



EMERGING MODELS  
OF PASTORAL LEADERSHIP

*A Joint Project, Funded by the Lilly Endowment, Inc.*

The Role and Reality of  
Parish Business Managers  
and  
Parish Finance Council Members  
Final Report

Submitted by  
The Conference for  
Pastoral Planning and  
Council Development

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## ***Roles and Realities of Parish Business Managers and Parish Finance Council Members***

### **Executive Summary**

Due to a variety of factors the organizational structure of US Catholic parishes is becoming more complex. It is both unfair and unwise to place a greater administrative burden on pastors, the vast majority of whom are neither interested in nor equipped to take on a greater administrative burden nor do they have the time. The parish model of the future will rely heavily on a professionally trained business manager assisted by a professionally trained and dedicated parish finance council.

#### **Parish Business Managers**

Many current business managers are adequately equipped to take on the broad responsibilities of managing the various aspects of parish operations. But most are not. To ensure an adequate supply of educated and trained parish business managers, the following recommendations are made

- Candidates for the position of parish business manager possess 3-5 years of business experience
- Educational opportunities through the development of distance learning delivery systems be put in place to educate parish business managers on the functional business areas such as budgeting, human resources, civil law, facilities management, etc. and presented in a manner that acknowledges the differences between the non-profit, faith-based sector and the proprietary sector.
- Specific training on diocesan-specific policies, also through a distance learning format, should be developed by each diocese
- Certification of parish business managers, similar to the certification of parochial school principals, should be enacted in each diocese. This will include requirements for continuing education.
- Dioceses should afford parish business managers the opportunity for spiritual formation (e.g., retreats) and networking with other parish business managers.
- Justice demands that a professionally educated lay business manager, with significant authority and responsibility, should be paid compensation reflecting that education and level of authority and responsibility.

#### **Parish Finance Council Members**

Just as more will be expected of parish business managers in the parish model of the future, so too more will be required of parish finance council members as they provide consultation to the pastor and oversight to the parish business manager. Members of parish finance councils must be more than well-intentioned parishioners. They, too, must possess the education and training to offer constructive consultation and oversight. To ensure this occurs, the following recommendations are made

- Accessible and flexible programs, using distance learning platforms, should be developed to educate finance council members on the basic functional areas over which they will offer consultation and provide oversight. These need to be tailored to meet the time constraints of busy professionals
- Dioceses need to provide training on diocesan-specific policies, again in an accessible and flexible format that respects the time constraints faced by many finance council members
- Each diocese should establish and staff a position that offers consulting to both parish business managers and parish finance council members when specific issues arise.
- Opportunities for spiritual renewal and formation should be made available to finance council members on a regular basis.
- Dioceses need to be cognizant of the issues involved with inter-parochial finance councils in the case of clustered parishes.

### **Parish Accountability and Transparency**

Finally, the issue of parish accountability and transparency will take on greater importance in the parish of the future. To meet these challenges, the following are recommended

- Parishioners should be provided the opportunity to view and comment on the parish budget while it is still in its draft form and before it is finalized, with the understanding that the final say belongs to the pastor
- Routine parish financial statements, such as a comparison between budgeted and actual expenditures and revenues, should be made available to all parishioners on a regular, preferably quarterly, basis.

### **Culturally-Centered Ministries**

As parishes become more multi-cultural, the internal financial control of the many culturally-centered ministries that have emerged becomes an issue for both parish business managers and finance council members. The following internal financial control policies are recommended

- No individual ministry, including culturally centered ministries, should have their own separate accounts.
  - All spending should be run through a single parish budget, with each ministry provided with its own line item.
  - Likewise, any money raised through special fundraising should be deposited in the parish's account and credited to the ministry's line item.
- All spending for these ministries should be authorized by at least one parish official (pastor or business manager) in addition to the leader of the culturally centered ministry.
- Parish officials (business manager, finance council) should make a special effort to reach out to cultural communities in the parish to explain the parish's financial management policies.

### **Multi-Media E-Learning Deliverable**

In order to meet the education and formation needs of parish business managers and finance council members the CPPCD will work collaboratively with other partners in the Emerging Models Project to develop a unique distance learning program facilitated by a multi-media e-

learning website. Once established, this site will be promoted among dioceses and parishes across the country. The e-learning site will embrace state of the art technology, including streaming video, streaming audio, and downloadable audio (podcasts). This site will be sustainable and dynamic. Once established, new content can be easily added and funds have been established in the budget to ensure the development of new content.

## **Introduction**

One outcome of the emerging model of parish leadership is that there will be fewer small, “Family” or “Pastoral” sized parishes and more, larger “Program” or “Corporate” sized parishes. This will require a professionalization of both paid staff and some volunteers. Specifically, the new model of parishes will require professionally trained and educated parish business managers as well as trained and educated parish finance council members, along with a renewed appreciation for the importance of parish financial accountability and transparency to parishioners.

In recognition of this reality, the Conference for Pastoral Planning and Council Development was given the following charge by the Emerging Models partners:

“Parishioners are assuming greater responsibility for the financial and business leadership of parishes, and there is a growing need to assess their practices. This initiative will survey the role and reality of parish business managers; pastoral and finance councils and their training needs; the role of pastors in overseeing transparency and accountability; and the implications of finance councils for lay trusteeism and the fiduciary role of the diocese.”

To complete this task, the CPPCD researchers relied on two primary sources of data. The first was quantitative data collected by CARA from its Parish Leader Survey, along with the addendum questions directed to parish business managers and finance council members. The second was qualitative data gathered from a series of focus groups conducted with parish business managers and separate focus groups conducted with finance council members. One series of focus groups gathered individuals from dioceses on the East Coast, one was held in the Southwest, one in the Midwest, and one on the West Coast. Both the Southwest and the West Coast focus groups contained representatives from a large number of multicultural parishes.

This Report contains three parts. The first part considers the role, reality, and training needs of parish business managers. The second part will do the same for parish finance council members. Part three will evaluate parish financial accountability and transparency.

## **Parish Business Managers**

Tables 1 through 9 present data on parish business managers collected by CARA through its general Parish Leader Survey and its addendum of questions specific to parish business managers. First, a look at who they are.

### **Position Title**

As Table 1 indicates, there are a variety of titles claimed by parish business managers, with the most common being some variation of parish business manager or business administrator. Some titles (Director of Administration, Director of Parish Operations) denote levels of responsibilities beyond basic financial duties while others (secretary, bookkeeper) denote positions with few managerial responsibilities. Some held more than one position, such as Business Manager/RCIA Coordinator or Pastoral Associate/DRE. These titles are indicative of the wide range of

responsibilities currently held by parish business managers and presumably also the types of training and education currently required for their positions. Parishes of the future will rely on highly educated professionals with significant managerial responsibilities serving in this capacity.

In spite of the variety of titles held, this report will continue to refer to the individuals serving in this role by the somewhat generic term of parish business managers.

TABLE 1  
PARISH BUSINESS MANAGERS  
POSITION TITLES

<u>Characteristic</u>	<u>Value</u>
Titles	
Percent Parish Business Manager	50.7%
Percent Parish Business Administrator	11.3%
Parish Administrator	11.3%
Parish Manager	4.2%
Director of Administration	4.2%
Pastoral Associate for Ministry	2.8%
Office Manager	2.8%
Parish Business Director	1.4%
Minister of Administration	1.4%
Director of Parish Operations	1.4%
Parish Business Coordinator	1.4%
Finance Manager	1.4%
Accountant	1.4%
Bookkeeper	1.4%
Administrative Secretary	1.4%
Secretary	1.4%

## **Background**

Parish business managers have a unique status in the church, working on the temporal side of a faith based organization. Both their personal and professional backgrounds might be expected to differ from those of other parish staff. This section presents both the quantitative and qualitative findings concerning the background of parish business managers in this study.

### Personal Background

Table 2 shows that respondents tended to be middle aged and overwhelmingly female and Caucasian. Compared to the overall sample of parish leaders, business managers tended to be younger (median age 48 vs. 59 for the parish leaders sample), more heavily female (62 percent vs. 54 percent), but with the identical percent of Caucasians<sup>1</sup>. While the survey did not ask if they are currently a Catholic, nearly 80 percent were raised Catholic and of those who were married, over 90 percent were married to a Catholic. Two-thirds had a college degree (compared to 56 percent for the entire sample)<sup>2</sup>, and of those, 72 percent have a degree in a business-related discipline. More than half have been through the Catholic education system at some point.



As to why they chose to engage in this ministry, half were encouraged by a priest. Spouses and friends also played important roles. A minority were inspired by a movement within the Church. They tended to choose this particular ministry primarily because they wanted to be of service to the church and this ministry fit their area of interest and competence. Compared to the overall sample of parish leaders, business managers were less likely to be responding to God's call (38 percent vs. 56 percent) and to be motivated by service to the church (65 percent vs. 75 percent) and more likely to be influenced by the fact that this ministry fit their area of interest and competence (62 percent vs. 50 percent)<sup>3</sup>.

