

Corporation of the Catholic Archbishop of Seattle
Archdiocesan Finance Council
Charter – Revised September 2022

Article I
Purpose

The Archdiocesan Finance Council is established, in accord with canon 492 of the 1983 Code of Canon Law, to collaborate with the Archdiocesan Finance Officer in advising the Archbishop in his role of governance over the temporal goods of the Archdiocese. The Finance Council advises the Archbishop about the financial health of the Archdiocese and implications of potential decisions in light of sound financial stewardship and assists the Archbishop in evaluating financial management structures and policies in the Archdiocese.

In addition, the Archbishop hears the Finance Council or obtains its consent, in accord with the provisions of Canon Law, for certain acts of administration.

Article II
Responsibilities

In addition to providing counsel and support to the Archbishop and the management staff of the Archdiocese, the Finance Council fulfills the following functions in accord with the provisions of Canon Law:

1. Per canon 493, the Finance Council prepares each year, according to the directions of the archdiocesan 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. This includes the following:
 - a. Review and approval of annual audited financial statements of the Program and Administrative Offices of the Archdiocese and various related organizations and pension/benefit plans under the Archbishop's governance;
 - b. Periodic review of actual financial performance compared to budgeted performance for the same period;
 - c. Periodic review of balance sheets and evaluation of financial position and liquidity; and
 - d. Recommendations of corrective actions or adjustments.
2. Per canon 1277, giving or withholding of consent for acts of extraordinary administration as set forth in the complementary norms of the USCCB. Examples of such acts include alienation of property or other transactions. Being heard by the archbishop and providing advice in the form of recommendations for:
 - a. More important acts of administration (this includes the purchase, sale, or lease of assets with a value greater than \$750,000);
 - b. Proposed imposition of a tax by the Archbishop;

- c. Investment policies;
- d. Appointment or removal of the Archdiocesan Finance Officer; and
- e. Any other financial or general business matters about which the Archbishop may seek its counsel.

Article III Membership

The Finance Council is composed of up to 12 members, which includes at least one priest that is appointed by the Archbishop and one present or former Pastoral Assistant for Administration (PAA). All members are appointed by the Archbishop after a recommendation and screening process. Terms are five years, renewable once, and commencing on September 1 of each year. The following areas of competency are to be provided by the membership: finance, accounting, insurance, risk management, investments, technology, real estate, and parish financial experience. In order to provide continuity of membership, expertise, and experience, terms of members are staggered.

A member may resign at any time by providing written notice to the Archbishop. A member may be removed with just cause by the Archbishop.

Any vacancy occurring in the Council, including any vacancy to be filled by reason of an increase in the number of Council Members, is filled by an appointment made by the Archbishop after a recommendation and screening process.

Members serve without compensation.

Article IV Officers

The Officers of the Finance Council are the Chair and Vice Chair. The Chair and Vice Chair are appointed by the Archbishop and serve annual renewable terms commencing each September 1st. Officers shall not be any existing member who is an employee of, or who receives compensation from, any Archdiocesan entity.

Officers may be removed with or without cause by the Archbishop.

The Chair presides at all meetings of the Council and is charged with the general supervision of all the business of the Council.

In the absence of the Chair or in the event of death, inability or refusal to act, the Vice Chair performs the duties of the Chair and, when so acting, possesses all the powers of and is subject to all the restrictions on the Chair. The Vice Chair performs such other duties as from time to time may be prescribed by the Chair, the Archbishop, and/or the Council.

With the Archdiocesan Finance Officer, the Chair and Vice Chair serve on the Executive Committee.

