

# Measuring and Ranking Diocesan Online Financial Transparency

## The 2020 Voice of the Faithful Financial Transparency Report

*Margaret Roylance, VOTF Vice President*

# Keep the Faith, Change the Church

- 2020 is the fourth year of VOTF diocesan financial transparency reporting
- Review duration: June 1 to August 31, 2020
- Three independent reviewers (in Maryland, Montana and Oregon) scored each of the 177 dioceses in the USCCB

2020 Intern Reviewer  
Emily Jendzejec



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- 5 dioceses received a score of 100% in 2020
  - Anchorage, AK
  - Baltimore, MD
  - Erie, PA
  - Philadelphia, PA
  - Rochester, NY
- Baltimore went from a transparency score of 94% in 2019 to 100% in 2020
- Charlotte, NC scored 100% last year, but dropped 4 points to 96% this year points because they did not require parish collection counting teams consisting of three or more unrelated people.

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- Using three unrelated counters for the parish collection is a practice endorsed by the National Leadership Roundtable, the Archdiocese of Chicago and other highly regarded financial experts
- Why do so many high-transparency Dioceses not follow it?
  - Some really small parishes have difficulty finding three unrelated counters
  - The crux of the problem seems to be that the USCCB DFM or Diocesan Financial Management Guide only requires two counters.

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## Top Scoring Dioceses in 2020

*Archdioceses in **bold***

Diocese	Scores by %		Net Assets (\$)	# of Catholics	# of Parishes
	2020	2019			
<b>Anchorage, AK</b>	100%	100%	8,204,559	44,723	29 (+2 missions)
<b>Baltimore, MD</b>	100%	94%	83,455,421	517,015	157
Erie, PA	100%	100%	14,362,384	202,000	137
<b>Philadelphia, PA</b>	100%	100%	-38,990,325 (deficit)	1,292,704	217
Rochester, NY	100%	100%	22,124,901	372,000	86



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## Next Five Highest-Scoring Dioceses in 2020

*Archdioceses in **bold***

Diocese	Scores by % 2020 2019		Net Assets (\$)	# of Catholics	# of Parishes
Joliet, IL	99%	99%	47,890,019	616,819	118(+7 missions)
Belleville, IL	98%	88%	-162,325 (deficit)	121,600	108
Charlotte, NC	96%	100%	143,243,323	261,162	76(+18 missions)
San Diego, CA	96%	96%	47,872,475	1,389,000	101(+8 missions)
<b>St. Paul-Mpls., MN</b>	96%	45%	17,070,761	870,490	186

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## Most improved Dioceses 2019 to 2020

*Archdioceses in bold*

Diocese	2020 Score %	2019 Score %	% Difference
Greensburg, PA	92	37	55
<b>St. Paul-Mpls, MN</b>	96	45	51
Dodge City, KS	90	42	48
Ogdensburg, NY	84	42	42
Birmingham, AL	79	44	35

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## Five Lowest Scoring Dioceses in 2020

Diocese	Scores by % 2020 2019		Net Assets (\$)	# of Catholics	# of Parishes
Camden, NJ	20%	39%	No report	529,715	65
Crookston, MN	20%	30%	No report	32,089	68(+37 missions)
Lubbock, TX	15%	25%	No report	138,772	61
Tulsa, OK	15%	15%	No report	60,825	78(+2 missions)
St. Thomas, VI	14%	14%	No report	35,350	7





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## Audited Financial Reports Posted in 2020

Audits	Dioceses	Archdioceses	All	% All
Current FY	82	22	104	59%
Not Current	16	3	19	11%
Summary Only	9	2	11	6%
None Posted	38	5	43	24%
Totals	145	32	177	100%

## Audited Financial Reports Posted in 2019

Audits	Dioceses	Archdioceses	All	% All
Current FY	84	21	105	59%
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Summary Only	9	5	14	8%
None Posted	43	4	47	27%
Totals	145	32	177	100%

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19 Dioceses that normally post current financial statements did not do so this year, probably due to the Pandemic. Their scores on reporting dropped from 25 to 20 as a result.

In spite of all the challenges, 8 Dioceses that had not posted audits in 2019, did so this year. Their scores went from 0 to 25.

- Birmingham
- Dodge City
- Greensburg
- Lake Charles
- Nashville
- St. Paul-Minneapolis
- Seattle
- Wheeling-Charleston (quite a story there!)

So the average financial reporting score increased from 15.7 in 2019 to 16.2 in 2020. Financial transparency is beating COVID!

