

**CHARTER
OF THE DIOCESE OF FALL RIVER, MA
FINANCE COUNCIL**

September 9, 2020

Article I. *Name*

The name of this body shall be the Diocese of Fall River Finance Council, also referred to as the Diocesan Finance Council.

Article II. *Purpose*

The Diocese of Fall River Finance Council, as required by Canon Law, is established by the Bishop for the purpose of advising and assisting him in financial matters in accord with canonical norms. The Finance Council is responsible for (i) advising the Bishop on the development and implementation of strategies designed to assure the financial soundness of the Diocese, (ii) advising the Bishop on Diocesan financial operations and condition, and (iii) assisting the Bishop in achieving openness and transparency in diocesan financial reporting. The Bishop will fully inform the Finance Council on matters on which it is to vote, to oversee, to advise, or to provide consultation under this Charter. The Bishop will also seek the approval of the Finance Council on matters on which its vote is required by this Charter, and will seek the counsel or oversight of the Finance Council on those matters on which they are to be provided under this Charter.

Article III. *Responsibilities*

The specific responsibilities of the Finance Council include:

- A. To approve the annual Diocesan budget of the income and expenditures which are foreseen for the governance of the Diocese in the next succeeding fiscal year;
- B. To oversee the financial performance relative to the budget on a regular basis;
- C. To review and accept the annual audited financial report, to ensure public access to the report, and to monitor recommendations made by the auditors;
- D. To provide consultation on the appointment or removal of the Finance Officer of the Diocese. (Any and all consultation regarding the appointment of the Finance Officer will take place upon the recusal of the Finance Officer from the meeting).
- E. To oversee and provide consultation on real estate;
- F. To oversee and provide consultation on any new diocesan tax or assessment;
- G. To oversee and provide consultation on more important acts of administration as defined by canon law and Diocesan policy, including: (1) alienations of Diocesan property or transactions that can worsen the patrimonial condition of the Diocese, including debts and other obligations or payments by a third party on behalf of the Diocese, over \$250,000 (2) the lease of ecclesiastical goods owned by the Diocese when the market value of the goods exceeds \$400,000;

Exhibit 1

- (3) actual or threatened legal proceedings involving financial exposure in excess of \$250,000; (4) payments made as a result of actual or threatened legal proceedings, including settlements or payments by a third party on behalf of the Diocese, exceeding \$250,000.
- H. To oversee and provide consultation on a mechanism for the confidential reporting by employees and other parties of questionable or unethical practices;
 - I. To vote on: (1) acts of extraordinary administration as defined by canon law, the United States Conference of Catholic Bishops and Diocesan policy, (2) alienations of Diocesan property or transactions that can worsen the patrimonial condition of the Diocese, including debts and other obligations or payments by a third party on behalf of the Diocese, over \$250,000; (3) alienations by public juridic persons subject to the Bishop over \$250,000 (4) leasing of ecclesiastical goods owned by the Diocese when the market value of the leased property exceeds \$400,000 or the term of the lease is three years or longer;

Article IV. *Membership*

The Diocesan Finance Council shall consist of not less than nine nor more than fifteen Members. The Bishop, the Vicar General, the Moderator of the Curia, are *ex officio* members at the discretion of the Bishop. The membership will strive to include at least one Member from each Deanery of the Diocese. The Bishop will appoint all Members after consulting the members of the council or from candidates recommended to him. Members should be Catholics in good standing, and experts in business, financial or accounting matters, real estate and civil and/or canonical law. Proposals for membership should be submitted to the Vice-Chair, who will present them to the Bishop. Members of the Finance Council are expected to attend most meetings, be prepared to participate actively and knowledgeably in the deliberations of the Finance Council and be willing volunteers for special projects that may be undertaken by the Finance Council.

Article V. *Term of Office*

- A. Article V does not apply to the deemed *ex officio* Members.
- B. The term of office of each Member shall be five years, with approximately one-fifth of the Members' terms expiring each year.
- C. The Bishop can appoint a member to additional five-year terms.
- D. The term of office of each member of a committee of the Finance Council shall be three years. Committee member's terms may be renewed for one or more successive three-year periods.
- E. The term of office of the Vice Chair of the Finance Council shall be three years. A Member may serve more than one term as Vice Chair.[See Section C].

