

STATUTES
THE ARCHDIOCESE OF MILWAUKEE FINANCE COUNCIL

Article I: Name

The name of this body shall be the Archdiocese of Milwaukee Finance Council, also referred to as the Archdiocesan Finance Council.

Article II: Purpose

In service to all the people of God within the Archdiocese of Milwaukee, the Archdiocesan Finance Council stands as one of the most important deliberative and consultative bodies in the archdiocese. While advisory, except in those areas where it has deliberative authority delineated in canon law, its vigilance over the temporal affairs of the archdiocese gives its actions high significance in the life of the local Church.

The Archdiocesan Finance Council is one of the three major councils of the Archdiocese of Milwaukee along with the Pastoral Council and the Priests Council. It is a required canonical body, established by the Archbishop for the purpose of advising and assisting him in financial matters in accord with the norms of canon law. The Finance Council is responsible for oversight of the archdiocesan financial function to determine that it is operating properly and that it supports the long-term financial strategies of the archdiocese, making specific recommendations to the Archbishop on policies, procedures and actions required to support the financial soundness of the Archdiocese. The Finance Council shall also be responsible to follow up on recommendations that have been accepted by the Archbishop to determine appropriate implementation. Goals for the Finance Council include the financial stability of the archdiocese and the openness and transparency of financial reporting to the diocese. Among the specific responsibilities shall be:

- a. to provide assistance, counsel, and/or approval of archdiocesan long-term financial planning and the financial aspects of strategic planning;
- b. to propose the annual diocesan budget for recommendation or rejection, along with the parameters used in its development, all as prepared by the Officer;
- c. to monitor financial performance relative to the budget on a regular basis, receiving reports from the Finance Officer on major budget variances, and their implications on operations and remedial actions taken, if any;
- d. to recommend to the Archbishop the appointment of the external auditor, to review and accept the annual audited financial report, to follow up on recommendations made by the auditors, and to ensure public access to the reports;
- e. to provide consultation on the appointment or removal of the Finance Officer;
- f. to provide counsel to the Archbishop in the annual performance review of the Finance Officer
- g. to provide counsel to the Archbishop on
 - appointment of legal counsel

- employee compensation and benefits policy and guidelines with consultation from the Director of Human Resources
 - information systems and technology
 - property and construction management
 - development activities with consultation from the Development Director
- h. to provide consultation on any new diocesan tax/assessment;
 - i. to provide consultation on more important acts of administration as defined by canon law and the norms published by the Conference of Catholic Bishops;
 - j. to review and offer consultation on finance policies, internal controls, and procedures on a regular basis, including asset preservation, resource development and fund raising, gift acceptance, investment of endowed and other funds, cash management, property sales, disbursement of assets, and debt financing. The Finance Council will receive updates from the Finance Officer on the compliance with these procedures. It shall also receive periodic reports on the status of issues arising from procedures related to the conflict-of-interest policy and the policy establishing confidential reporting by employees and other parties of questionable or unethical practices. The Finance Officer shall have open access to the Finance Council to seek advice and input;
 - k. to vote on acts of administration and alienation requiring their consent;
 - l. to provide consultation on the procedures for establishing fiscal responsibility and accountability in the various functions of the archdiocese;
 - m. to provide consultation on procedures for maintaining efficient, effective, and secure information technology, and the confidentiality of sensitive data;
 - n. to review and provide consultation on an annual basis of the risk management issues related to the Archdiocese, including reviews of insurance coverage;
 - o. to review and provide consultation on the establishment and functioning of a function/position for compliance with regulatory and civil legal matters;
 - p. to review the restriction provisions of all major gifts, particularly endowed gifts;
 - q. to provide consultation to diminish obligations of an endowed fund when the fund is no longer able to support the donor's intent;
 - r. to review the procedures for the visitations of financial experts to the parishes to improve operations and controls.