TABLE 2  
PARISH BUSINESS MANAGERS  
PERSONAL BACKGROUND

<u>Characteristic</u>	<u>Value</u>
Age	
Mean Age	57
Median Age	48
Range of Ages	30-78
Ecclesial Status	
Percent Deacon	3%
Percent Lay Woman	62%
Percent Lay Man	35%
Race	
Percent African American	1%
Percent Hispanic/Latino	4%
Percent Caucasian	89%
Religious Background	
Percent Raised Catholic	79%
Percent Married to Catholic	92%
Education	
Percent College Degree	67%
Percent Business Discipline	72%
Percent Catholic Primary	54%
Percent Catholic High School	39%
Percent Catholic College	28%
Encouragement to Begin This Ministry	
Percent Spouse	36%
Percent Other Family Member	15%
Percent Priest	50%
Percent Lay Ecclesial Minister	11%
Percent Religious Brother/Sister	11%

Percent Deacon	3%
Percent Friend	30%
Percent Teacher/Professor	7%
Percent Parishioner	28%
Percent Inspired by Movement Within the Church (e.g. RENEW)	
	24%
First Led to Church Ministry	
Percent Response to God's Call	38%
Percent Be of Service to the Church	65%
Percent Enhance Spiritual Life	36%
Percent Fit Areas of Interest/Competence	62%
Percent Invited by Pastor/PLC	42%
Percent More Active Parish Life	46%
Percent Attracted To Ministry	26%
Percent Minister to Ethnic Group	7%

### Professional Background

Table 3 reveals some information of their professional background.

TABLE 3  
PARISH BUSINESS MANAGERS  
PROFESSIONAL BACKGROUND

<u>Characteristic</u>	<u>Value</u>
Ministry as Parish Business Manager	
Mean Years Total	11
Median Years Total	8
Mean Years This Parish	9
Median Years This Parish	7
Previous Position	
Percent Accounting/Finance	21%
Percent Management	16%
Percent Homemaker	10%
Percent Parish Employee	9%
Percent Technology	9%
Percent Self Employed	6%
Percent Parishioner	61%
Percent Started Ministry as Volunteer	45%
How Learned of Position	
Percent Asked to Apply by Pastor	45%

Percent Contacted by Parish Staff	12%
Percent Word of Mouth	16%
Percent Parish Bulletin	16%
Percent Diocesan Newspaper	7%
Percent National Newspaper	0%

In spite of the fact that the respondents tended to be middle aged, they have typically served fewer than 10 years in this position, implying that for most this is a second career. Nearly all of their experience has been in their current position.

The most frequent type of position held before assuming the role of business manager was in the financial sector, followed by general management. Homemakers and those already employed by the parish account for nearly one in five of the parish business managers in the sample, although it should be noted that many homemakers in this sample had earned business degrees.

Interestingly, nearly half began their ministry as a parish volunteer (vs. two-thirds for the entire sample of parish leaders)<sup>4</sup>, although not necessarily as the business manager. They then evolved into their current position. More than 60 percent minister in their home parish (vs. 71 percent for the entire sample)<sup>5</sup>. This can be a double-edged sword. While it might be anticipated that those who minister in their home parish would be more dedicated, the fact of the matter is that as with any parish staff member serving in their home parish this means they are typically “on call 24/7”. Whether it is while they are grocery shopping, attending one of their children’s events, or at a social gathering, they can often expect to be approached by fellow parishioners with questions about parish issues.

More than half learned of this position because they were asked to apply either by the pastor or a member of the parish staff. This is consistent with the entire sample of parish leaders and with the findings of David DeLambo, who found that 51 percent of all lay ecclesial ministers learned of their position through a personal invitation from either the pastor or a parish staff member.<sup>6</sup> This figure is consistent with the figure for the entire sample of parish leaders.

The qualitative data gathered from the four focus groups uncovers a number of themes that complement the quantitative findings.

One theme was that, as the quantitative data implied, our focus groups indicated that many had begun as volunteers to their parish. Some began as volunteer parish business managers, but most were in other volunteer roles that evolved into their current position as business manager. Some had served on the parish finance council prior to their appointment as business manager.

Many participants indicated that they were appointed to their position even though they had no formal training, but possessed other desirable attributes. When asked about the background requirements that were expected when he/she was appointed, one East Coast business manager told the group that she was appointed because she “was good with numbers, discreet, and lived down the street”. Another stated that

“I was working for the parish assisting the pastor with projects that he had. I then started paying bills working with the school faculty (HR) and then eventually was given the title.”

Still another, reflecting the experience of many when asked about the background that was required, said,

“None were specified when I was hired. I had completed a 37 year career in business and the pastor asked if I was interested in a part time job”.

A Midwest business manager’s response to the background question was

“I did have 16 years of bookkeeping experience; however, I’ve used some of it rarely. Computer skills, ability to work closely with parishioners, social needs background, theology, spiritual wellness were all important”.

Another member of that same focus group emphasized the multiple roles for many business managers that the quantitative data had hinted at, stated that the qualifications for the position included,

“Accounting degree, willingness to wear many hats, and all other responsibilities as deemed necessary by the pastor”.

A West Coast participant agreed

“Because parishes are flat organizations business managers need to be generalists”

A Southwest business manager responded,

“My background included a long run in running a small company and doing everything from HR to insurance, to facility repair to contracts to bookkeeping. The fact that I wore many hats and was constantly multitasking was very helpful”.

A number of West Coast business managers referred to their backgrounds in communications, especially bi-lingual and bi-cultural communications.

A second theme that emerged from the focus groups was the importance of having some experience with the Catholic Church and understanding how it works. One East Coast participant commented,

“My business background was too generic and general. Church accounting and reporting is unique”.

Another observed,

“My background was in accounting/business/HR. This was not sufficient for church rules”.

A third participant summed it up,

“Church work is so different from corporate world”.

A business manager at the Southwest focus group noted,

“Most importantly, but not easily quantifiable, is having a pastoral mindset”.

Another business manager at that same focus group emphasized the importance of

“The ‘Church piece’ on organization of staff, especially the pastor’s role and his councils”.

A West Coast participant felt that

“It is important to have some knowledge of the universal Church as well as knowledge of the particular parish”.

At the same time a third theme emerged: the role of parish business manager is not an entry level position. It is critical that the individual have some prior business experience. As one East Coast participant put it,

“I have a BS in Accounting. My overall business background has been a great benefit”.

Another participant stated,

“My most important background was my management experience, especially budget, finance, personnel; project management; ability to establish and set priorities; and the ability to break down projects into tasks”.

A participant in the Midwest focus group remarked,

“There is no training that is sufficient for working in the Church. Business practice training has been the most helpful”.

Another member of that same group expressed the opinion that,

“15 years in secular world provided me with the ability to perform my role in the parish”.

A Southwest participant, reflecting on his business background observed,

“Coming from a fast paced, HR, recruiting/staffing background has been extremely helpful in coping with business manager duties”

A West Coast participant recognized the importance of a background in technology,

“Because I had knowledge of computers and was able to figure out software I was able to become knowledgeable on our church management software”

### Position Characteristics

Table 4 shows that the respondents tended to be full-time (in contrast to the entire sample where the average hours per week of paid employment was 20)<sup>7</sup>, although some worked as few as three hours per week. Nearly a third are shared with other parishes (vs. 16 percent for the entire sample)<sup>8</sup>, with a handful serving two other parishes in addition to the one where the survey was taken.

TABLE 4  
PARISH BUSINESS MANAGERS  
POSITION CHARACTERISTICS

<u>Characteristic</u>	<u>Value</u>
Time Commitment	
Mean Hours in this Parish	37
Range	3-65
Median Hours in This Parish	40
Mean Hours Paid This Parish	35
Range	4-45
Median Hours Paid This Parish	40
Percent Minister at Other Parishes	30%
Mean Number of Other Parishes	1.33
Mean Paid Hours at Other Parishes	11.5
Median Paid Hours at Other Parishes	5
Percent Agree Sufficient Time For	
Ministry to the Parish	92.9%
Continuing Education	54.5%
Personal Prayer	75.8%
Family Responsibilities	91.2%
Time With Friends	67.2%
Hobbies	44.3%
Percent Written Job Description	92%
Knowledge of Culture	
Percent Important	61.8%
Percent Reason Selected for Ministry	43.9%

Percent Resources Sufficient	93.0%
Percent Need Larger Staff	42.3%

There is a minor discrepancy between mean hours worked and mean hours paid, probably caused by the fact that some parish business managers are volunteers. The vast majority agree that they have sufficient time for this ministry and for family time, prayer, and socializing with friends. Only a little more than half agree that they have sufficient time for continuing education and fewer than half feel they have sufficient time for hobbies.

A large portion (92 percent) of parish business managers has a written job description (vs. 71 percent for the entire sample, including 86 percent of those who are paid)<sup>9</sup>. This compares favorably with DeLambo's findings that 84 percent of all lay ecclesial ministers have written job descriptions.<sup>10</sup>

With our parishes becoming more multicultural, it is interesting to note that over 60 percent of the respondents thought that knowledge of their culture was essential to their ministry, and nearly 44 percent believed that was part of the reason they were selected. This was in spite of the fact that the vast majority of respondents were Caucasian.

Over 90 percent of the respondents indicated that they currently had sufficient resources. At the same time, slightly more than four in ten felt the need for a larger parish staff to accomplish the parish's mission. This figure could grow as parish management and the role of the business manager becomes more professionalized.

### Compensation

Table 5 provides information concerning compensation. Both the mean and the median annual income were about \$43,000 (compared to a mean and median of about \$31,000 for the entire sample)<sup>11</sup>. For those who were not volunteers, the range was \$15,000 to \$98,000, possibly indicative of position responsibility and training and educational requirement differences.