Article V
Committees

The Finance Council includes the following committees:

1. The Executive Committee consists of the Chair, Vice Chair, Finance Officer and two additional members. The Executive Committee provides feedback, guidance, and ideas to the Finance Officer as part of ensuring the long-term financial health of the Archdiocese and addressing the major business and financial risks and opportunities facing the Archdiocese. The responsibilities of the Executive Committee are:
 - a. To review and approve annual work plans prepared by the Finance Officer and staff prior to presentation to the Finance Council.
 - b. To review and approve agendas for meetings of the Finance Council.
 - c. To review and approve other matters delegated to the Executive Committee by the full Finance Council, the Archbishop, or determined to be time-sensitive.
 - d. To assist in the search and selection process whenever a new Finance Officer is needed.
 - e. To assist in the search and vetting of potential Finance Council member.
 - f. To report periodically on Committee activities to the full Finance Council.
2. The Audit Committee consists of at least 2 members of the Finance Council. The primary purposes of the Audit Committee are to assist the Finance Council in oversight of: the integrity of the Archdiocesan financial statements; compliance with legal and regulatory requirements; the independent auditor's qualifications, independence, and performance; performance of Archdiocesan internal audit functions; and the Archdiocese's systems of disclosure, internal controls and procedures.

At least one Audit Committee member is to have expertise in Accounting and Auditing. The responsibilities and activities of the Audit Committee are:

 - a. To recommend to the Archbishop and the full Finance Council the annual engagement of an Independent Auditor and related fee arrangements.
 - b. To meet with the independent auditor at the beginning and conclusion of the annual audit process, and conducting all communications with the independent auditor as required by professional standards.
 - c. To review and evaluate recommendations and findings of the independent auditor.
 - d. To review the annual audited financial statements of the Program and Administrative Offices of the Corporation of the Catholic Archbishop of Seattle and recommend approval or disapproval by the full Finance Council.
 - e. To review the annual audited financial statements of other related entities that are part of the Archdiocese of Seattle, and recommend approval or disapproval to their respective boards or commissions.
 - f. To report periodically on Committee activities to the full Finance Council.
3. The Insurance Committee consists of at least 2 members of the Finance Council. At least one member of the Insurance Committee is to have significant insurance industry experience. The responsibilities of the Insurance Committee are:

- a. To review the Archdiocese's property, liability, automobile, workers' compensation programs, and other ancillary coverages.
 - b. To recommend amounts of coverage, retention and structure of the insurance program to the Archbishop.
 - c. To review the various rates for allocating insurance billings to parishes, schools, and other affiliated participants in the Archdiocesan property, liability and workers' compensation insurance programs.
 - d. To evaluate the performance of the Archdiocese's property, liability and workers' compensation insurance brokers.
 - e. To report periodically on Committee activities to the full Finance Council.
4. The Investment Committee consists of at least 2 members of the Finance Council. At least 1 member of the Investment Committee is to have significant investment expertise and experience. The responsibilities of the Investment Committee are:
- a. To establish goals and objectives and related policies in support of those goals and objectives for the Archdiocesan Endowments and General Reserve, Associated Catholic Cemeteries, and the Parish Revolving Fund
 - b. To provide oversight and ensure accountability in accordance with the established policies, and recommend changes (if any) in investment management or approach for the investments in the Archdiocesan Endowments and General Reserve, Associated Catholic Cemeteries, Parish Revolving Fund, and the various pension/benefit plans under the Archbishop, including:
 - i. Investment policies
 - ii. Investment allocations
 - iii. Distribution policies
 - iv. Managers and advisors
 - v. Application of Catholic social responsibility investment screens.
 - c. To meet periodically with investment managers and advisors.
 - d. To receive reports from the managers and advisors and evaluate investment performance.
 - e. To report periodically on Committee activities to the full Finance Council.
5. The Real Estate Committee consists of at least 2 members of the Finance Council. At least 1 member of the Real Estate Committee is to have significant commercial real estate management and/or investment experience. The responsibilities of the Real Estate Committee are:
- a. To participate in the evaluations of the real estate assets of the Archdiocese.
 - b. To advise the full Council and the Archbishop on plans for surplus properties.
 - c. To review and analyze any proposed property acquisitions and dispositions, including recommendations to the full Finance Council and the Archbishop.
 - d. To assist in the assessment and approach related to deferred maintenance of the real estate assets.
 - e. To report periodically on Committee activities to the full Finance Council.

