

## Diocesan Finance Councils and Canon Law: The Requirement for Lay Governance

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The August 12-19, 2013, issue of *America* contained an article by Thomas J. Healey and Michael Brough titled “Standard Bearers: Applying Best Practices to Catholic Parishes and Nonprofits.” The article began with a report of the theft of more than \$900,000 in Church proceeds in Philadelphia, Pennsylvania. Archbishop Chaput was outraged at the theft and urged “... tight financial controls and financial procedures ...”

Against that backdrop, Healey and Brough described Catholic Standards of Excellence, which commits dioceses, parishes and Catholic charities to “...best practice policies and procedures in fiscal management, governance, human resources and fund raising.” They article reported on the development and application of the Standards of Excellence and best practices resulting from the last six to seven years of work by the National Leadership Round Table on Church Management (NLRCM).

The body of knowledge NLRCM has developed and disseminated through its website and direct consultation with Catholic dioceses and organizations is vital to reforming and renewing our beloved Church. They should be lauded and commended for this work.

But there is one difficulty with NLRCM’s approach. It assumes that “...diocesan offices need to be run in a more business-like way.” [Quoting a third party] The underlying premise is that the bishop should be a better business manager, that reform and renewal should be effected by giving the bishop better management tools. Reform and renewal would not, as a result, emphasize governance, transparency and accountability, which are the keys Peter Steinfels identified in a Summer 2012 article in *Commonweal*.

Voice of the Faithful® proposes that dioceses can accomplish both ambitions—better business management as well as transparency and accountability—by adhering to the requirements of Canon Law. In addition to the excellent work accomplished by the NLRCM, the finance council of a diocese should embrace the language and the spirit of Canons 492 to 494, entitled “The Finance Council and Finance Officer.”

In the *New Commentary on Code of Canon Law*, commissioned by the Canon Law Society of America, 2000, Barbara Anne Cusack addresses the application of Canon Law to finance councils.

The finance council of the diocese is not merely advisory, she notes, as are the finance and pastoral council of a parish and the pastoral council of a diocese. Instead, a diocesan finance council has the power of “consent” and “consult”; it is *sui generis* among Church bodies. It votes on such matters as acts of extraordinary administration alienation of diocesan property beyond certain dollar limits, 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.”

After much discussion of the interplay between the bishop and the council with regard to the budget, the commentator, Ms. Cusack, concludes, “The final responsibility for preparing the budget to be submitted to the diocesan bishop rests with the finance council.” The canon also requires the finance council to examine the report of the year’s income and expense activities.

The canons also specify membership. The finance council must have “... at least three members of the Christian faithful truly expert in financial affairs and civil law, outstanding in integrity and appointed by the bishop.” The laity have a seat on the finance council, and the council has ***final responsibility for income and expenditures***. As a result, through the diocesan finance council, which is a governing body, the laity have a voice in the governance of the Church, a voice that is more than merely advisory (*nullum consilium*).

Lay participation in the governance of the Church is sanctioned through the diocesan finance council, albeit constricted through the countervailing language of Canon 493: “... according to the directions of the diocesan bishop ...”

Authentic reform and renewal can come, in part, by developing a truly collaborative governance model under these canons.