



ROMAN CATHOLIC
DIOCESE OF ROCHESTER

Guideline: Parish Lay Trustee Procedure

Related Policy: Parish Governance Policy

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Parish Corporation

A Catholic parish is a creature of ecclesiastical law. The 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 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/pastoral administrator. The officers (president, vice-president and secretary-treasurer) elect the lay trustees. Consequently, *Election of Parish Lay Trustees* must be completed and returned to the diocese for signatures of the president and vice-president. Formal baptismal names must be used on the election form. Please provide a Curriculum Vitae for any newly elected trustee using. The Curriculum Vitae should include educational background, summary of involvement in the church, goals of serving as a trustee, and any other relevant information.

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 and an updated Election of Parish Lay Trustees must be completed and signed by the officers.

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 parish activities and operations, normally conducted at the parish council and finance council levels.

Commonly, the Board of Trustees of the parish corporation meets only annually. Thus, the lay trustee should make a special effort to meet their 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. The meeting should take place after the annual election of trustees and before September 30 of the fiscal year for the purpose of organization and the transaction of other business. 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 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,
- Review Conflict of Interest Policy and file Conflict of Interest Disclosure Statements,
- 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 Bishop and the Vicar General. Only validly elected trustees and ex officio members may vote on parish corporation business.

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.

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 business office. A copy of these minutes and any attachments should be added to the Annual Parish Reporting Data in SharePoint.