TABLE 5  
PARISH BUSINESS MANAGERS  
COMPENSATION

<u>Characteristic</u>	<u>Value</u>
Annual Salary	
Mean Annual Salary	\$43,436
Median Annual Salary	\$43,000
Fringe Benefits	
Percent Satisfied Salary	89.8%
Percent Satisfied Pension	81.4%
Life Insurance	80.0%

Health Insurance	86.5%
Dental Insurance	88.7%
Paid Sick Days	95.4%
Paid Vacation Days	96.9%
Education Tuition assistance	63.9%

The vast majority of respondents were satisfied with their fringe benefits, with the least enthusiasm shown for the availability of educational tuition assistance. These figures were consistent with those of the entire sample of parish leaders.

### Attitudes Towards Position

Table 6 reveals the respondents' attitudes towards their position. While most felt adequately prepared when this ministry began, a large majority do so now. Nearly all of the respondents view their ministry as a vocation, not merely a job.

TABLE 6  
PARISH BUSINESS MANAGERS  
ATTITUDE TOWARDS POSITION

<u>Characteristic</u>	<u>Value</u>
Preparation	
Adequately Prepared At Beginning	78.8%
Percent Adequately Prepared Now	97.2%
Percent Feel Sufficient Job Security	91.6%
Percent Ministry a Vocation, not Job	94.4%

Somewhat surprisingly, over 90 percent of the respondents felt that they have sufficient job security. This is surprising because parish business managers, like all parish staff, serve at the pleasure of the pastor. Even a very competent parish business manager is at risk of being replaced upon the appointment of a new pastor.

### **Roles and Responsibilities**

Focus group participants were asked about how they understood their roles in light of their parish's mission. Their responses reflected the diversity of job titles and responsibilities. They noted that these tend to be determined by the size of the parish and the pastor's vision of the role of the parish business manager. In addition to the anticipated responsibilities for parish finances, a variety of other responsibilities were identified. One general theme that emerged was the importance of relieving the pastor from dealing with temporal issues.

“I see my role to minimize the amount of time our pastor (and our priest) needs to spend on temporal matters. Freeing him up to do what he needs to do as a priest, the real reason why he chose this vocation. I also feel that I am often the person dealing with outsiders and need to represent our parish as a true Christian Catholic organization” (East Coast).



“My role is to assist the pastor in all of the non-religious aspects of the parish mission”.  
(East Coast)

“Helping the pastor and other lay leaders fulfill their mission by taking care of the temporal needs of the parish and this allowing them to focus on their missions, with a better understanding of the financial resources available to them (or not available)” (East Coast).

“Staff supports the pastor who shepherds his flock. Support, comfort, and act as go between for parishioner and pastor, when a parishioner has a concern” (Midwest).

“My role is to provide leadership to ministries and volunteers in all areas and to relieve the pastor of responsibilities that frees him to be focused on sacraments and evangelization. Anything that frees the pastor to be available to the parish” (Midwest).

“My role as a parish business manager is to be an aide or partner for the pastor”  
(Southwest).

“I understand my role as being the right hand of the pastor serving the administrative needs of the parish. I also see my role as an interpersonal role, helping to establish a welcoming environment, one that encourages leadership and empowers the community to take ownership of the parish and community life” (West Coast).

One of the responsibilities cited by many participants was the need to be flexible and be willing to wear a number of hats when the occasion called for it

“Since my title is actually Pastoral/Business Administrator, I continually see an overlap of the roles. I have a pastor who often asks me to switch hats when dealing with a situation so that I continually blend business decisions with the mission of the church and gospel teachings” (East Coast).

“Parishioners look to those with various responsibilities in the parish for participation in other ministries within the parish. I feel that it is important for me to be active in areas other than the business. As a member of the parish, I participate in the Parish Council – Marketing and Development for our school – Finance Council – Parish Evaluation Committee. I try to assist in any way I am able to show the concern of those attempting to make the right decisions for the parish” (East Coast).

“I am to take on the responsibilities of the day-to-day operations/problems of the parish. I need to try to prevent accidents from happening. I need to keep up our building on a daily basis and to look for long-term projects (shingling roofs, paving parking lots) and try to figure out how we are going to accomplish those projects. Also, keep the school system happy and work with them on building issues” (Midwest).

“My role in an ambassador for Christ, shining my light and sharing with our community to: 1) be welcoming to all. 2) Listen. 3) Encourage. 4) Support. 5) Be Christ to everyone I encounter” (Southwest).

“I help all the public, who need help with food or pastoral support. The Church community is always willing to help. I do whatever I can to help everyone. I volunteer to sell scrip. Help people at the door with whatever need or problem they may have. I do it for the love of God and Church. We are a very diverse parish” (West Coast).

One Midwest participant viewed the need to be flexible from another perspective

“I feel very much that I understand the role of my position as I have been doing this for 20 years. I have grown with this position which is constantly changing. I have experienced merging two parishes into one, linking with another parish, and then clustering with two more parishes all the while with one priest. Our cluster consists of a Pre-K to 8<sup>th</sup> grade and a 9-12<sup>th</sup> grade school of religion. There are five cemeteries also”.

A very common sentiment expressed by focus group members was that the parish business manager is the parish’s “chief stewardship officer”

“I must be a good steward of the resources that we are given at our parish and school. The better that I administer the budget, the more funds will be available for the real work of the church. I am, in a sense, one of the facilitators of the various ministries of our church” (East Coast).

“We must be good stewards of the parish finances. To assure that they are used wisely and for the use that they were designated. To preserve the financial stability for future generations of the parish and the diocese” (East Coast)

“We need to be financially responsible with the gifts of the parish and help people recognize their gifts and to help them feel valued as a participant” (Midwest).

“My role is to make sure the contributions that come into the parish are spent wisely and the talents are put to good use. This includes supporting the various ministries and ministers in the administrative side of the parish and by supporting the ministry staff so they can do their jobs well” (Southwest).

“The business manager is in a support role for the mission and ministries of the parish. I am to 1) make resources available and 2) prevent waste or diversion of resources into areas not connected with goals and objectives of the parish” (West Coast).

As to what practices most informed their understanding of their role in the parish, two were cited most frequently. One was the importance of communication and building good relationships within the parish

“I circulate throughout the building to talk to employees and guests. Listen to suggestion, solve problems, and make them feel important. Give back a greater sense of belonging. Give tours to people who walk in unannounced, give a sense of the special place they are entering” (East Coast).

“With the challenge of a new pastor every year, I have been caught up in individual relationships with the ministries of both parishes to keep their efforts going throughout the transition” (East Coast).

“My door is open to anyone at any time. I also participate at a good number of parish meetings held during the evening (East Coast).

“I don’t mind discussing church issues with parishioners outside of my working hours. As I try to see it as a ministry—not a job. A lot of times our parishioners are not available to contact me during office hours” (Midwest)

“Ongoing communications with Finance Councils and Pastoral Councils, and cluster councils as the direct link for information of what has and has not worked well in the past and future suggestions and encouragement to move forward. With turnover of council members, experience is of value” (Midwest).

“I am on most councils and committees to facilitate their missions for the good of the parish” (Southwest).

Some West Coast participants had a unique perspective on communication in a multi-cultural parish as represented by the following comment,

“My role as a business manager in our parish is to serve the people in our church community and also the community in which our parish is in. We are the only Catholic Church in a predominantly Seventh Day Adventist community. We have made contacts with other churches near our own and donate when asked. We are a very diverse community with 26 different nationalities and, as such, we or I must have that special relationship with all our members of the Church community and be there for them”.

A second formation theme that helped them understand their role was the importance to many of the participants of having a spiritual life

“I continue to keep active in my spiritual as well as practical growth. I also conduct several spiritual activities – such as stations of the cross and morning prayer to allow the parish to see my other hat” (East Coast).

“At all times prayer” (Midwest).

“What continues to foster that understanding primarily is prayer, then attend seminars/trainings/conferences/retreats that will enhance my knowledge of the doctrine of the church” (Southwest).

“My training has helped me to find/learn more about scriptural/doctrinal basis for my service to the church. I have a wonderful spiritual director in my pastor and a wealth of friends/associates in the parish who encourage me, challenge me, and stand with me” (Southwest).

“I feel an active prayer life is essential to stay on track of the mission put before us. This is a ministry” (West Coast).

## **Relationships**

Among the responsibilities that most parish business managers bear is the necessity to interact with a number of parish stakeholders. The focus group participants were asked about their relationships with the following:

### Pastor

Obviously the relationship between the pastor and the parish business manager is critical. Most of the participants in the focus groups believed that they had not only a good professional relationship but also a good personal relationship with their pastor. Many described a collaborative relationship built on strong communication

“We talk and review daily. I am a sounding board for both professional and personal issues. It is a very collaborative relationship and also very supportive. He has been very supportive of my decisions and open to all comments. We enjoy a personal relationship – actually go out with him and others for dinner and he is just a good guy to be with” (East Coast).

“We meet several times per week as necessary. We have a very good professional relationship, characterized by mutual respect. He does not micro manage. He is an excellent communicator – you know exactly what he expects but yet he does listen to my opinion” (East Coast).

“We spend a lot of time interacting on a regular basis. It is a good open relationship. You can say what is on your mind even when you are not in agreement. Disagreements don’t get carried beyond that time” (East Coast).

“We have a good working relationship with a clear understanding of role and expectations. The pastor must know everything but can’t do everything. My job is to make sure he knows” (Midwest).

“Communication is important so we’re not caught off guard and can make decisions together. We must back each other up—support each other, be positive” (Midwest).

