

BOARD OF FINANCIAL ADMINISTRATION

Canonical Responsibilities

1. To oversee the preparation of the annual diocesan budget (Canon 493)
2. To examine the annual diocesan audit (Canon 493)
3. To be consulted by the diocesan bishop in the appointment of the diocesan finance officer (Canon 494)
4. To be consulted by the diocesan bishop about the institution of a moderate tax on public and juridic persons subject to the authority of the diocesan bishop (Canon 1263)
5. To be consulted by the diocesan bishop regarding the more important acts of administration in the light of the economic situation of the diocese (Canon 1277)
6. To give or withhold consent in a process of consultation by the diocesan bishop regarding the performance of acts of extraordinary administration, such actions to be determined by the Conference of Bishops (Canon 1277)
7. To be consulted by the diocesan bishop in defining acts which go beyond the limits and procedures of ordinary administration for administrators and juridic persons that are subject to the jurisdiction of the diocesan bishop (Canon 1281)
8. To review the annual reports that are to be submitted by the administrators of all juridic persons subject to the diocesan bishop (Canon 1287)
9. To give or withhold consent in the process of consultation by the diocesan bishop on matters of alienation of property when the amount in question is between \$750,000 and \$7,500,000 (Canon 1292)
10. To be consulted by the diocesan bishop on all matters of investment or ecclesiastical finances (Canon 1305)
11. To be consulted by the diocesan bishop with regard to commuting the wills of the faithful provided just reasons are present and the power to do so has been granted by the donor (Canon 1310)

**BOARD OF FINANCIAL ADMINISTRATION
CONSTITUTION**

ARTICLE I

NAME

The name of this body shall be "The Board of Financial Administration of the Archdiocese of Baltimore," hereafter referred to as "the Board."

ARTICLE II

DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the Board shall include, but are not necessarily limited to the following:

1. It shall review the proposed annual archdiocesan budget and make appropriate recommendations on both income and expenditure projections;
2. Review the quarterly reports of Central Services to identify and deal with any potential budget problems;
3. Review the annual archdiocesan audit;
4. Be consulted in appointments of the Executive Director of the Department of Management Services and of the Chief Financial Officer and establish the general guidelines within which they shall function;
5. Be consulted by the Archbishop in matters relating to the fixing and collecting of the archdiocesan assessment (cathedraticum) on parishes;
6. Have a deliberative vote in matters of extraordinary administration;
7. Be consulted by the Archbishop in defining or determining acts of extraordinary administration for juridic persons under the authority of the Archbishop;
8. Receive an annual report on the financial condition of parishes and juridic persons under the jurisdiction of the Archbishop;
9. Give consent to the Archbishop in matters of alienation of property that belongs to the archdiocese or to a juridic person subject to the Archbishop;
10. Be consulted by the Archbishop regarding the prudent investment of archdiocesan funds;

11. Advise on a total strategy of development for the archdiocese, and assist in its implementation;

12. Review actions of the various archdiocesan boards, councils, commissions and committees to determine how they affect the overall fiscal condition of the archdiocese and, as needed, make recommendations thereon to the Archbishop.

ARTICLE III

MEMBERSHIP AND OFFICERS

Section 1. The membership of the Board shall be appointed by the Archbishop and shall consist of the following:

- a. The Archbishop;
- b. Auxiliary Bishops and Regional Vicars;
- c. The chairpersons of the boards, commissions and committees enumerated in Article V, Section 1; (a) through (g);
- d. Three (3) priests ;
- e. Up to fifteen (15) laypersons, appointed by the Archbishop on the basis of experience, knowledge and expertise in matters of finance, business, investment and law;
- f. One (1) representative from each of the entities having a liaison relationship with the Board enumerated in Article V, Section 2; and
- g. Ex-officio members of the Board include:
 - i. Vicar General
 - ii. Executive Director of the Department of Management Services;
 - iii. Executive Director of the Department of Development;
 - iv. General Legal Counsel to the Archbishop.

Section 2. The Officers of the Board shall be:

- a. **Chair** - The Archbishop
- b. **Vice-chair** - shall be selected from among the membership

- c. **Secretary** - The Executive Director of the Department of Management Services

The Chief Financial Officer shall serve as staff to the Board but shall not have a vote.

