



ROMAN CATHOLIC
DIOCESE OF ROCHESTER

Procedure: Parish Lay Trustees Procedure

Related Policy: Parish Governance Policy

Issued by: The Most Reverend Matthew H. Clark
Revised by: The Most Reverend Salvatore R. Matano

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Parish Corporation

A Catholic parish is a creature of ecclesiastical law. The diocesan bishop has sole competence to erect, suppress or significantly modify a parish after consultation with the Presbyteral Council. The *Code of Canon Law* canonizes many laws associated with financial matters and encourages that civil means be employed to safeguard the ownership of ecclesiastical goods. Catholic parishes in the Diocese of Rochester are individually incorporated under Religious Corporation Law in the Laws of New York State. In addition to the universal law found in the *Code of Canon Law*, particular law promulgated by the USCCB, and particular law in the Diocese of Rochester; The Certificate of Incorporation and the Parish by-laws govern the conduct of the administration of temporal goods. A parish is subject to the requirements of both civil and ecclesiastical law in the administration of temporal goods. The Parish By-Laws, along with this document, govern the roles and responsibilities of the Parish Lay Trustees. Therefore, this document must be read in conjunction with the Parish By-Laws.

Election of Parish Lay Trustees

Article IV (Board of Trustees) of the Parish By-Laws states that the Parish Corporation shall be managed by its Board of Trustees. The Board of Trustees consists of the diocesan bishop (president), the vicar general (vice-president), the pastor/pastoral administrator (secretary-treasurer), and two parishioners (lay trustees). Lay trustees are nominated annually at the recommendation of the pastor or pastoral administrator. The officers (president, vice-president and secretary-treasurer) elect the lay trustees. Consequently, Attachment C – *Election of Parish Lay Trustees* must be completed and returned to the diocese for signatures of the president and vice-president.

Term of Office – Policy

The term of office is one year. The term coincides with the fiscal year, July 1 through June 30 of the following year. A trustee may serve five consecutive one year terms. After one year of a break in service, a new cycle may commence. If a lay trustee is unable to complete the term, another lay trustee is to be elected to fill the remainder of the uncompleted term.

Qualifications of the Lay Trustees

Lay trustees must be:

- citizens of the U.S.
- over twenty-one years of age
- fully-initiated practicing Catholics with active membership in the parish
- capable and willing to fulfill the duties of lay trustees
- aware of and compliant with the Parish Conflict of Interest Policy

Duties of the Lay Trustees

Both New York State law and the Code of Canon Law recognize the importance of lay involvement in the governance of parishes. New York law provides that, in addition to the Bishop, Vicar General and Pastor (Pastoral Administrator), two lay people serve as Trustees of the parish corporation.

These Parish Trustees, including the two lay trustees, have certain responsibilities to see that the operations of the parish corporation are well-managed and at all times consistent with the purposes of the Corporation as a Roman Catholic parish operating under the auspices of the Diocese of Rochester.

The duty of care requires Trustees to discharge their duties in good faith and with that degree of diligence, care and skill which any prudent person would exercise under similar circumstances – the “prudent person rule.” Broadly stated, a Trustee can meet his or her duty of care by exercising oversight for the proper management of the parish corporation. This requires active participation in the oversight of the Corporation’s activities and operations, normally conducted at the parish council and finance council level.

Commonly, the Board of Trustees of the parish corporation meets only annually. Thus, the lay trustee should make a special effort to meet his or her fiduciary obligation by participating in the life of the parish, especially its pastoral council, finance council and/or related committees. A lay trustee would be expected to: regularly attend council meetings; carefully review council meeting minutes and any written materials disseminated prior to or at meetings; regularly monitor any activities delegated to standing or special committees (including finance committees); access and review corporate books and records; carefully review financial statements or reports prepared for the corporation; and acquire a general knowledge of the law and rules which affect

the parish corporation, particularly with respect to things such as the purchase or sale of realty.

The duty of loyalty requires the trustee to act in a manner that does not harm the parish corporation. The trustees must avoid using their position to obtain an improper benefit for themselves. Conflict of interest is to be avoided. A conflict of interest is present whenever a trustee has a material interest in a transaction to which the parish corporation may be a party, such as a contract with the parish to provide goods or services. Such conflicts can occur either directly or indirectly, whether through personal involvement, a family relationship or an employment or investment relationship.

Given the requirements of prudential judgments to be made by Trustees, indemnification is provided for in the Parish By-laws.

Annual Parish Meeting

State law and the Parish By-Laws require that one meeting be designated and recorded as the annual parish meeting. As soon as practical, and in any event by or before September 30 of each year, after each annual election of trustees, the Board of Trustees shall meet for the purpose of organization and the transaction of other business. Notice of such meeting need not be given. Such first meeting may be held at any other time; and if it is held at another time, notice shall be given as hereinafter provided for special meetings of the Board of Trustees.