“We have a very close working relationship. We hold daily informal meetings regarding personnel, facilities, finance, safety, entire parish. We engage in strategic goal setting and special projects. We need to be appreciative, respectful and collaborative” (Southwest).

“Very open, good working relationship. We both have trust in each other. He has a good or consistent set of expectations that he conveys clearly” (West Coast).

However, not all of the participants were as comfortable with their relationship with the pastor

“My pastor waivers between no management and micro-management style” (East Coast).

“The turnover of pastor has proven to be the greatest challenge. Pastoring style impacts everything” (East Coast).

“I would like him to be more engaged and not glaze over when we talk finances, employment issues, etc. and stick to the budget” (East Coast).

“He is dense at times. He is a micro manager, who is seldom at the parish office. He does not have a business/finance background and tends to think things can be done his way without realizing the legal issues involved” (East Coast).

It is somewhat challenging having a different pastor. I’m not always sure what my boundaries are and what is expected now. I always knew with my former pastor” (Midwest).

“Our relationship is strictly professional. We discuss the parish needs very seldom. He is a loner more of a dictator, not much agreeing on projects and spending. He plans but does not follow up with me nor ask for suggestions” (Southwest).

“Father can be very volatile so catching him – if at all – at the right time is imperative. I’m torn between what he really needs to know and how to present it and not bothering him so that he can pastor because he has so much on his shoulders. Many times he has no real understanding of how the real world works” (Southwest).

One West Coast participant had a concern that might become increasingly common as new models of parish leadership emerge

“My pastor is the Episcopal Vicar. Our relationship is very cordial, but I hardly ever see him or talk with him. He has too many parishes to be very involved or even be supportive. When I need to talk more urgently, I’d talk with another business manager or corporate board member or other trusted advisor”.

Whether there is a good relationship or not, the participants recognized that the pastor has the final say

“We interact on all levels except liturgical. I am mindful that all decisions are ultimately at his discretion” (East Coast).

“I am very fortunate that I am able to discuss any issue with my pastor. I find that he listens very well and adds valuable insight. I do recognize that the final decision is his and I respect that” (East Coast).

“The Business Manager supports the vision of the pastor in planning the budget and following diocesan policies” (West Coast).

One of the exercises carried out at the focus groups was to ask the participants what they think their pastor needs to know about their ministry. Here is a sample of their responses

“You must be supportive. If we are given the responsibility and authority for decisions, please don’t undermine those decisions” (Southwest).

“Please do not answer questions and give approvals after Mass on Sundays” (Southwest).

“The parish business manager is only the reporter, not the enforcer. Don’t shoot the messenger” (Midwest).

“Understand that sometimes spiritual and temporal priorities may be at odds” (Midwest).

“The parish does not have an unlimited supply of money” (East Coast).

“We need to account for future unplanned costs – parking lot, roof, sound system, etc.” (East Coast).

“You need to understand that our vendors don’t necessarily have the best interests of the parish in mind” (East Coast).

“The Parish Business Manager is confidential. She will bring this information to her grave” (West Coast).

“The Parish Business Manager needs more authority so that the pastor can be more involved in liturgical and pastoral care” (West Coast).

### Parish Finance Council

Since parish business managers are involved with the administration of parish resources, and since canon law clearly places that responsibility within the purview of the parish finance council (c537), one would expect there to be a close working relationship between the two.

As with the pastor, participants emphasized the importance of communication and collaboration. In many cases the communication was two-way

“I am an adviser to the Council. I use individual members as a resource for banking or legal advice. They are free to contact me for parish business or finance information” (East Coast).

“We meet on a monthly basis and the communication flows very easily. Everyone feels valued and contributes to the meetings and events” (East Coast).

“The key elements of our relationship are transparency, trust, and integrity” (Midwest).

“I need to get accurate information to them and get their support for our plans” (Midwest).

“I attend the monthly meetings to provide information and answer questions they may have on the finances. They give suggestions and recommendations on direction” (Southwest).

“They serve as a checks/balance extension because they will question details. They also serve as a good sounding board to bounce questions, ideas, etc. off of for major decisions (Southwest).

However, in some cases that communication was viewed as one way, either business manager to finance council or vice versa

“I interact with them both at meetings and in-between. I would like them to have more input and be more pro-active vs. reactive, to bring things to the table instead of it always being me” (East Coast).

“I am their secretary and keep their minutes. I work in conjunction with our bookkeeper to provide financials, budgets, special requests, etc.” (East Coast).

“My role is to present the fiscal management of the parish to the council and make sure it is understood” (Midwest).

“I prepare the reports and present them and answer questions” (Midwest).

“My role is to provide the advisory/historical information. The parish relies on the council’s expertise to make recommendations to the pastor to manage the financial aspects of the parish” (Southwest).

“I have a good working relationship with our council. There are people with strong accounting backgrounds. I depend on their input and recommendations” (West Coast).

Some participants lamented the fact that their parish finance council was essentially inactive

“Our finance council is merely a formality. Officially it meets two or three times a year as required by diocesan policy. There is no interaction outside of these meetings. Council provides very little oversight” (East Coast).

“Maybe once or twice a year I provide financial reports that they review and talk about” (Southwest).

“I appreciate the depth of professional experience. I do find them more re-active than pro-active. They: 1) like to give advice but not stand up and be counted before the congregation, and 2) they monitor very well but do not often take initiative” (West Coast).

At least one participant had the exact opposite experience

“Sometimes members get too involved in details. It’s a challenge to get the entire group to have a mature vision of their role” (Southwest).

#### Professional Parish Staff

Good communication was seen by the focus group participants as the key element of a successful business manager – professional staff working relationship. Keeping the mission of the parish in the forefront was also viewed as important

“We have to work together, so we come together at any disagreement as they come up. We are all trying to do the same thing – grow our parish spiritually and economically” (East Coast).

“Sometimes I have issues with the parochial vicar who will countermand my directions to staff members that report to me” (East Coast).

“I work hard to keep lines of communication open and I need to recognize that I cannot make everyone happy 100 percent of the time. There is one staff member with whom challenges continually arise. The pastor is aware of this and together we work with the member” (East Coast).

“We all are really mission driven and care about the people of my parish and people beyond. Everyone appreciates and supports the different roles. We have professional and social interactions, along with spiritual retreats help to form solid relationships” (East Coast).

“We are friends but they also know they are accountable to me. Sometimes it’s tough when situations arise that are difficult but I know my role and that is to manage the staff” (Midwest).



“We try to foster a family-type environment where we are open to discussing the needs of the parish. We meet for prayer and meetings once a week” (Southwest).

“Weekly staff meetings help us understand the challenges we all face. The open communication helps us to work together. If there are bumps/problems, we have a 48 hour policy to work it out” (West Coast).

Most of the participants viewed their role as supporting the professional staff, but some expressed concern over the staff’s lack of understanding of the importance of budgetary controls

“A good positive, friendly relationship is important. I realize that they may not always see things from a business perspective. I need to work with them closer to see how we can accomplish their mission within our temporal resources” (East Coast).

“We maintain an ongoing dialogue. They see me as the gatekeeper. Many feel that pastoral concerns should override budget concerns. One religious follows no policies whatsoever. Never owns up. This frustrates the entire staff including the pastor” (East Coast).

“We need to understand each of our roles with each other; what I need to do to support them in their ministry since they work for the pastor. Sometimes they need to understand their role in the business function and be held accountable and not go on their own. They need to stay within the policies of the parish” (Southwest).

“I offer support to the professional staff. In turn I expect them to be supportive of our efforts to coordinate in stewardship, financial and building security” (Southwest).

Both the Midwest and the West Coast focus group participants were asked what they think parish staff needs to know concerning the ministry of parish business manager. Among the responses were

“Plan ahead and get pre-approval. Then, it goes into the budget. Then you have to stay in communication following the approval” (Midwest).

“Maintain a sense of how your ministry impacts and is related to the vision and mission of the parish” (Midwest).

“View the budget as an operating plan that needs to be continuously revisited and revised to make sure we are planning well in terms of income and expenses. That makes us good stewards” (Midwest).

“The Parish Business Manager is not your boss. However s/he must know your plans so that s/he can support your role” (West Coast).

### Parishioners

The focus group participants recognized that without the parishioners the parish would have no reason to exist and there would be no need for a business manager. Most of the participants recognized that they work for the parishioners and emphasized the importance of interpersonal relations with their parishioners, most notably a willingness to listen

“My ‘pastoral’ hat allows me the opportunity to interact with parishioners on a frequent basis. Sometimes it is as a cheerleader, sometimes as a defender (of the faith or the parish or diocese), sometimes as a friend or just an ear to listen” (East Coast).

“Need to keep a good balance with parishioners. Listen, explain and show them you really do care about their needs” (East Coast).

“In my role, I try to make sure that the ministry groups’ needs are being met and to listen if they are experiencing any type of issues” (East Coast).

“I attend to their needs although I do have to say no on occasion, but always with a smile!” (Midwest).

“I provide a listening ear, get them their answers, and at times we need to be the bearer of ‘bad news’” (Midwest).

“With parishioners, I am more than a business manager. I try to foster a friendship environment where they can always come to me with questions” (Southwest).

“They need to have confidence in me in my role. They deserve access and can expect timely responses to questions or inquiries. They should understand that we have policies for all of the parishioners and we run it as a business for finance, legal, etc. reasons” (Southwest).