6. The Technology Committee consists of at least 2 members of the Finance Council. At least 1 member of the Committee is to have significant technology experience. The responsibilities of the Technology Committee are:
 - a. To advise and make recommendations to the full Council and the Archbishop on technology plans and strategies.
 - b. To review the budgeting for significant technology projects.
 - c. To review the status and assess any changes for approved technology projects.
 - d. To report periodically on Committee activities to the full Finance Council.
7. The Compensation Committee consists of at least 2 members of the Finance Council, with one being a priest and another being a PAA. The responsibilities of the Compensation Committee are:
 - a. To meet with Human Resources staff and consultants at least annually to develop proposed changes in compensation plans.
 - b. To recommend proposed changes in compensation plans to the full Finance Council.
 - c. To report periodically on Committee activities to the full Finance Council and to the Presbyteral Council.

Committee assignments are made by the Chair. Interests and skills of Finance Council members are considered in making assignments. The Archdiocesan Finance Officer is also a voting member of each Committee.

In consultation with the Executive Committee, the Chair may appoint non-Finance Council members to Committees in cases in which additional professional expertise is desired. This may include people who are employees of, or who receive compensation from, any Archdiocesan entity. All Committees shall have a majority of members who are not current employees of the Program and Administrative Offices of the Archdiocese. The length of terms to be served by committee members is not limited, but may be terminated at any time by vote of the Executive Committee.

Article VI

Meetings, Voting, and Consents or Recommendations

Meetings of the Archdiocesan Finance Council are held periodically. Meeting schedules are established in an annual work plan, prepared by the Finance Officer and reviewed and approved by the Executive Committee and the full Finance Council. Special meetings may be held at the call of the Archbishop, the Chair, the Finance Officer or a majority of the full membership of the Finance Council.

Recommendations, hearings and consents of the Finance Council are adopted if approved by a majority of the members of the Finance Council present at a meeting at which a quorum is present. A quorum is a simple majority of the full Finance Council. The recommendations, hearings, or consents of the Finance Council are recorded in the minutes of meetings of the Finance Council and communicated to the Archbishop and individual members of the management staff of the Archdiocese as appropriate by the Archdiocesan Finance Officer. The minutes reflect descriptions of recommendations, hearings and

consents and, in each instance, indicate whether or not the Recommendation or Consent was approved unanimously. In extraordinary circumstances, the Executive Committee may meet and vote on recommendations to the Archbishop for decisions requiring urgency.

For Committee meetings, recommendations, hearings, and consents of the Committees are adopted if approved by a majority of the Committee members present at a meeting at which a quorum is present. A quorum is a simple majority of the Committee. Minutes are not required for Committee meetings.

Article VII Reporting

Annually, after the end of the fiscal year and completion of the independent audit of the financial statements of the Program and Administrative Offices of the Corporation of the Catholic Archbishop of Seattle, the Archbishop is to report the following in letter form to the senior suffragan Bishop in the province:

1. The names and professional titles of the members of the Finance Council;
2. The dates at which the Finance Council has met during the preceding fiscal year and since the end of the fiscal year;
3. A statement signed by the Finance Council members and the Canonical Finance Officer stating that they have met, reviewed, and discussed the audited financial statements of the Archdiocese, the management letter, if any, and the recommendations made by the auditors.

Article VIII Conflict of Interest Policy

The Finance Council adopts and keeps in force at all times a Conflict of Interest Policy. Each member of the Finance Council annually completes and submits a disclosure of conflicts of interest that is reviewed by the Executive Committee and Human Resources.

Article IX Amendments

Amendments to this Charter are proposed in advance in writing and may be enacted by vote of a quorum of the Members at any meeting of the Finance Council. Amendments become effective only upon approval by the Archbishop.