

Financial Accountability – Best Practices

“Following the money” is one of the best ways for the Faithful to determine the priorities of a diocese and whether good stewardship of the money donated to parishes and dioceses is followed. By Canon Law all dioceses are mandated to have a Diocesan Finance Council. How transparent that Council is in its operations reflects the integrity and health of the diocese.

VOTF Principles and Best Practices of Financial Accountability

Items which reflect the transparency and accountability of the Diocesan Finance Council are:

1. How the Council is constituted. Ideally the majority of its members should be elected and include lay people known for their expertise in financial matters and commitment to just stewardship of the church’s resources.
2. Names of the Finance Council should be public so that the Faithful may contact them with questions, concerns, or information.
3. The Finance Council should be more than a rubber stamp for the Bishop or the CFO. Members should have the independence to challenge expenditures and policies if necessary.
4. The Finance Council should have a significant advisory role in all matters financial and should be consulted on major diocesan decisions.
5. Detailed annual financial reports and budget reports should be made public.
6. Regular audits by a certified, independent, publicly licensed accounting firm are essential. These audits should be publicly available upon request. Dates and pass/fail of these audits should be made public.
7. The Diocese should follow USCCB Financial Guidelines.

Parish Finance Councils should also exist in each parish. They should mirror the Diocesan Finance Council but with responsibility within the parish. Through formal reports and open discussion, each parishioner should have a good understanding of:

1. The general financial health of the parish
2. Where their money is being spent
3. The longer term financial plan for the parish

For further reading see: www.votf.org and click on Structural Change/Diocesan Finance Council Principles.