“I find meeting parishioners and talking to them very helpful so then I can easily share the vision of our parish and its different needs” (West Coast).

“I am blessed to be part of them” (West Coast).

Members of the East Coast and West Coast focus group were asked what they wished parishioners knew about their ministry

“Parish budgets are mission driven. We must prioritize” (East Coast).

“The parish needs a cash reserve as well as cash flow in order to survive” (East Coast).

“I work for the pastor. That includes telling the truth” (East Coast).

“When I attend Mass I want to pray, not to solve problems” (West Coast).

“Our primary concern is for the well-being and success of the parish” (West Coast).

#### Trustees (Members of the Parish Corporation)

In recent years many dioceses have moved away from the Corporation Sole model of legal organization and adopted a variation of a “religious parish corporation”. Under this model, typically five members comprise the board of directors of the parish corporation. By virtue of their office, the archbishop, vicar general and pastor are automatic members of the corporation. The archbishop is the president of the corporation, and the pastor is the vice president. In addition, two lay members of the parish — called trustees — are appointed by the ex officio members to serve as treasurer and secretary.

The trustees are the members and officers of the civil corporation registered with the state. Their role fulfills civil statute requirements.

The business of the parish corporation is conducted by the members who make up the board of directors, often in consultation with the parish pastoral council or finance council. But these councils have no legal right to conduct business on behalf of the parish. In some dioceses, the lay trustees are ex officio members of the pastoral council. Lay trustees may also have check signing responsibilities.

The main thrust of a parish trustee’s responsibilities is to be a watch guard over the finances of the parish, ensure that the corporation is financially responsible, and report to the archdiocese on the state of the parish’s finances.

Of those focus group participants whose parishes were in dioceses that had implemented the religious parish corporation system, the reviews on their relationship was decidedly mixed. They ranged from a good working relationship

“We have two parish trustees who I feel very comfortable seeking their professional opinion and guidance” (East Coast).

“The trustees of my larger parish are viewed as our church elders. There is a mutual respect and they are in my office at least once a week” (East Coast).

“The trustees are an important part of our finance and pastoral councils. I work closely with them in this regard” (East Coast).

“This is an important relationship that helps insure that all parish needs are met by providing extra feedback and expertise to help us with our work” (West Coast).

to periodic contact

“They review year-end reports and the budget for next fiscal year. They sign off on both of these items” (East Coast).

“They attend the finance council meetings. No contact with them other than these meetings” (East Coast).

“I am there if he/she has questions” (Midwest).

“I see the trustees at the board meetings and the Finance Council meetings. They dictate what needs to be done and I follow their directives” (West Coast).

to essentially none at all

“They are parishioners but I am not sure they understand their role as trustees” (East Coast).

“We have two, but there is no interaction except for the pastor” (East Coast).

### School

Of those focus group participants whose parishes supported parochial schools, most reported a positive relationship, especially with the principal. Their roles frequently involved human resources, facilities, and budgeting oversight

“I work with the principal and school board in preparing budgets, financial aid programs, and facility needs. I have no direct business relationship with the faculty and school staff” (East Coast).

“The relationship with the principal is very important. It would be difficult to accomplish agendas if you weren’t on the same page” (East Coast).

“I have daily interaction with the principal and development director. I do the financials (including budget) and HR issues for school personnel. Facilities issues get addressed through me” (East Coast).

“I work directly with the principal to incorporate the church and school. We work to provide safety to the school at all times and visits” (Midwest).

“I maintain open dialogue with the principal to show that I support him/her and that they realize they are accountable to pastor and I am the intermediary” (Southwest).

“The school is like its own entity. They have their own bookkeeper and their own budget and run under the direction of the principal. My function is to provide the facility services – maintenance, cleaning, fixed asset building needs and assistance as needed with tuition requests” (Southwest).

“This is an important relationship. A good relationship with the school helps promote collaboration with parishioners and school parents to carry out our overall mission” (West Coast).

But not all of the relationships are harmonious

“Monthly finance reports are sent to school for their bookkeeping. I’m not always sure if they use the reports” (Midwest).

“Our parochial school gets 65 percent of our revenue. It would be nice if they felt more of a partnership” (Midwest).

“I’m not involved in the everyday receipts/disbursements of the school. Strategic planning together is sometimes challenging and frustrating. The subsidy issue is sometimes difficult. Parents can be problematic. They have a sense of entitlement and are more connected with the school than the parish, often with little/no financial support of the church” (Southwest).

Midwest focus group participants were asked what message they would like to deliver to their parish’s parochial school. Among the responses were

“It is important that the parish and the school be viewed as one, not separate bodies. The parish wants and needs your participation”.

“There must be timely and full disclosure of finances if I am to help you. I am your partner in education”.

“Tuition is not the only source of school funding”.

### Diocese

Most of the focus group participants found their diocesan offices to be responsive and helpful in a variety of ways

“I feel that I have a very good relationship with various departments – human resources, accounting services, legal. I do use these various groups to assist me in areas that I do not feel I have adequate training and knowledge. This is an important relationship” (East Coast).

“The diocese has become a great resource for me. I find that my interaction is more frequent as time passes and I become more involved with the issues of the parish. For example, I use the diocese’s human resources as thinking manual to teach me through any issue I may be unsure of” (East Coast).

“The diocese advises us on financial matters (IRS regulations), attorneys, risk management/insurance, human resources” (Midwest).

“I have a high regard for diocesan personnel. They help in many ways: payroll, construction, bookkeeping, human resources, and organizing general meetings” (Southwest).

“The diocese is the ‘go to’ for answers about all things in the ‘how to’ and ‘why’ departments. They provide HR assistance, contract review and writing, safe environment help, and payroll support” (Southwest).

“My relationship is with the Parish Assistance Office, the major office in the Diocese. It has been developing. When I first started there wasn’t the cooperative feeling attitude (9 years ago). They were more likely to attack something that happened rather than assist. Differently, there is a shift in attitude to actual assistance” (West Coast).

“This is a very important relationship. The diocese helps to establish the standard guidelines to carry out my job, in addition to support need to perform certain duties” (West Coast).

But not all of the participants were as enthusiastic about the performance of the diocese

“They don’t ask for the input of the people in the trenches before making decisions that affect those people. When they do ask it never changes their opinion of what they should do. They are disconnected from the parishes. No communication” (East Coast).

“I only hear from them when they want money or about problems that they have” (East Coast).

“There is no communication. The diocese is understaffed and underfunded” (Midwest).

“This has not been a real positive for me in both my volunteer positions and now as an employee. I have had virtually no training from the diocese. It has been baptism by fire and I am made to feel like I ‘should’ know this stuff (Southwest).

“They are a mixture of an essential/very helpful and a meddling bureaucracy” (Southwest).

Participants in the West Coast focus group were asked what message they would like to deliver to the diocese. Among the responses were

“The job of Parish Business Manager has a multitude of responsibilities. We are spread very thin. Please be gentler when we make mistakes”.

“We are a liaison between the diocese and the parishioners. We promote the dioceses and the services they provide to the parishioners”

“As a Parish Business Manager I appreciate the support that I receive from the diocese”

### Other Parish Business Managers

Those focus group participants whose dioceses have organized regular meetings of parish business managers were effusive in their praise of the concept

“We meet 3-4 times a year at local business managers meetings. This is a very valuable way to share information. As a result of these meetings, I often call others to ask for their suggestions, input, etc.” (East Coast).

“We have developed an overall network with other local church business managers that meet regularly to discuss issues such as solar panels, contribution reporting, etc. This is a great resource as it enables you to brainstorm with others as well as rely on some of their past experiences which can be cost and time effective” (East Coast).

“We have a group that meets quarterly (arranged by our diocese). It really provides a source of information for new ideas, tried and true ‘tricks’ of the trade” (East Coast).

“In my diocese we are very fortunate to have a network who meets quarterly. Our leader is the Director of Stewardship Development. We also attend a retreat as a group once a year. It is a great support group as well as a resource for everything from employee issues to financial pointers” (Midwest).

“We (five of us) get together for lunch about 4 times a year, and then if we have a question or need advice, we email or call each other. It also offers support to know you are not the only one dealing with certain problems. I wish we had more social meetings like this on the diocesan level” (Midwest).

“The diocese hosts quarterly meetings and I always learn something. There are one or two in my deanery that I feel comfortable enough to call for questions or ideas. Parishes are so different that sometimes what works for one will not work at another” (Southwest).

“This is important to critical. It is helpful to be connected, to share ideas, problems and solutions. Why reinvent the wheel? Make life easier for yourself and talk to other business managers” (Southwest).

“Through the diocesan meetings, I have met others. I appreciate their insights” (West Coast).

Participants at the Southwest focus group were asked what a new parish business manager should know about the ministry of parish business manager. Among the responses were

“Working for the church can be hazardous to your faith. Attend diocesan meetings to further your spiritual growth. Take it upon yourself to pursue professional development”.

“Be flexible and adaptable”.

“This is a rewarding career, the best job in the world. Network and socialize with other parish business managers”.

In a similar vein, members of the East Coast focus group were asked what they would tell their successor

“Expect change”.

“View your role as a ministry. Sometimes ministry is about interruptions”.

“You need to be welcoming, compassionate, and flexible”.

## **Technology**

With technology becoming ever more important in both improving parish productivity and reaching both parishioners and non-parishioners with its message, it is increasingly vital that parish business managers have up to date technology skills.

