

Voice of the Faithful® (VOTF) is engaged in a Financial Transparency and Accountability Project to empower faithful lay members of the U.S. Roman Catholic Church to exercise the stewardship that is required when they provide resources to their dioceses to support the mission of the Church. In order to continue this effort and bring it to completion, additional funding is required.

Introduction

Since our founding in 2002, Voice of the Faithful® has worked consistently to support increased transparency and accountability for Church finances at the parish and the diocesan levels. We realized then that the lack of diocesan financial transparency, especially, allowed the crimes of clerical sexual abuse to fester unnoticed for decades.

Since 2002, many dioceses have made significant progress in this regard, although the progress has varied greatly across the United States. It is now no longer considered acceptable in many parts of the country for the bishop to take financial gifts from faithful members of the diocese without some level of accountability even though bishops still hold all legislative, executive, and judicial authority within a diocese. In places where professional diocesan financial reports are provided, it is no longer possible for the leadership of a diocese to pay huge legal settlements or provide large sums of money for legal fees without the faithful of the diocese being alerted to the ways in which their contributions are used.

VOTF applauds those bishops who have embraced meaningful financial reporting to the members of their diocese. We call upon lay Catholics within those dioceses, especially those who have specialized expertise in finance and accounting, to read and reflect upon the diocesan financial report when it becomes available and to ask questions for clarification where necessary.

Unfortunately there are still many dioceses in the U.S. whose bishops do not provide meaningful financial reports. Some provide no reports at all. Some provide online reports but only in fragmented form. Many do not include all the information required for the laity to make an informed judgment about the level of stewardship being exercised by their diocese. In addition, many lay Catholics are not aware of excellent guidelines for financial reporting that have been recommended by the Leadership Roundtable on Church Management and other organizations. Others who may be aware of these guidelines do not fully

understand what to look for in a report or how to assess the diocesan financial reports that they are able to find.

Because financial transparency and accountability are powerful pathways towards rebuilding lay trust in the leadership of our Church, VOTF is working to promote greater transparency in financial reporting, greater lay awareness of diocesan finances and more lay involvement in Diocesan and Parish Finance Councils. These changes will enable the hierarchy and lay faithful together to make the best use of their available resources for the mission of the Church as Pope Francis has urged us to do.

Financial Transparency and Accountability Project

VOTF has worked since our founding to encourage financial transparency and accountability on the part of the leadership of the Catholic Church in the United States.

The VOTF Financial Working Group (FWG) is employing a two-pronged approach in the effort to obtain enhanced transparency and accountability within the Church in the U.S.:

- The first is a study of how individual dioceses and parishes handle financial donations provided to them by the faithful and how they report on the financial status of these organizations. This effort currently focuses on reviewing and assessing online diocesan financial reporting.
- The second initiative involves clarifying the significance of Canon Law articles concerning Diocesan Finance Councils and ensuring that they are being followed in each of the dioceses in the U.S.

Online Diocesan Financial Reporting

VOTF obtained a small initial donation of seed money to begin the effort of compiling and analyzing information concerning the status of online diocesan reporting in the U.S. We presume that in an era of online news, online retail, online marketing, online reporting, the simplest and most accessible avenue to transparent reporting for dioceses is via web pages. Indeed, the use of web sites and email communications now permeates the Church from the Vatican to the smallest dioceses in developed countries. Thus, a bishop committed to the principles of transparency and accountability should be able to report diocesan finances via the web the same way the diocese posts the bishop's latest message, a list of its schools, pleas for donations, and calls for evangelization.

We began to collect such information, publicly posted, using a questionnaire (attached) formulated by the working group. In addition to the compilation of online financial report-

ing for each diocese, we initiated a review of local online news stories to determine whether any significant financial malfeasance within the diocese had been reported. The intention is eventually to correlate the extent of diocesan financial reporting with the extent of reported thefts—each of which diverts donations the faithful have made so that the parish and the diocese can finance charitable works and other mission-related work.

The vehicle for reporting the extent of diocesan financial reports and for correlating good practice with responsible security against theft is a web portal we will open on the VOTF website. Through this portal, all concerned Catholics can access information about their own dioceses and compare the financial reporting provided by their bishops with that provided by others. The web portal also will include links to information about how best to analyze diocesan financial reports, statistical analyses of diocesan financial reports, and other data that will promote financial accountability.

Our preliminary analysis of the data gathered indicates that about 50% of dioceses and eparchies in the U.S. do not provide online financial reports to their lay members. Among them are some of the largest and wealthiest dioceses in the country. On the other hand, there are some examples of thorough financial reporting, such as the Archdiocese of Boston.

At this time, we have collected data from all dioceses and eparchies in the U.S., and have created a FileMaker database that will allow us to compile the data in various forms and to analyze it with great flexibility. We are working to transfer all the collected data to the database, but we have very limited resources available for this task.

In addition, because almost all those available to work on the project are volunteers, it is extremely difficult to keep the information current. Diocesan websites regularly provide new information; website structures frequently change—sometimes reversing an acceptable level of reporting on finances into an opaque or missing one; details on a diocese's finance committee or its demographics may change; and new instances of financial malfeasance unfortunately occur on a regular basis as well.

Any funding received for this project would be used to accelerate data gathering and analysis and to provide for full-time maintenance of the database. This would ensure the web portal includes links to the most recent diocesan reports and any ancillary information concerning the financial state of the diocese. It would also allow the portal to contain up-to-date information on best practices for church financial management.

Involvement of the Laity in Church Financial Management

Many parishes and dioceses now have active and effective finance councils as required by Canon Law, although some do not. According to Canon 492, "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.” Because most members of the Christian faithful possessing true expertise in financial affairs and civil law are lay Catholics, the diocesan finance council should have lay members.

Although data on the implementation of Canon 492 in dioceses across the county is not available at this time, there are some dioceses that currently have no Diocesan Finance Council. It is also unclear whether the operation of existing Diocesan Finance Councils embraces the language and the spirit of Canon Law.

The canons that cover finance councils are 492, 493, and 494: “The Finance Council and Finance Officer.” Commentary on these Canons was prepared by Barbara Anne Cusack, whose work *New Commentary on Code of Canon Law* (2000) was commissioned by the Canon Law Society of America.

According to this commentary, the Diocesan Finance Council is not merely advisory, as are the finance and pastoral council of a parish and the pastoral council of a diocese. The Diocesan Finance Council has the power of “consent” and “consult”; it is *sui generis* among Church bodies. It votes on such matters as alienation of diocesan property beyond certain dollar limits, acts of extraordinary administration, etc. The bishop must adhere to the finance council’s vote in such cases, but only consult with the finance council in other matters.

The most interesting responsibility of the Diocesan Finance Council is stated in 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 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.

As part of our Financial Transparency and Accountability Project, in addition to compiling data on diocesan financial reporting VOTF plans to review available information on the operation of Diocesan Finance Councils. One source will be findings from a study being carried out currently by the Canon Law Society of America to determine if dioceses are following Canons 492 to 494.

These two aspects of diocesan finance—transparent, public reporting to the faithful, and operation in accordance with canon law—go hand in hand. Only with appropriately informed and vigilant lay oversight, including active lay participation in Diocesan Finance Councils according to Canons 492 to 494, can the laity be assured that the resources they have provided to the diocese for the mission of the church are being used for that purpose.