## Diocesan Finance Councils - Question 8

In 2020, Question 8 was changed to require a current listing of Diocesan Finance Council Members for credit

**Are members of the *current* diocesan finance council identified?** If a current list cannot be found, no points will be awarded. Score: 0 – 10 points

- a. Award 5 points if DFC membership is posted.
- b. Add 1 point if terms of service are available for each member.
- c. Add 2 points if at least 3 of the members are lay.
- d. Add 2 points if lay members' credentials are shown

Dioceses scoring 0 on Question 8 almost doubled from 2019 to 2020, going from 68 to 113 out of 177

## Diocesan Finance Councils - Question 8

Under Canon Law the DFC is the *only* organization in the Diocese where lay people may exercise genuine authority

- Members must have expertise in civil law or finance (Canon 492)
- DFC is responsible for preparation of the yearly diocesan budget (Canon 493)
- The Bishop must present the DFC a statement of income/expenses and a balance sheet for all “entities under the sponsorship of the diocese” after the close of each year (Canon 1287)
- DFC must approve all “Acts of Extraordinary Administration” (Canon 1277)

## Diocesan Finance Councils - Question 8

In the case of the “disgraced former prelate” Bishop Michael Bransfield of the Diocese of Wheeling-Charleston West Virginia, did the DFC do its job?

- DFC members’ names were posted in 2019, so the Diocese received a better than average score of 7 out of 10 on Question 8 on the 2019 transparency review
- The score on Question 8 dropped to 0 in 2020
- The Diocese had posted **no** audited financial reports since 2017 when the reviews began
- Did the Bishop give the DFC any real authority?

There is NO way to know based on the website

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## Diocesan Finance Councils - Question 8



DIocese of WHEELING-CHARLESTON

1311 BYRON STREET  
POST OFFICE BOX 230  
WHEELING, WEST VIRGINIA 26003

February 21, 2020

*Dear Faithful of the Diocese of Wheeling-Charleston,*

I am happy to present to you, for the first time in the history of this Diocese, the complete financial audit for fiscal 2019 that Archbishop William E. Lori, serving as the Apostolic Administrator of the Diocese, promised in July 2019, to have published. Upon the recommendation of the Diocesan Finance Council, a new external auditing firm, Clifton Larsen Allen, LLP, a national firm with extensive experience auditing Catholic dioceses, was hired. The firm presented its report on February 13, 2020, to a joint meeting of the lay-led Diocesan Finance Council and the College of Priest Consultors, two canonically established consultative bodies. The entire report is on our website at [www.dwc.org](http://www.dwc.org), including relevant footnotes. (The Catholic Spirit will publish the statements of financial position and activities along with accompanying graphs.) I encourage you to read the report.

Important highlights of the financial statement show the impact made by a change in the assessments that the Diocese made on parish income. Last year, the Diocesan Finance Council recommended an assessment formula, since adopted, to provide exemptions (similar to deductions from income taxes) for parishes that sponsor Catholic schools, parishes that support regional or central Catholic grade or high schools, parishes that pay on long-term debt and parishes that receive bequest income from estates. This is an important development to help make our parishes and schools stronger and more viable in the long term.

## Room for hope?

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## Diocesan Finance Councils - Question 8

Another example comes from the Diocese of Orange County - the story of the **Orange Catholic Foundation**, one of many similar foundations across the U.S.

- Bishop Kevin Vann decided to use \$12M of foundation funds for other than specified purposes
- After the supposedly *independent* Foundation Board refused, he fired several members including “influential Catholic philanthropists”
- The Board *clearly* was not and is not independent. It has new members and now supports Bishop Vann’s actions
- Only the DFC had the authority under Canon Law to stop the Bishop. Were they informed of his actions?

Again, NO way to know based on the website

## Diocesan Finance Councils - Question 8

- Why do so many Dioceses fail to provide current information on a Council that has significant authority under Canon Law?
  - Protecting privacy of DFC members may make it easier to find people to serve, but it limits accountability
  - They may believe the lay faithful have no interest or need to know about the DFC, We disagree, so we must ask.
  - We must find ways to point out this lack of transparency and call for accountability. Is that possible?
- Based on the success of the transparency review, VOTF plans a new website review on governance of DFCs



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## The VOTF financial transparency review

- *“a much-respected Voice of the Faithful (VOTF) nationwide study of diocesan financial transparency practices and policies.”*
- Has engaged church leadership by being fair-minded and fact-based
- Has encouraged real improvements in transparency while holding low-performing dioceses accountable
- Has observed significant increases in transparency, which have continued even during the pandemic
- Is sustainable for the foreseeable future with **your** help



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## Future Plans

- To continue the yearly financial transparency review
- To apply the same successful approach to governance of the Diocesan Finance Council
  - We will share the new governance worksheet with individual US dioceses to give them a chance to add information to their websites before a formal review takes place
  - We cannot expect the Curia and the U.S. hierarchy to make the needed changes on their own, e.g. Wheeling-Charleston
  - There is reason to hope for enhanced transparency and accountability if the lay faithful find effective ways to demand it