The agenda items to be included in this annual meeting include presentation and approval of an annual budget, presentation and acceptance of an annual parish finance report, ratification of past acts, and election of trustees. Only validly elected trustees and ex officio members may vote on corporation business. (For a sample of minutes from an annual meeting see *Attachment B – Annual Meeting and Certificate of Secretary.*)

If the necessary parties are present, this meeting requirement can be satisfied through a special open parish meeting, or by designating and publicizing a special meeting of the parish pastoral council.

Attachment A

ANNUAL MEETING

Explanatory Note: It is recommended that the required annual meeting be conducted sometime after the fiscal year end and before September 30. Members of the parish corporation should be notified of the meeting at least two weeks beforehand, a proposed agenda should be provided. Notice of this meeting and a copy of the agenda should be provided to the diocesan bishop and the vicar general through the office of the chancellor. The agenda must include:

- review of the year-end financial statements,
- presentation and acceptance of the budget for the current year,
- the nomination and election of trustees for the current year,
- designation of individuals to act as signatories on bank accounts.

Note: Trustees are elected by nomination and vote of the pastor/pastoral administrator ratified by the vote of the vicar general and diocesan bishop.

The minutes of the annual meeting take the form of a “Certificate of Secretary.” The pastor/pastoral administrator is the secretary. These minutes along with any other corporate resolutions should be maintained in the parish office. A copy of these minutes and any attachments should be sent to the office of the chancellor. (This file is available in a .doc file format for easier manipulation.)

Attachment B

**CERTIFICATE OF SECRETARY
OF**

(legal title of parish)

I, the undersigned, being Secretary of _____ (the "Parish") a religious corporation organized under the laws of the State of New York, do hereby certify that below is a true, correct and complete copy of the resolutions adopted at its Annual Meeting of the Board of Trustees of _____ on the ____ day of _____, 20__ .

Acceptance of Financial Statements

RESOLVED: that the financial reports as presented to the Board of Trustees for approval are hereby approved and accepted and the Secretary is directed to file said reports with the corporate records.

Approval of Budget for Fiscal Year 20__

RESOLVED: that the budget as submitted by the Treasurer is hereby approved and is attached to these minutes.

RESOLVED: that the Parish of _____, hereby ratifies and approves the investment of Parish funds as presented to the Board of Trustees for approval; and further

Election of Trustees

RESOLVED: that the Parish elects the follow individuals as trustees to the Board of Trustees of the Parish until his or her successor has been elected or appointed or qualified:

- The Most Reverend Salvatore R. Matano – Diocesan Bishop
- The Very Reverend Paul J. Tomasso - Vicar General
- _____ - Pastor/Pastoral Administrator
- _____ - Lay Trustee
- _____ - Lay Trustee

RESOLVED: that the following named individuals, (Pastor/ Pastoral Administrator), (second named individual) shall act as signatories on bank accounts held in the name of the Parish identified by EIN _____.

Said resolutions have not been amended, annulled, rescinded or revoked and is in full force and effect.

IN WITNESS WHEREOF, I have hereto set my hand as Secretary of _____, this ____ day of _____, 20____.

_____, Secretary

Ratification of Past Acts

If the parish has undertaken acts of extraordinary administration as described in italics below, these acts should be reviewed and ratified at this annual meeting. This ratification would be inserted in the Certificate above.

The resolutions in italics reflect requirement of NYS Religious Corporations Law for permission of the diocesan bishop before undertaking certain transactions. Otherwise the sections in italics below may be omitted from the minutes of the annual meeting.

RESOLVED: that the Parish hereby ratifies and approves the past acts of the Board of Trustees and officers for the preceding year.

The Parish shall not transfer or acquire any real or personal property, tangible or intangible, without the consent of the Diocesan Bishop, or in case of his absence or inability to act, without the consent of the vicar-general or administrator of the Diocese.

No act or procedure other than regular routine matters in regard to the administration of the affairs of the Parish as included in the budget shall be valid without the sanction of the Diocesan Bishop; nor shall the Trustees, without the consent of the Diocesan Bishop, incur debts for items not provided for in the budget.

The Parish shall not make application to the court for leave to mortgage, lease or sell any of its real property without the consent of the Diocesan Bishop, or in his absence or inability to act, without the consent of the vicar-general or administrator of the Diocese.

Attachment C

**DIOCESE OF ROCHESTER
20__ -20__ ELECTION OF PARISH LAY TRUSTEES**

I hereby propose for election as Lay Trustees of _____ Parish Code _____

(Corporate name of Parish)

located at _____ New York

Name (print) _____

Address _____

Phone Number _____ E-mail: _____

Name (print) _____

Address _____

Phone Number _____ E-mail: _____

who are American citizens, over twenty-one years of age, members of this parish, practicing Catholics, and have signified their willingness to serve as Lay Trustees for the year July 1, 20__ to June 30, 20__.

I hereby cast one vote for their election

Secretary/Treasurer –
(Pastor/ Pastoral Administrator) _____ Date _____

We hereby elect the above-named lay persons as Trustees of this Parish

President –
Bishop of the Diocese of
Rochester _____ Date _____

Vice President -
Vicar General of the Diocese
of Rochester _____ Date _____

**Please return the original signed form to:
Internal Auditor, 1150 Buffalo Road Rochester NY 14624**