

## **Financial Transparency and Accountability: Canon Laws on Church Finances**

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*The Canon Law text is from the Vatican web site and its English translation of the entire Canon. For a shorter and more-readable narrative about Canon Law requirements on finances, see the two-page summary [“Canon Law and Diocesan Finance Councils.”](#)*

### **Canon Laws on the Diocesan Finance Council**

**Canon 492 §1.** In every diocese a Finance council is to be established, over which the diocesan bishop himself or his delegate presides and which consists of at least three members of the Christian faithful truly expert in Financial affairs and civil law, outstanding in integrity, and appointed by the bishop.

**§2.** Members of the Finance council are to be appointed for five years, but at the end of this period they can be appointed for other five-year terms.

**§3.** Persons who are related to the bishop up to the fourth degree of consanguinity or affinity are excluded from the Finance council.

**Canon 493.** In addition to the functions entrusted to it in Book V, The Temporal Goods of the Church, the Finance council prepares each year, according to the directions of the diocesan 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.

**Canon 494 §1.** In every diocese, after having heard the college of consultors and the Finance council, the bishop is to appoint a Finance officer who is truly expert in Financial affairs and absolutely distinguished for honesty.

**§2.** The Finance officer is to be appointed for a five-year term but can be appointed for other five-year terms at the end of this period. The finance officer is not to be removed while in this function except for a grave cause to be assessed by the bishop after he has heard the college of consultors and the Finance council.

**§3.** It is for the Finance officer to administer the goods of the diocese under the authority of the bishop in accord with the budget determined by the Finance council and, from the income of the diocese, to meet expenses which the bishop or others designated by him have legitimately authorized.

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§4. At the end of the year, the Finance officer must render an account of receipts and expenditures to the Finance council.

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**Canon 1273.** By virtue of his primacy of governance, the Roman Pontiff is the supreme administrator and steward of all ecclesiastical goods.

**Canon 1274 §1.** Each diocese is to have a special institute which is to collect goods or offerings for the purpose of providing, according to the norm of Canon 281, for the support of clerics who offer service for the benefit of the diocese, unless provision is made for them in another way.

§2. Where social provision for the benefit of clergy has not yet been suitably arranged, the conference of bishops is to take care that there is an institute which provides sufficiently for the social security of clerics.

§3. Insofar as necessary, each diocese is to establish a common fund through which bishops are able to satisfy obligations towards other persons who serve the Church and meet the various needs of the diocese and through which the richer dioceses can also assist the poorer ones.

§4. According to different local circumstances, the purposes mentioned in §§2 and 3 can be obtained more suitably through a federation of diocesan institutes, through a cooperative endeavor, or even through an appropriate association established for various dioceses or for the entire territory of the conference of bishops.

§5. If possible, these institutes are to be established in such a way that they also have recognition in civil law.

**Canon 1275** An aggregate of goods which come from different dioceses is administered according to the norms appropriately agreed upon by the bishops concerned.

**Canon 1276 §1.** It is for the ordinary to exercise careful vigilance over the administration of all the goods which belong to public juridic persons subject to him, without prejudice to legitimate titles which attribute more significant rights to him.

§2. With due regard for rights, legitimate customs, and circumstances, ordinaries are to take care of the ordering of the entire matter of the administration of ecclesiastical goods by issuing special instructions within the limits of universal and particular law.

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**Canon 1277.** The diocesan bishop must hear the finance council and college of consultors to place acts of administration which are more important in light of the economic condition of the diocese. In addition to the cases specially expressed in universal law or the charter of a foundation, however, he needs the consent of the finance council and of the college of consultors to place acts of extraordinary administration. It is for the conference of bishops to define which acts are to be considered of extraordinary administration.

**Canon 1278.** In addition to the functions mentioned in Canons 494, §§3 and 4, the diocesan bishop can entrust to the finance officer the functions mentioned in Canons 1276, §1 and 1279, §2.

**Canon 1279 §1.** The administration of ecclesiastical goods pertains to the one who immediately governs the person to which the goods belong unless particular law, statutes, or legitimate custom determine otherwise and without prejudice to the right of the ordinary to intervene in case of negligence by an administrator.

**§2.** In the administration of the goods of a public juridic person which does not have its own administrators by law, the charter of the foundation, or its own statutes, the ordinary to whom it is subject is to appoint suitable persons for three years; the same persons can be reappointed by the ordinary.

**Canon 1280.** Each juridic person is to have its own finance council or at least two counselors who, according to the norm of the statutes, are to assist the administrator in fulfilling his or her function.

**Canon 1281 §1.** Without prejudice to the prescripts of the statutes, administrators invalidly place acts which exceed the limits and manner of ordinary administration unless they have first obtained a written faculty from the ordinary.