As Table 7 indicates, nearly all of the survey respondents had access to a computer at work and over 80 percent had computer access at home. Similar numbers had parish-provided email addresses. Less than a quarter had access to a mobile phone. All of the parishes in the sample had websites, and in two-thirds of the parishes, the business manager had responsibility for providing content for the website. As parishes become more professionally managed, these figures should all approach 100 percent.

TABLE 7  
PARISH BUSINESS MANAGERS  
USE OF TECHNOLOGY

<u>Activity</u>	<u>Percent</u>
Connect to Internet	
Work Computer	96%
Home Computer	81%
Mobile Phone	24%
Email	
Parish Provides Email Address	89%
Email Address From Commercial Service	43%
Website	
Parish Has Website	100%
Business Manager Provides Content	68%
Social Media	



YouTube	11%
Facebook	19%
MySpace	1%
Linkedin	8%
Twitter	4%
Blogging Site	12%

A disappointingly small percentage of the parishes in the sample utilized social media. Presumably in the future a well-managed parish will take full advantage of the opportunities provided by social media. Responsibility for these activities could well fall to the parish business manager.

## **Educational and Training Needs**

### Previous Training

Table 8 illustrates the amount and type of education and training the respondents had previously received.

TABLE 8  
PARISH BUSINESS MANAGERS  
PERCENT PREVIOUS TRAINING

<u>Training</u>	<u>Percent</u>
Participated in Ministry Training Sponsored by	
Diocesan Office	46%
College or University	23%
Seminary	9%
Extension Program	5%
Other Ministry Certification Programs	22%
Program	
Ministry Certificate Program	
Completed	20%
In Process	3%
Associate's Degree in Ministry/Theology	
Completed	0%
In Process	1%
Bachelor's Degree in Ministry/Theology	
Completed	1%
In Process	1%
Master's Degree in Ministry/Theology	
Completed	11%
In Process	4%
Doctorate in Ministry/Theology	
Completed	1%
In Process	1%

## Financial Assistance for Continuing Education

Parish	36%
College/University	3%
Seminary	4%
Religious Community	0%
Diocese	11%

Opportunities for Continuing Formation as  
Parish Business Manager

Diocesan-based Orientation	43%
Parish Support for Attending Conferences	65%
Diocese Offers Consulting Services	57%
Mentoring from Fellow Business Managers	45%
Membership in Professional Organization	26%
No Education/Formation Available	8%

Fewer than half had received training or education from the diocese (compared to 60 percent for the overall sample of parish leaders), while about a fifth had pursued certification programs, many offered by colleges and universities (compared to a third for the overall sample)<sup>12</sup>. Slightly more than 10 percent had completed a master's degree or doctorate in ministry or theology. While valuable, degrees in theology are not as relevant to their ministry as degrees in business.

About two-thirds of the respondents had received support from their parish to attend professional conferences (compared to 26 percent for the overall sample). Slightly more than 40 percent had received an orientation from their diocese while more than half indicated that their diocese offered consulting services to them. A very valuable educational tool, mentoring from fellow parish business managers, was available to 45 percent of the respondents. All of these activities need to be increased if parish business managers are going to effectively carry out the responsibilities that will be thrust upon them in the future.

Focus group participants were asked to describe the type of education and training they had found to be most helpful. In addition to their formal education and business experience, among the themes that emerged was training by their predecessor. One East Coast participant noted that

“My predecessor stuck around for quite a while to train me on the software, and to go through various tasks as they came up. When it came time to do my first budget, she coached me to some extent. She also showed me how to make good use of the Excel program”.

A similar theme stressed the importance of networking with other parish business managers and acquiring a mentor. One Midwest participant described the importance of

“Establishing resource relationships with other business managers”

A training source that was found to be helpful by many focus group participants was diocesan training, especially on specific topics like diocesan policies and software. It was noted that some dioceses offer certificates to those parish business managers who complete a training program. Other valuable training sources were programs offered by local colleges and universities and training programs sponsored by professional organizations such as the National Association of Church Business Administration (NACBA) and the National Association of Church Personnel Administrators (NACPA). A surprisingly large number of participants simply stated that they had to rely on their own on the job training. One East Coast participant observed,

“No one trained me—I learned as I went and when the first pastor left, I took on some of his responsibilities which benefits the current pastor”.

A participant from the Southwest remarked,

“I was a stay at home mom for 20 years. My training with working with a budget has been very helpful, although that training has been learn-as-you-go”.

A Midwest participant represented a number of others when he stated

“I learned on the job and with help from other Business Managers”.

Another Midwest participant wisely used other readily available sources

“It was all “on the job” training. I have volunteers within the parish who I can ask for help with QuickBooks, payroll, MS Access, spreadsheets, etc.”

A West Coast participant also used multiple resources

“I did not have any background training, only the trust of the Pastor and my willingness to learn and of course, with God’s help. Because of the Diocesan workshops and friendship of other educated people, I’ve met, but this is the only training education that I’ve had”.

But one Midwestern participant expressed the opinion that,

“No training is sufficient for this job. People don’t understand the work and expertise required to work in a parish office”.

### Skills Important vs. Prepared

Table 9 shows the responses to a series of related questions: how important is each of these skills to your position, and how well prepared are you? As the data show, of the 26 items that were listed, in 14 cases there was a significant difference between the importance of an item and the respondents’ level of preparation, indicating some serious under-preparation in a number of skill areas.

TABLE 9  
PARISH BUSINESS MANAGERS  
SKILLS IMPORTANT/PREPARED

<u>Skill</u>	<u>Important</u>	<u>Prepared</u>
<b>Financial</b>		
Administering a Budget*	3.88	3.68
Financial Reporting*	3.90	3.78
Managing Investments	2.51	2.48
Stewardship/Development*	3.41	3.15
Purchasing	3.48	3.50
<b>Human Resources</b>		
Performance Appraisals	3.15	2.96
Team Building	3.42	3.28
Collaboration*	3.65	3.46
Supervising Others	3.55	3.40
Motivating Involvement	3.22	3.05
Managing Volunteers	3.19	3.15
Conflict Resolution*	3.39	2.94
<b>General Management</b>		
Database Management*	3.50	3.27
Process Management	3.08	3.06
Project Management	3.46	3.50
Construction Management*	2.90	2.57
Facilities Management*	3.59	3.18
Strategic/Pastoral Planning*	3.09	2.77
Church Marketing*	2.78	2.50
Working with Boards/Councils	3.52	3.56
<b>Legal</b>		
Understanding Canon Law*	2.43	2.09
Understanding Civil Law*	2.93	2.69
Safe Environment and Security*	3.48	3.22
<b>Religious</b>		
Possessing a Personal Spirituality	3.47	3.31
Catholic Social Teaching	2.72	2.64
Understanding Church Doctrine*	2.85	2.66

1=Not at all    2=A little    3=Somewhat    4=Very

\*Denotes differences significant at 95% confidence level

An additional concern is that in many cases the respondents underestimated the importance of a particular item, especially as the demands on parish business managers increase moving forward. For example, no one expects business managers to be trained attorneys, but parishes routinely deal in contracts and other civil law issues that require some understanding of legal principles. On a lesser scale this is also true of canon law. As parish staffs grow and the parish business manager takes on more human resources responsibilities, issues such as employment law become more important, but so do standard human resource tasks such as motivating involvement, managing volunteers, performance appraisals, team building, etc. More complex parish organizational structures will require more sophisticated pastoral planning. As these responsibilities increase in importance, so do the need for education and training in these areas as well as the 14 identified in Table 9 as indicating under-preparation.

### Future Training Needs

The focus group participants were asked about the types of training that would be most helpful. All of the topics in Table 9 were mentioned, but some participants were more specific. Among these were

“Basics of HVAC, roofing, and other budget issues that can be impacted by lack of preventive maintenance” (East Coast).

“Reinforcement workshops for areas that are ever changing – insurance – HR – legal” (East Coast).

Updated training of dealing with pastoral issues and difficult parishioners” (East Coast)

“Gaming license, winners of raffle (tax implications) liquor license (fundraising laws)” (East Coast).

“Shaping Catholic parishes as emerging models for the 21<sup>st</sup> century (Midwest).

“Basic catechesis” (Midwest).

“Pastor Relations 101” (Midwest).

“How to balance business with ministry” (Southwest).

“‘Church Spanish’ for English speakers” (Southwest).

“Both spiritual and managerial programs would be helpful” (West Coast).

“Facilities management training” (West Coast).

“Microsoft ACCESS training and time to be able to attend it” (West Coast).

“On being a supervisor” (West Coast)

## **Summary and Recommendations**

### Summary

The quantitative and qualitative data have provided a clear picture of the ministry of parish business manager as it currently exists along with insights as to how it can be improved.

Currently the ministry of parish business manager varies so much from parish to parish that it is almost like comparing apples and oranges. Their roles and responsibilities range from essentially those serving as the chief operating officer in a parish, responsible for parish finances, human resources, facilities, etc.; to those who are little more than bookkeepers, with most holding down positions with roles and responsibilities somewhere in between these two extremes. Their backgrounds range from parish volunteer with no formal training to corporate executive embarking on a second career. They are largely female and Caucasian. Some are fulltime in their own parish, but many are shared with at least one other parish. Their median pay is \$43,000, but with a broad range of \$15,000 to \$98,000 for those who are not volunteers. They tend to be generally satisfied with their compensation, including their fringe benefits.