Article VI. *Vacancies*

Vacancies by reason of resignation, death, disability, termination of term of office or otherwise, shall be filled by appointment by the Bishop in the same manner as new Members are appointed. Upon appointment, each new Member shall begin a new five-year term of office.

Article VII. Officers and Duties

The officers shall consist of a Chair, a Vice-Chair and a Secretary. The Bishop will serve as the Chair, and will appoint the Vice-Chair from among the Members of the Finance Council. The Chair and the Vice-Chair will coordinate through the Chancellor's Office the scheduling and conducting of all meetings, coordinating the preparation of the agenda, and otherwise maintaining the effective functioning of the Finance Council. The Bishop with assistance from the Vice-Chair will appoint members of Finance Council committees and name the Chairs of those committees. The Vice-Chair will act in the place of the Chair when the Chair is absent and will assist the Chair in the performance of assigned duties. The Secretary will record the minutes of meetings of the Finance Council.

Article VIII. Meetings

Meetings will be held at the request of the Bishop. There must be at least four meetings annually. Additional meetings can be called by the Bishop when canonical consultation or approval is required outside of the regular meeting schedule. A meeting can be called, with the approval of the Bishop, at the request of at least four Members. No meeting can be conducted without the presence of the Bishop or one acting with his episcopal mandate. Members will receive at least five business days' notice of meetings, except in an emergency as declared by the Chair. Telephone participation is permitted. Minutes of Finance Council meetings will be circulated to the Members and are subject to their approval. Any Member that does not attend three consecutive meetings will be replaced by a new Member. The Finance Officer, the Director of Finance, General Counsel and Director of Facilities and Real Estate shall attend the meetings as non-voting support staff.

Article IX. Quorum and Voting

A majority of the full voting membership shall be necessary to constitute a quorum for the transaction of business at all meetings.

Article X. Committees

Each committee of the Finance Council will be chaired by a Member of the Finance Council. *Ad hoc* committees can be established by vote of the Finance Council with the approval of the Bishop. The standing committees of the Finance Council shall be:

A. The Audit Committee

The Audit Committee shall receive the report of the external auditor on the annual financial statements, together with the auditor's management letter, and, after review, present them to the Finance Council. The Audit Committee shall make an annual report on the performance of the external auditor and make appropriate recommendations to the Finance Council, the Bishop and Finance Officer. The Audit Committee will approve the selection of the auditor that performs the annual audit. The Audit Committee will also monitor and oversee the system of internal controls and the financial reporting process. The membership of the Audit Committee will include at least one Member of the Finance

Council, and shall have members with proven audit and control credentials and experience.

C. The Investment Committee

The Investment Committee shall oversee the investment management of all the various funds, of whatever nature and for whatever purpose maintained, of the Diocese. It shall approve investment policies and determine the appropriate allocation of investments. The Investment Committee shall select the investment managers to manage the funds and assets, periodically review the performance of each manager and recommend to the Finance Council any changes in investment policies. The Investment Committee shall recommend guidelines for the acceptance of gifts by the Diocese and the disbursement of funds from endowed and restricted gifts. The Investment Committee shall consist of at least one Member of the Finance Council and shall have members with proven investment credentials and/or general business experience.

C. The Real Estate Committee

The Real Estate Committee shall assist and advise on the acquisition, disposition and leasing of all real property that requires the consent of the Finance Council. It shall recommend policies regarding the management, maintenance and disposition of properties owned by the Diocese. The Real Estate Committee shall develop and recommend guidelines for management of construction projects undertaken by the Diocese. It will recommend guidelines and resources to be used by parishes for the management, maintenance and disposition of facilities. The Real Estate Committee shall also advise on other real estate matters as requested. The Real Estate Committee shall consist of at least one Member of the Finance Council, and shall have members with proven real estate credentials and/or general business experience.

Article XI. Conflict of Interest Policy

The Finance Council shall adopt and keep in force at all times a Conflict of Interest Policy. Members of the Finance Council will annually complete a disclosure of conflicts of interest and submit it to the Bishop.

Article XII. Amendments

Amendments to this Charter shall be proposed in advance in writing and may be enacted by a two-thirds vote of the Members present at any meeting of the Finance Council at which there is a quorum. Amendments become effective only upon approval by the Bishop.