

David Castaldi VOTF Convocation Panel on "Accountability in Our Church"  
Accountability in Church Finances  
July 9, 2005

1. Introduction:

- There isn't much need to convince this audience that there is a need for greater accountability in the finances of our Church.
- But I'd still like to start by reminding us of some news reports that we may have read recently, because the cost of the sex abuse crisis re-enforces the case for accountability in Church finances.

2. Financial Accountability

- The cost of the crisis:
  - Earlier this year the U.S. Conference of Catholic Bishops (USCCB) announced that dioceses had paid out \$729 million through the end of last year to settle abuse cases, treat abusers, and pay attorneys.
  - Early this year the Orange County, California, diocese announced a settlement of \$100 million, breaking Boston's record of \$85 million set last year.
    - The Orange County record didn't last long.
    - But frankly I was surprised that the record was broken by a diocese close to Indianapolis.
      - No, it wasn't Chicago.
      - It was the diocese of, can you believe it, Covington, KY, which announced its intention last month to pay the victim/survivors of abuse in its diocese \$120 million.
  - The Covington record will not last long.
    - The Archdiocese of Portland Oregon is one of three dioceses that has declared bankruptcy in civil courts and is trying to prevent the sale of its parishes to satisfy more than \$500 million in abuse claims. Lay Catholics in Portland are just bystanders waiting for the courts to decide whether they can retain their parishes.
    - And based on the Orange County settlement and the number of abuse cases in the adjoining Los Angeles archdiocese, many sources are now estimating the liability of the LA archdiocese by itself at between \$500 million to \$1.5 billion.
  - Last month we read reports that the total direct cost of the sex abuse crisis had now exceeded \$1 billion.
  - We can now begin to project a \$2-3 billion cost to this crisis.
  - For the most part, the settlements came from money was given by Catholics to enhance and advance our Catholic faith and the charitable works of our Church. The victim survivors deserve restitution, but for our Church, for us Catholics, this was an enormous and needless waste.
- What are some of the steps that we should be advocating or taking for greater financial accountability in our Church?
  - First and foremost, we should be constant advocates for financial transparency.
    - Many parishes and dioceses do not disclose their financial statements or disclose only some or part of them. All should and they should do it on a regular basis - fully and immediately.
    - Accountability starts with disclosure, because informed Catholics will ask questions. And many of our pastors, be they our parish pastors or our diocesan bishops, would probably make certain decisions differently if they knew that the financial consequences of their decisions would be seen in broad daylight.

- Secondly, if you have the interest and competence, volunteer to be active in parish and diocesan finances. Ask how you can join the finance council in your parish. Follow Judge Ann Burke's mantra: "No more passive Catholics."
  - In the past and all too often Catholics, and I include myself, have adopted an attitude toward Church that we would never adopt in our professional lives. I call it the "yes-father" or "whatever-you-want-bishop" attitude.
  - Our pastors will and should make the decisions; the "buck" has to stop somewhere. But they deserve the best advice that we can give them. And it's largely a matter of our acting as adults in our Church, just as we do in our professional lives.
- Are there any hopeful signs? Definitely!
  - We, Voice of the Faithful, are one hopeful sign. For example, VOTF's Structural Change Working Group (SCWG) has developed two sets of guiding principles for the authentic and effective operation of finance councils on both the diocesan and parish level that include meaningful involvement of the laity in this aspect of Church life. You can obtain a CD with these principles at the SCWG table in the lobby area.
  - FADICA sponsors national polls conducted by Gallup and Zogby that reveal, among many other things, more than 2/3 of regular church-going Catholics want greater financial accountability in the Church. FADICA is Foundations and Donors Interested in Catholic Activities, a trade association representing Catholic donors and Foundations, and has been a strong advocate for greater transparency and accountability in Church finances.
  - The USCCB has committees with lay financial experts that have developed financial reporting standards for dioceses. This is also hopeful. FADICA has estimated, however, that fewer than one-third of all dioceses comply fully with these standards, even though FADICA's polls show that more than three-fourths of all Catholics believe they should.
  - Another hopeful sign is the recently announced National Leadership Roundtable on Church Management. This is a group of prominent lay Catholic leaders that has been established to promote excellence and best practices in the management, finances, and human resources of the U.S. Catholic Church by greater incorporation of the expertise of the laity.
  - And some Bishops are hearing the voice of lay Catholics on this subject. More dioceses are publishing more financial statements. And in my diocese, the archbishop announced that beginning July 1<sup>st</sup> all parishes would be audited once every three years and parishes would be required to publish financial statements annually. If they don't, the chancery will publish them for parishioners. I hope that the chancery will follow our archbishop's direction to parishes for all diocesan financial statements.
- 3. Let me bring my remarks to a conclusion
  - When all is said and done, the Church is financed by donations from the Catholic laity. It is our money. And our Church owes financial transparency and accountability to us.
  - Many activist groups encourage their members to follow the 18<sup>th</sup> century Quaker admonition: Speak truth to power. I've heard that slogan in VOTF and I'll bet many of you have too. But when it comes to our Church, I would rather that we follow the advice of that great laywoman of the Church, St. Catherine (1347-1380) of Siena, who said to speak truth in love.
    - In love for our Church and
    - In love for our bishops whose role as teacher and leader in our Church is rooted in Scripture and our earliest Church tradition.
  - If we act as adults in our Church on finances, "speaking truth in love," there will be more financial accountability, our sacred pastors will be better served, and lay Catholics will trust them more. All this will enrich Christ's Church.