

Coalition on Ethical Financial Management in the Church

Co-Responsibility and Accountability through Diocesan Finance Councils and Lay Staff:

Proposal to Create a Network of Diocesan Finance Council Chairs and Lay Staff as Chief Collaborators with Bishops on Budgeting and Finances

OVERVIEW

In response to a growing financial crisis within the Catholic Church, Leadership Roundtable hosted 25 leaders in Catholic finance in March 2021 to discuss co-responsibility and ethical financial management in the Church. The convening facilitated a much-needed dialogue among leaders in Church finance to explore the roots of the financial crisis facing the Church, and led to identifying key areas where the response should focus, as well as recommendations for taking action:

- Clarify the Church's most pressing financial management needs.
- Build connections among financial experts.
- Identify one or more actionable projects or initiatives that can be implemented now to advance an aspect of ethical financial management in the Church.
- Identify clear next steps and momentum for action.

Due to the overwhelming energy to formalize a joint effort to address the financial crisis, a coalition was formed of interested institutional partners, which created three working groups — Research and Benchmarks, Best Practices, Diocesan Finance Councils. Each working group has met several times to develop consensus on purpose, expectations, partners, and resources.

This proposal presents the recommendations of the Finance Council working group to the 2021 Catholic Partnership Summit for consideration, improvement, and endorsement.

PURPOSE

This working group is focused on two objectives:

1. Creating a network of diocesan finance council chairs.
2. Creating the compelling rationale for the benefits to bishops, chief financial officers (CFO), finance chairs, and the broader Church in the United States.

VISION

Identify, convene, and form a network of diocesan finance chairs, in order to provide training and formation to share best practices and to distribute resources.

METHOD

- Create a network of diocesan finance council chairs and lay staff to serve as chief collaborators with bishops on budgeting and finances, and in the rollout of financial best practices.
- Provide formation for finance council chairs and members to build internal capacity through creating guidelines for selecting independent, diverse, and competent people to serve.
- Establish open communication from the parish or diocese to the parish or diocesan community about budgeting and finances to engage lay Catholics.

RATIONALE

- Diocesan Finance Councils have an important canonical oversight role in the life of the Church. Unfortunately, many Diocesan Finance Councils are not being utilized to their full potential. This is a practical way to support this important structure.
- Providing resources, training, tools, and best practices to finance councils strengthens the ability for the council to serve the bishops and diocesan CFO more effectively.
- A national, scaled resource for training diocesan finance council chairs and members does not yet exist.
- Shared best financial practices among finances councils and members is advantageous.
- Finance council chairs could leverage the network of peers for input and guidance to address challenges. For example: A diocese that successfully dealt with a bankruptcy process can be a wealth of resources for a peer.
- Finance council chairs would have the ability to update council members with new norms and relevant news to keep members informed and up to date.
- High-functioning finance councils will save time for busy CFOs.

STAKEHOLDERS

Groups that have high interest in the working group vision and purpose include:

1. Finance council chairs and the members of finance councils
2. Local Ordinaries
3. Diocesan chief financial officers
4. Catholic donors
5. Catholic Community Foundations.