



Mission

The National Leadership Roundtable promotes excellence and best practices in the management, finances and human resource development of the Catholic Church in the United States by greater incorporation of the expertise of the laity

A Parishioner's Guide to **UNDERSTANDING PARISH FINANCES**

"Parishes, too, must be, or become, true communities of faith within which this Christian way of life is learned and practiced. Sound business practice is a fundamental of good stewardship, and stewardship as it relates to church finances must include the most stringent ethical, legal and fiscal standards. That requires several things: pastors and parish staff must be open, consultative, collegial in the conduct of affairs. And parishioners must accept responsibility for their parishes and contribute generously—both money and personal service—to their programs and projects. The success or failure of parish programs, the vitality of parish life or its absence, the ability or inability of a parish to render needed services to its members and the community depend upon all."

*— from Stewardship: A Disciple's Response
The US Bishops' Pastoral Letter on Stewardship,
USCCB, 1993*

National Leadership Roundtable on Church Management

In Service to the Church



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Questions to Ask

1. Does my parish have a finance council?
2. Does my parish finance council meet regularly and are the members' professional backgrounds appropriate for service on the finance council?
3. Does my parish/parish finance council publish the annual budget and are parish officials available to discuss the budget?
4. Does my parish routinely publish statistics including: number of registered parishioners, collection levels, school enrollment, along with an annual comprehensive financial statement which includes revenues, expenses and a balance sheet?
5. Does my parish include statistics from prior years for comparison and identify trends?
6. Does my parish release quarterly or semi-annual "budget updates" which show actual revenues and expenses in comparison to the approved budget?
7. Does my parish have a rainy day or capital savings account?
8. Does my parish have policies on conflicts of interest, protection of whistleblowers as recommended by the United States Conference of Catholic Bishops Accounting Practices Committee?
9. Is there a regularly scheduled audit of the parish which is conducted by an independent outside auditor? Are the results of this audit made available to the parishioners?
10. Is there an annual diocesan/parish questionnaire which assesses the parish's financial controls and health? Is this document reviewed by the parish finance council and acted upon?
11. Are parish buildings inspected by a competent building inspector periodically for routine maintenance? Are the inspection results taken into account when budgeting?
12. Does my parish follow diocesan guidelines for handling offertory collections, such as rotating teams of collection counters?
13. Are there oversight policies for receipt/handling and disbursement of parish funds handled by individuals?
14. Are bank and other account statements received and reviewed independently by more than one individual?
15. Are the individuals handling financial responsibilities in my parish cross trained so that if one becomes incapacitated another may perform that function?

"As each one has received a gift, use it to serve one another as good stewards of God's varied grace."

—1 Peter 4:10

Introduction

Stewardship is the responsibility of all parishioners. In order to be good stewards, parishioners should possess a basic understanding of parish financial operations. This understanding provides opportunities to further serve the parish.

This pamphlet is designed to assess your knowledge of parish finances and provide a guide for questions you can ask your parish leaders. While each can be answered with a "yes" or "no," these questions are starting points for richer discussions about financial stewardship in the parish.

One such starting point is the parish finance council. It is widely accepted that an active, well-informed parish finance council strengthens accountability and assists the pastor with his responsibilities. These questions pay particular attention to parish finance councils. For resources on parish financial management, please inquire with your local diocese or visit: <http://www.nlrcm.org/BestPractices/default.html>