Article III: Membership

The Archdiocesan Finance Council shall consist of not less than seven (7) or more than fifteen (15) appointed members. The Archbishop of Milwaukee shall appoint all members from persons recommended by the Finance Council. Members are to be Catholics in good standing, with expertise in financial and accounting matters, civil law, and other areas as appropriate. Members are to be noted for their character and ethical standards. The members shall be independent of the archdiocese (i.e. individuals (i) who are not more closely related to the Archbishop than first cousin and are independent of him in mind and will, (ii) who are not employed by the archdiocese or (iii) who do not have a material business or professional interest with the archdiocese. The Archdiocesan

Finance Officer, the Vicars General and the Chancellor are non-voting ex-officio members. The Archdiocesan Finance Officer shall serve as Secretary to the Finance Council. Other members may include representatives from archdiocesan Investment, Property and Cemetery Committees. Members of the Finance Council are expected to attend most meetings, be prepared to participate actively in the deliberations, and be willing volunteers for committee assignments and special projects that may be undertaken by the Finance Council. A member who is unable to attend a majority of the meetings may be subject to removal by the Archbishop based on recommendation by the Finance Council and its Nominating and Governance Committee.

Article IV: Term of Office

The term of office of the members shall be five years, with a goal of staggering terms. No appointed members shall serve more than two (2) consecutive terms. Terms shall begin when appointed and end on the 31st of March. A partial year of less than six (6) months shall not count towards the term.

Article V: Vacancies

Vacancies in membership by reason of resignation, death, disability, termination of office, or otherwise, shall be filled by appointment of the Archbishop after consultation with the Nominating and Governance Committee of the Finance Council. Upon appointment, such member shall begin a new five-year term of office.

Article VI: Chairs

The Finance Council shall be governed by a Chair and a Vice-Chair, both members of the Finance Council elected from candidates recommended by the Nominating and Governance Committee and subject to the approval of the Archbishop. They shall serve three-year terms, with possible renewal for one additional term.

The Chair shall conduct all meetings and assume such other responsibilities as designated by the Archbishop. The Chair, upon recommendation by the Nominating and Governance Committee and in consultation with the full Finance Council, shall make appointments to committees and name the chairs of committees. The Chair shall arrange the calendar of meetings, coordinate the preparation of the agenda in consultation with the Finance Officer, and otherwise arrange for the effective functioning of the Finance Council.

The Vice-Chair shall act in the place of the Chair when the Chair is absent and shall assist the Chair in the performance of assigned duties.

Article VII: Meetings

Meetings shall be held at the call of the Archbishop who presides at the meeting. There must be at least quarterly meetings. Additional meetings can be called by the Archbishop when canonical consultation is required outside of the regular meeting schedule. A meeting can be called, with the approval of the Archbishop, at the request of at least four members. No meetings can be conducted without the presence of the Archbishop or one acting with his episcopal mandate. From time to time, certain extraordinary

circumstances may arise requiring a special form for convening the Finance Council. In such an emergency case, provided the Archbishop has approved, the Finance Council may be convened to an electronic consultation which shall be deemed valid, provided all members are contacted and given the opportunity to participate by electronic means. Minutes shall be maintained of the proceedings of each meeting of the Finance Council and its committees.

Article VIII: Quorum and Voting

A majority of the full membership shall be necessary to constitute a quorum for the transaction of business at all meetings of the Finance Council, observing the norm of canon 127. The act of the majority of the members present at any meeting at which there is a quorum shall be the act of the Finance Council. Any action of the Finance Council required by canon law shall be witnessed and notarized by an ecclesiastical notary.

Article IX: Committees

Committees, both standing and ad hoc, can be established by vote of the Finance Council and approval of the Archbishop. These committees will report to the Finance Council and make appropriate recommendations for deliberation by the Finance Council and ultimate recommendation to the Archbishop.

The standing committees shall be:

- a. The Executive Committee addresses routine or urgent matters that require attention and/or input and recommendations between the regular meetings of the Finance Council. The Executive Committee shall consist of the Chair, Vice-Chair and one or two other members of the Finance Council recommended by the Nominating and Governance Committee and approved by the Archbishop. Any actions or recommendations made by the Executive Committee shall be considered acts of the full Finance Council. If the Archbishop is unable to attend the meeting, such actions or recommendations shall be reported immediately to the Archbishop for his ratification. All such actions or recommendations shall not be valid unless ratified by the Archbishop and shall be reported to the full Finance Council at its next meeting.
- b. The Audit and Budget Committee receives the report of the external auditor on the annual financial statements and the management letter they have prepared, and, after review, present it to the full Finance Council. This Committee shall make an annual report on the performance of the external auditor and make appropriate recommendations to the Finance Council, the Finance Officer, and the Archbishop regarding the auditor's remarks and regarding the appointment of the auditor. The Audit and Budget Committee reviews the procedures for developing the annual financial operating budget, the parameters used in its development and the resulting annual budget presented by the Finance Officer. The Committee makes recommendations to the full Finance Council regarding the annual budget. The Audit and Budget Committee monitors and oversees the system of internal controls, the

financial reporting process, IT/cyber security and risk management processes. The Chair and at least one other member of this Committee shall be members of the Finance Council.