ARTICLE IV

TENURE OF OFFICE

Section 1. Members appointed by the Archbishop pursuant to Article III, Section 1 (e) shall serve for a term of three years, and may be appointed for an additional three years (Canon 494)

Section 2. The chairpersons of the boards, commissions and committees enumerated in Article V, Section 1, (a) through (e) shall be members of the Board during the time that they hold such positions. When a member ceases to hold such position, said member's term shall automatically terminate and the membership shall be filled by the succeeding chairperson.

Section 3. In the event of the death, resignation or incapacity of a Board member to fulfill his or her duties, the Archbishop shall appoint an individual to fill out said member's unexpired term.

ARTICLE V

COMMITTEES

Section 1. The standing committees of the Board shall be:

- a. **The Audit Committee** – to oversee the annual Archdiocesan Audit, to evaluate that management has implemented policies at both the Chancery and parish/school operating levels ensuring financial, operational and regulatory risks are identified and that controls are adequate, in place and functioning properly. The Internal Audit function of the Finance Department of the Archdiocese reports to the Committee.
- b. **Building and Real Estate Committee**- to review and approve the plans for all projects of new construction and major renovation;
- c. **The Risk Management Committee** – to advise on the total insurance program of the Archdiocese, including the nature of all property and casualty insurance and the financing of the above as well as of employee benefit insurances;
- d. **The Investment Committee** – to manage the investments of the Archdiocese in accordance with their purpose and restrictions as delegated to the committee by Archdiocesan management including but not limited to pension plans for laity and priests, Health Trust, General Insurance Trust, Consolidated Investment Trust, Property Fund, IPLF Inc., and other smaller trusts.

- e. **Membership Committee** – to oversee the terms of the members; to identify and screen candidates for Board membership with the goal of enhancing the diversity of the membership.
- f. **Extraordinary Oversight Committee** – to oversee those parishes and schools subject to the Archbishop who meet financial or administrative criteria that create concern for their mission; membership to include at least the Chair of the Archdiocesan School Board Finance Committee.
- g. **The Executive Committee** – to act for and on behalf of the Board between meetings of the Board and to report any actions taken at the next regular meeting.

Section 2. The following entities have a liaison relationship with the Board:

- a. **Associated Catholic Charities Board** – oversees the entire program and direction of Associated Catholic Charities and is represented through its Director;
- b. **The Lay Employees Retirement Board** – governs the Archdiocesan Lay Employees’ Pension Plan and represented through its Chairperson;
- c. **The Priests Retirement And Benefits Board** – governs the priests’ pension plan, advises the total care of the retired priests and is represented through its chairperson.
- d. **Archdiocesan School Board** – advises the Archbishop and others regarding the development of school initiatives and policies and is represented through the chair of the Archdiocesan School Board Finance Committee.

Section 3. The Board as necessary or desirable may create other committees. The Chairperson of such an AD HOC committee shall not however, by virtue of such office be a member of the Board unless he or she is, at the time of the committee’s creation.

Section 4. The Executive Committee consisting of the Archbishop, the Vice-chair, the Secretary, and Legal Counsel. The Executive Committee shall meet as needed. The Chief Financial Officer shall serve as staff to the Committee but shall not have a vote.

ARTICLE VI

MEETINGS

Section 1. The Board shall meet at least four times a year. The actual dates in each year shall be fixed prior to the September meeting.

Section 2. The Archbishop or the Executive Committee may call a special meeting of the Board on two-(2) days written notice to each member which voted and shall state the purpose of the meeting.

Section 3. Written notice of meetings shall be sent to all members not less than five (5) days before the scheduled date of the meeting, together with an agenda of the matters to be considered.

Section 4. The board may meet from time to time through electronic means to discuss matters of an emergency nature as determined by the Executive Committee.

ARTICLE VII

QUORUM

A majority of appointed members and committee chairpersons enumerated in Article III Section 1 shall constitute a quorum.

ARTICLE VIII

RATIFICATION AND AMENDMENTS

Section 1. This constitution shall take effect upon ratification by two-thirds of the Board and approved by the Archbishop.

Section 2. Subject to approval by the Archbishop, this constitution may be amended at any time by two-thirds of the Board and after approval of the Archbishop.

July 9, 2019