**§2.** The statutes are to define the acts which exceed the limit and manner of ordinary administration; if the statutes are silent in this regard, however, the diocesan bishop is competent to determine such acts for the persons subject to him, after having heard the finance council.

**§3.** Unless and to the extent that it is to its own advantage, a juridic person is not bound to answer for acts invalidly placed by its administrators. A juridic person itself, however, will answer for acts illegitimately but validly placed by its administrators, without prejudice to its right of action or recourse against the administrators who have damaged it.

*[See also Canons 1282-1289.]*

## ***Canon Laws on the Parish Finance Council***

**Canon 537.** In each parish there is to be a finance council which is governed, in addition to universal law, by norms issued by the diocesan bishop and in which the Christian faithful, selected according to these same norms, are to assist the pastor in the administration of the goods of the parish, without prejudice to the prescript of Canon 532.

**Canon 532.** In all juridic affairs the pastor represents the parish according to the norm of law. He is to take care that the goods of the parish are administered according to the norm of Canons 1281-1288.

**Canon 1281 §1.** Without prejudice to the prescripts of the statutes, administrators invalidly place acts which exceed the limits and manner of ordinary administration unless they have first obtained a written faculty from the ordinary.

**§2.** The statutes are to define the acts which exceed the limit and manner of ordinary administration; if the statutes are silent in this regard, however, the diocesan bishop is competent to determine such acts for the persons subject to him, after having heard the finance council.

**§3.** Unless and to the extent that it is to its own advantage, a juridic person is not bound to answer for acts invalidly placed by its administrators. A juridic person itself, however, will answer for acts illegitimately but validly placed by its administrators, without prejudice to its right of action or recourse against the administrators who have damaged it.

**Canon 1282.** All clerics or lay persons who take part in the administration of ecclesiastical goods by a legitimate title are bound to fulfill their functions in the name of the Church according to the norm of law.

**Canon 1283.** Before administrators begin their function:

1/ they must take an oath before the ordinary or his delegate that they will administer well and faithfully;

2/ they are to prepare and sign an accurate and clear inventory of immovable property, movable objects, whether precious or of some cultural value, or other goods, with their description and appraisal; any inventory already done is to be reviewed;

3/ one copy of this inventory is to be preserved in the archive of the administration and another in the archive of the curia; any change which the patrimony happens to undergo is to be noted in each copy.

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**Canon 1284 §1.** All administrators are bound to fulfill their function with the diligence of a good householder.

**§2.** Consequently they must:

1/ exercise vigilance so that the goods entrusted to their care are in no way lost or damaged, taking out insurance policies for this purpose insofar as necessary;

2/ take care that the ownership of ecclesiastical goods is protected by civilly valid methods;

3/ observe the prescripts of both canon and civil law or those imposed by a founder, a donor, or legitimate authority, and especially be on guard so that no damage comes to the Church from the non-observance of civil laws;

4/ collect the return of goods and the income accurately and on time, protect what is collected, and use them according to the intention of the founder or legitimate norms;

5/ pay at the stated time the interest due on a loan or mortgage and take care that the capital debt itself is repaid in a timely manner;

6/ with the consent of the ordinary, invest the money which is left over after expenses and can be usefully set aside for the purposes of the juridic person;

7/ keep well-organized books of receipts and expenditures;

8/ draw up a report of the administration at the end of each year;

9/ organize correctly and protect in a suitable and proper archive the documents and records on which the property rights of the Church or the institute are based, and deposit authentic copies of them in the archive of the curia when it can be done conveniently.

**§3.** It is strongly recommended that administrators prepare budgets of incomes and expenditures each year; it is left to particular law, however, to require them and to determine more precisely the ways in which they are to be presented.

**Canon 1285.** Within the limits of ordinary administration only, administrators are permitted to make donations for purposes of piety or Christian charity from movable goods which do not belong to the stable patrimony.

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**Canon 1286.** Administrators of goods:

1/ in the employment of workers are to observe meticulously also the civil laws concerning labor and social policy, according to the principles handed on by the Church;

2/ are to pay a just and decent wage to employees so that they are able to provide fittingly for their own needs and those of their dependents.

**Canon 1287 §1.** Both clerical and lay administrators of any ecclesiastical goods whatever which have not been legitimately exempted from the power of governance of the diocesan bishop are bound by their office to present an annual report to the local ordinary who is to present it for examination by the finance council; any contrary custom is reprobated.

**§2.** According to norms to be determined by particular law, administrators are to render an account to the faithful concerning the goods offered by the faithful to the Church.

**Canon 1288.** Administrators are neither to initiate nor to contest litigation in a civil forum in the name of a public juridic person unless they have obtained the written permission of their own ordinary.

**Canon 1289.** Even if not bound to administration by the title of an ecclesiastical office, administrators cannot relinquish their function on their own initiative; if the Church is harmed from an arbitrary withdrawal, moreover, they are bound to restitution.