chair of the Diocesan Finance Council
   b) Chair of the Investment Committee
   c) Chair of the Audit Committee

2) Two members of the DFC shall be the two Lay Members of the Diocesan Corporate board.

3) The Diocesan Finance Officer shall be an ex-officio, non-voting member of the DFC
ARTICLE IV  Term of Office

1) The regular term of office of the appointed at-large members of the DFC shall be five years, with approximately one-fifth of those members’ terms expiring each year.

2) No appointed at-large members shall serve more than two consecutive five-year terms.

ARTICLE V  Vacancies

Vacancies on the DFC by reason of resignation, death, disability, termination of office, or otherwise, shall be filled by the the Bishop, who will appoint a replacement.

ARTICLE VI  Officers and Duties

The officers of the DFC shall be a Chair and a Vice-Chair.

1) The Chair of this Council shall conduct all meetings of the DFC. In most cases, the Chair will be the Bishop, but he may appoint someone else for the office.

2) The Vice-Chair of the Council shall act in the place of the Chair when the Chair is absent or unable to attend a meeting of the DFC, and shall assist the Chair in the performance of the Chair’s duties. The Vice-Chair shall be appointed by the Bishop from among the membership of the Council for a one-year term.

ARTICLE VII  Meetings

Meetings of the DFC shall be held at the call of either the Bishop, the Chair, or by a majority of the full membership of the DFC.

ARTICLE VIII  Committees

There shall be two standing committees of the DFC. The standing committees shall be the Investment Committee and the Audit Committee.

1) Investment Committee: The Investment Committee shall consist of a Chair appointed by the Bishop, at least two members of the DFC appointed by the DFC, and up to five others recommended by the DFC and approved by the Bishop for three year terms.

   The Investment Committee is responsible for developing investment policies for the Diocese of Duluth. In addition, the committee selects and monitors the performance of investment managers, ensuring that investment policies are being adhered to, and determine distribution rates from endowment funds.

2) Audit Committee: The Audit Committee shall consist of a Chair appointed by the Bishop, at least two members of the DFC appointed by the DFC, and up to two others recommended by the DFC and approved by the Bishop for three year terms.

   The Audit Committee is responsible for recommending an independent auditor to the DFC and evaluating the performance of the auditor.
ARTICLE IX  Quorum and Voting

A majority of the full membership shall be necessary and sufficient to constitute a quorum for the transactions of business at all meetings of DFC and its committees so long as all the members of the council of its committees were properly notified of meeting in accordance with canon 127. The act of a majority of the members present at any meeting at which there is a quorum shall be the act of the DFC or its committees.

The following types of proposals may be voted on by members through email
  • Alienation of property at the parish level
  • Capital expenditures

ARTICLE X  Amendments

Amendments to these statutes shall be proposed at any meeting of the DFC, following a two-week notice, upon a two-thirds vote of the full membership of the DFC. They would be effective upon the approval by the Bishop.

ARTICLE XI  Conduct

The DFC is not bound to politics and should have the best interests of the Catholic Church as its goal. The relationship with the members of the council should be one of collaboration and accountability. The highest law is the salvation of souls and the administration of the goods of the Church is to further that mission.

DFC members owe the Diocese a duty of loyalty. The duty of loyalty requires a DFC member to act in the interest of the Diocese rather than in the personal interest of the member or some other person or organization. In particular, the duty of loyalty requires a DFC member to avoid conflicts of interest that are detrimental to the Diocese. Members should disclose in writing any known financial interest that the individual, or a member of an individual’s family has in any business entity that transacts business with the Diocese.

DFC members should maintain confidentiality on those matters designated as confidential. Materials such as agendas, meeting minutes, and review materials should not be disclosed to others if designated as confidential.

At the Bishop’s discretion, any member of the DFC may be removed, with or without cause.

Approved by:  

Bishop Paul D. Sirba  

Date:  

June 24, 2016