Parish business managers have many constituents, including parishioners, lay parish councils, the other professional and parish staff, and in some cases, a parochial school. But the most important constituent, obviously, is the pastor, who has the final say. Most of the business managers at the focus group reported good working relationships with all of their constituents. They emphasized the importance of good communications and a collaborative working environment, with an emphasis on the parish's mission.

The quantitative data revealed that parish business managers as a group tend to be significantly underprepared to perform a number of functions that many currently perform and that more will be expected to perform in the future as parish organizational structures become more complex. These include parish budgeting and financial reporting, conflict resolution, database management, construction and facilities management, understanding both civil and canon law, and strategic planning. Focus group participants were generally pleased with the support and training that they received from diocesan offices. Those who had the opportunity to network regularly with other business managers found that to a very valuable experience.

### Recommendations for Parish Business Managers

The ministry of parish business manager will of necessity become more professionalized as forces dictate that the U.S. Catholic Church will be served by fewer "Family" or "Pastoral" sized parishes and more "Program" or "Corporate" sized parishes. Those family and pastoral sized parishes that continue to exist will benefit by being served by professional business managers, likely shared with one or more other parishes.

The model that will emerge to serve these more complex organizational structures is one that already exists in many parts of the country: the pastor serves as Chief Executive Officer (CEO) of the parish and the parish business manager serves as Chief Operating Officer (COO). This will require a professionalization of the ministry of parish business manager similar to the professionalization of parochial school principals that has emerged over the last few generations. In turn this will demand specific part-time programs of education, formation, and training along

with networking and the certification of parish business managers, much as principals need to be educated and certified.

It will also require that parish business managers come to their positions with previous experience in the business world. As one focus group participant put it, the role of parish business manager is not an entry level position.

The education of business managers should cover functional business topics such as those referenced in Table 9 (accounting, human resources, law, etc.) as applied to the unique situation of parishes. Formation will cover human, spiritual, pastoral, and theological dimensions. These are most efficiently performed either at local Catholic seminaries or universities or through a distance learning delivery system managed by one of the partners in this project. An important aspect of the delivery system will be a multi-media approach which includes the following features

- Streaming video, including high-definition video
- Streaming audio
- Downloadable audio (podcasts)
- Articles, papers, and presentations (text, presented in the Web browser)
- Other multimedia downloads including Word, PDF, and PowerPoint files
- A fully searchable and categorized archive
- The ability to “tag” content

The fee for this project of this nature will likely be in the neighborhood of \$15,000 to \$17,000 depending on the final set of deliverables.

Ongoing training in specific diocesan policies and software will need to be conducted by the dioceses themselves. These will be patterned after (and perhaps offered in conjunction with) the lay pastoral ministry programs offered in most dioceses. Dioceses will also be expected to organize networking opportunities for parish business managers.

Certification should occur at the diocesan level, just as parochial school principals are certified by their dioceses. To maintain their certification, parish business managers should be required to earn continuing education credits, offered by the same groups and in the same formats as the education and formation described above.

Oversight of the education/formation/training/certification of parish business managers should be the responsibility of one of the national Catholic lay ministry associations.

The professionalization of the ministry of parish business manager will require a substantial financial commitment on the part of the Church, just as the professionalization of parochial school principals has. Justice demands that a professionally educated lay business manager, with significant authority responsibilities, should be paid compensation reflecting that education and level of authority and responsibility.

## Parish Finance Council Members

Parish finance councils are unique in that they are the only parish-level organization mandated by canon law

Canon 537. Each parish is to have a finance council which is regulated by universal law as well as by norms issued by the diocesan bishop; in this council the Christian faithful, selected according to the same norms, aid the pastor in the administration of parish goods with due regard for the prescription of Canon 532.

The same patterns and trends that are leading to a greater role for parish business managers are also giving rise to a more involved role for parish finance councils. This section of the report examines the roles, realities, and education and training needs of members of this crucial parish advisory body.

As with parish business managers, data for this section of the report were collected from two sources. The quantitative data, presented in Table 10 through Table 15, came from CARA's survey of parish leaders and an addendum survey of finance council members. The qualitative data came from focus groups of parish finance council members held at the same four sites as those conducted for parish business managers: one each on the East Coast, Midwest, Southwest, and West Coast.

First, a look at who the parish finance council members are.

### Background

#### Employment Background

Mark F. Fisher<sup>13</sup> has argued that the charge of the finance council, and the knowledge required to carry out that charge, are significantly different than those for other parish organizations. Finance councils require "scientific knowledge", knowledge that is always and everywhere true. Other parish organizations rely on less specific, general knowledge. Finance council members should be familiar with professional financial and business practices, including budgeting and financial reporting principles. Members of other parish organizations tend to depend on their understanding of church and specifically their sense of their parish's history and culture. Because of the need for specific business knowledge on the part of finance council members, not every parishioner, no matter how well-intentioned, is qualified to serve on the parish finance council.

Table 10 shows the primary types of employment held, either currently or before they retired, by the survey respondents. While there was a great deal of variety, nearly half came from the financial or corporate sectors. Only about 10 percent came from blue collar or trade professions.

TABLE 10  
PARISH FINANCE COUNCIL MEMBERS  
EMPLOYMENT

<u>Position Description</u>	<u>Percent</u>
Financial Sector	29.2%



Executive/Management	19.1%
Small Business Owner	4.5%
Engineering/Technical	4.5%
Education	4.5%
Real Estate	3.4%
Sales	3.4%
Government	3.4%
Consultant	2.2%
Human Resources	2.2%
Blue Collar/Trades	10.1%

Where possible, parish finance councils should include members from a variety of professional business backgrounds.

### Personal Background

Table 11 presents data from the survey concerning the respondents' personal background.

TABLE 11  
PARISH FINANCE COUNCIL MEMBERS  
BACKGROUND

<u>Characteristic</u>	<u>Value</u>
Age	
Mean Age	61
Median Age	61
Range of Ages	32 - 87
Ecclesial Status	
Percent Religious	6.2%
Percent Lay Woman	37.5%
Percent Lay Man	56.3%
Race	
Percent Asian/Pacific Islander	3%
Percent African American	2%
Percent Hispanic/Latino	1%
Percent Caucasian	94%
Religious Background	
Percent Raised Catholic	80%
Percent Married to Catholic	90%
Education	
Percent College Degree	70%
Percent Graduate/Professional Degree	32%
Percent Catholic Primary	65%
Percent Catholic High School	46%

Percent Catholic College	34%
Encouragement to Begin This Ministry	
Percent Spouse	30%
Percent Other Family Member	14%
Percent Priest	68%
Percent Lay Ecclesial Minister	8%
Percent Religious Brother/Sister	10%
Percent Deacon	6%
Percent Friend	22%
Percent Teacher/Professor	8%
Percent Parishioner	39%
Percent Inspired by Movement Within the Church (e.g. RENEW)	
23%	
First Led to Church Ministry	
Percent Response to God's Call	40%
Percent Be of Service to the Church	84%
Percent Enhance Spiritual Life	48%
Percent Fit Areas of Interest/Competence	59%
Percent Invited by Pastor/PLC	59%
Percent More Active Parish Life	63%
Percent Attracted To Ministry	24%
Percent Minister to Ethnic Group	5%
Ministry as Finance Council Member	
Mean Years This Parish	7
Median Years This Parish	11
Years Served Range	1 - 35
How Learned of Position	
Percent Contacted by Pastor Directly	66.7%
Percent Nominated by Council Member	16.1%
Percent Notice in Bulletin	7.5%
Percent Selected by Parishioners	2.2%
Percent Parish Trustee	14.0%

Finance council members tended to be older, predominantly lay and (in contrast with parish business managers) primarily male. Respondents were overwhelmingly Caucasian. The vast majority were raised Catholic, and of those that were married, their spouse a Catholic. A large portion (70 percent) had a college degree and nearly a third possessed a graduate or professional degree. At least two-thirds were products of Catholic education.

Two-thirds of finance council members were encouraged to pursue this ministry by a priest, with significant encouragement also coming from fellow parishioners and their spouse. They chose this ministry principally because of their desire to be of service to God combined with a desire to be more active in their parish. The fact that this particular ministry fit their area of interest, along with the fact that an invitation came from the pastor, were also important considerations.

Finance council members were apt to be rather long-serving, with an average of seven years and a median of 11 years on the council, which means that half of the respondents' had served even longer than that. This is likely caused by the need for qualified, experienced individuals in this role. In keeping with the nature of the position and the background and experience necessary to effectively serve, few parishes left the selection of finance council members to chance. The vast majority were either directly selected by their pastor (two-thirds) or by a present council member (one-sixth).

The focus group participants were asked to relate the events that resulted in their joining the finance council. A sizable majority indicated some variation of "The pastor recruited me", but a handful had experienced non-traditional paths to council membership

"I was a member of the school board of our parish and the president of the school board asked a school board member to report monthly to the pastoral council and the finance council. I volunteered. So at first I was reporting as a liaison, but after a while the pastor asked me to join the finance council" (Midwest).

"I was interested and concerned about parish finances and attended a finance council meeting. I found it interesting and became a regular visitor. At one meeting I was asked to join, and I did" (Midwest).

"I was invited as co-chair in the capital campaign committee, which was designed to raise money for our building fund. After a short time and a change of office staff, we decided to dissolve the committee and I was asked to participate on the finance council" (West Coast).

Among the takeaways from these comments are 1) at least one participant's parish finance council was wise enough to include regularly scheduled school board reports at its meeting, and 2) at least one participant's parish finance council held open meetings.