- c. The Development Committee reviews and coordinates revenue projections of all sources of operating and capital funds and assists and advises on the annual and multi-year development and fundraising strategies and efforts of the Archdiocese with consultation from the Development Director. The Development Committee acts as a central area for communications of all major development and fundraising by agencies, departments, and institutions accountable to the Archbishop to help monitor and coordinate these efforts. The Chair of this Development Committee shall be a member of the Finance Council.
- d. The Nominating and Governance Committee identifies names of potential new members of the Finance Council for consideration by the full Finance Council and the Archbishop. The Committee shall develop guidelines for membership and provide sufficient background information on potential candidates regarding qualifications and character so informed decisions can be made. The Committee makes recommendations regarding committee assignments and renewal of terms of members and filling vacancies. The Committee develops and implements governance procedures and guidelines for the Finance Council and its Committees, administers the Conflict and Duality of Interest Policy and, in coordination with the Finance Officer, orients new members. This Committee includes the Chair and Vice-Chair of the Finance Council and at least one other member of the Finance Council selected by the Chair.
- e. The Investment Committee recommends to the Finance Council and then to the Archbishop, guidelines for the investment of Archdiocesan funds including all short-term, long-term, endowment, and pension funds. It selects the investment managers to manage the funds, periodically reviews the performance of each manager, and recommends to the Finance Council any changes in investment policies and managers. It recommends to the Finance Council and then to the Archbishop guidelines for the acceptance of gifts by the archdiocese and the disbursement of funds from endowed and restricted funds. The Chair of this Committee shall be a member of the Finance Council.
- f. The Property and Cemetery Committee recommends policies regarding the management, maintenance and disposition of properties owned by the archdiocese. This Committee develops and recommends guidelines for the management of construction projects undertaken by the Archdiocese. The Committee recommends guidelines and references of resources to be used on the management, maintenance and disposition of facilities.
- g. The Cemetery Committee shall recommend policies for the operations of the Archdiocesan-owned cemeteries, review the strategies and annual budgets of these operations and make recommendations for change. The Chair of this Committee shall be a Finance Council member.
- h. The H.R. & Benefits Committee recommends policies and procedures for human resources and employee benefits for all agencies, departments, institutions, and individuals accountable to the Archbishop. The H.R. &

Benefits Committee will advise on salary scale considerations, practices for hiring, retention and dismissal, and relevant employee benefits considerations, including retirement and health plans. The H.R. & Benefits committee includes at least one member of the Council.

Members of each of the above committees, who are not members of the Finance Council, will be selected by the individual committees and recommended to the Nominating and Governance Committee, which in turn will review the candidate(s), and make final recommendation for approval to the Finance Council and the Archbishop.

Each Committee other than the Executive Committee shall be governed by a charter developed with the assistance of the Nominating and Governance Committee and Chancellor and approved by the Finance Council and the Archbishop, and each Committee shall review such charter on an annual basis. The activity of the Committees shall be reported to the full Finance Council at its meetings.

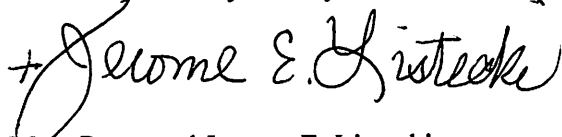
Article X: Conflict and Duality of Interest

The members of the Finance Council, committee members and staff shall consistently follow the Conflict and Duality of Interest Policy developed by the Finance Council.

Article XI: Amendments

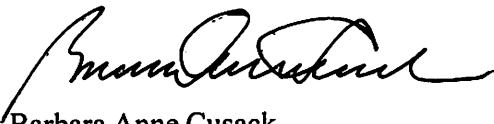
Amendments to these statutes shall be proposed at any meeting of the Finance Council. Amendments become effective only upon approval of the Archbishop.

Given this 12th day of May, 2023



Most Reverend Jerome E. Listecky
Archbishop of Milwaukee

Attest:



Barbara Anne Cusack
Chancellor