## **Finance Council Characteristics**

### Functioning of Parish Finance Councils

In order to fully understand the roles, responsibilities, and training needs of finance council members, it is helpful to know about the parish finance council itself. What does it do, and how does it do it?

Table 12 provides information of the finance council's operations.

TABLE 12  
PARISH FINANCE COUNCIL MEMBERS

## PARISH FINANCE COUNCIL CHARACTERISTICS

<u>Characteristic</u>	<u>Value</u>
Percent Written Job Description	57.0%
Knowledge of Culture	
Percent Somewhat or Very Important	61.3%
Percent Very Important	33.3%
Percent Reason Selected for Ministry	52.0%
Functioning of Council	
Participation/Leadership Distributed	
Percent Somewhat or Very Much	92.2%
Percent Very Much	63.3%
Pastor Dominates; Discussion/Involvement Minimal	
Percent Somewhat or Very Much	16.5%
Percent Very Much	4.4%
Structured Controversy Leading To High Quality Decision Making Encouraged	
Percent Somewhat or Very Much	67.8%
Percent Very Much	40.0%
Consensus Sought for Important Decisions	
Percent Somewhat or Very Much	90.3%
Percent Very Much	72.0%
Racial/Ethnic Makeup of Parish Represented on Council	
Percent Somewhat or Very Much	60.7%
Percent Very Much	35.7%
Parish Finance Council Involvement in Decisions	
Parish Operating Budget	
Percent Not Involved	6.5%
Percent Consults	12.9%
Percent Approves	37.6%
Percent Determines	43.0%
Parish Financial Policy	
Percent Not Involved	1.1%
Percent Consults	25.6%
Percent Approves	31.1%
Percent Determines	42.2%
Long-Range Parish Financial/Physical Needs	
Percent Not Involved	2.2%
Percent Consults	22.0%
Percent Approves	33.0%
Percent Determines	42.9%

## Parish Provides Adequate Resources to Finance

### Council

Percent Somewhat or Very Much	94.0%
Percent Very Much	72.0%

Since finance councils address the same specific issues year in and year out (budgeting, financial reporting, etc.) it is important for a variety of reasons, including the ability to make comparisons across time and across parishes, that a consistent set of guidelines informs their work. Naturally, they must apply generally accepted accounting principles. Nearly all dioceses have systems in place so that all parish financial reports are presented in a uniform manner. Each finance council member should know exactly what is expected of him/her.

Only a bit more than half of the parishes in the survey sample provided their council members with a written position description. While this might seem like an unimportant detail to someone with a strong financial background, the fact of the matter is that, unlike most other parish organizations, every parish finance council across many years must be consistent in the procedures they follow. Written guidelines assist in that process, and are invaluable to new council members. They are also valuable when the council is required to deal with issues that arise on an irregular basis.

### Effective Group Processes

In order for parish finance councils to carry out their call they need to function as an “effective group”. An effective group is one whose members are committed to making the most of not only their own success, but also the success of each other. Members recognize that their success depends on the efforts of all group members.

Research studies<sup>14</sup> have attempted to identify the dynamics that lead to an effectively functioning group. Among the characteristics that have been recognized are the following:

- Participation and leadership are distributed among all group members. Equal participation and leadership invest all members in the group’s work and boosts their commitment to implement and defend the group’s decisions. In the process they also improve the group’s ability to utilize the gifts of every group member. Over 90 percent of those surveyed agreed that this was characteristic of their finance council, and over 60 percent indicated that this was very much the case.
- Two-way communication is a key component of effective groups. This means communication from the pastor to the council and also from the council to the pastor. Since the group is advisory to him, they need to know the pastor’s views on the issues. But effective group processes also require good communication from the members to the pastor, in order for their advice to be received and have an impact on parish decision-making. Parish finance councils that fail to communicate their opinions to the pastor run the risk of becoming little more than rubber stamp bodies for the pastor or parish business manager. In spite of the fact that more than 90 percent of the respondents felt that participation and leadership were distributed, one-sixth also claimed that there was little discussion and that members had minimal involvement. Of course, the pastor has the

final decision. But given most pastors' weak financial background, they need an involved finance council.

- Conflicts and controversy are essential elements of effective group processes. They not only motivate involvement, they potentially lead to more creative and higher quality decision-making. Once settled they inspire a sense of commitment to implementing the decision. Controversies safeguard the opportunity for minority and dissenting opinions to achieve careful consideration. Only two-thirds of the respondents agreed that this characterized their parish finance council. One interpretation is that for the other third, the finance council is nothing more than a rubber stamp for whatever the pastor or parish business manager propose.
- Different situations require different decision-making procedures. The size and seriousness of the decision along with issues involved in implementing it need to be considered. Consensus should be sought for important decisions. The process of achieving a consensus itself is healthy in that it animates participation of all, and increases the prospects for constructive controversy, involvement, cohesion, and commitment. Over 90 percent agreed, and nearly three-fourths agreed very much, that their finance council matches the decision-making procedures with the situation and that consensus is sought for important decisions.

According to Table 12 only about 60 percent of the respondents felt that their parish finance council mirrors the racial and ethnic makeup of the parish. By itself, this is not necessarily a bad thing, since finance councils need to be concerned first and foremost with ensuring qualified representation on the council, regardless of ethnic or racial background. But since a substantial majority of finance council members are appointed by the pastor, it is incumbent that he makes an effort to search out qualified parishioners of minority backgrounds to serve on the finance council.

#### Activities of Parish Finance Councils

What do finance council members do? As Table 12 indicates they tend to be involved at one level or another in budgeting, setting parish financial policy, and planning for the parish's long-run financial and physical needs. Over 40 percent of the respondents for each of these items indicated that their council is very involved even to the point of participating in the determination of the budget and policy. About a third are engaged at a level where council approval is required. This level of involvement compares favorably with an earlier study by Zech, Gautier, Miller, and Bendyna<sup>15</sup> that found in their sample

- 19 percent of finance councils were involved in determining the parish budget, 51 percent approved it, and 28 percent only had a consultative role
- 19 percent determined parish financial policy, 39 percent had approval responsibilities, and 38 percent had a consultative role
- Parish financial and physical needs were determined by 22 percent, approved by 29 percent, and consulted on by 45 percent of the finance councils.

The Zech, et al study also found that two-thirds of the parish finance councils were involved at one level or another in dealing with vendors.

Finally, an overwhelming majority of respondents agreed that the parish finance council had sufficient resources to work with.

Table 13 shows the frequency with which finance councils in the sample reviewed some typical financial statements. With a couple of exceptions an overwhelming majority of councils reviewed each financial statement at least quarterly and, with the same exceptions, a majority of the respondents believed that their finance councils reviewed these statements on a sufficient frequency.

TABLE 13  
PARISH FINANCE COUNCIL REVIEW  
OF FINANCIAL STATEMENTS

<u>Statement</u>	<u>Percent Never</u>	<u>Percent At Least Quarterly</u>	<u>Percent Sufficient</u>
Periodic Cash Receipts/Disbursements	9.3	87.0	59.8
YTD Cash Receipts/Disbursements	5.8	87.2	55.7
Unpaid Bills at End of Period	26.5	63.9	47.4
Cash on Hand	2.3	89.6	58.8
Balance Sheet	1.1	88.6	59.8
Comparison of Actuals to Budgeted	3.4	88.5	56.7
Comparison of Current to Prior Year	4.6	83.9	55.7
Debt Outstanding	1.2	85.2	52.6
Investment Results	8.6	70.3	44.3
Bank Reconciliations	29.1	61.6	46.4

#### Roles of Parish Finance Councils

When asked about their role in helping the parish achieve its mission, most of the focus group participants responded by referring to stewardship, oversight, and guidance to the pastor and business manager

“The parish finance council goal is to provide guidance and advice to the Pastor on how to ultimately meet the stewardship and pastoral mission from a financial perspective” (East Coast).

“Our task is to facilitate the ability of all members to form a stable financial platform” (East Coast).

“The parish mission statement serves as a guideline for the parish. We use the budget to allocate funds to support the goals of the parish” (Midwest).

“We are charged with maintaining the financial health of the parish, including raising sufficient income to meet the operating expenses as well as the desired goals of the parish as set out by the parish council and pastor. We also need to maintain the building and grounds to prevent deferred repairs issues” (Midwest).

“It is about gifts, talents, treasures. We help parishioners identify their gifts and talents. We ask them to utilize those gifts and talents in some type of parish ministry. Parishioners tend to give and support the parish when they are active participants and have a vested interest. This is a perfect alignment with the parish mission” (West Coast).

Some took a broader view

“The finance council has a responsibility to educate the parishioners about the costs associated with running a parish and develop ideas to increase weekly collections” (East Coast).

“I believe that the finance council has a responsibility not only to oversee the “business” of the Church, but to make certain that we have the funds to support, and plan for the future of ministries. 1) Know the mission, 2) Know the community, 3) Be a good steward, and, 4) be qualified, able individuals” (West Coast).

One Southwest participant saw the interconnection of the finance council with other parish ministries in achieving the parish mission

“I believe them to be deeply interwoven. Since the parish financial council controls the financial resources of the parish, they can only support the stewardship and pastoral missions of the parish if they understand their missions and their plans. The stewardship and pastoral councils must also understand that financial resources are limited and must be carefully allocated”.

But a Midwest participant had a different experience

“I understand that the connection to the parish is very important. Unfortunately my pastor is not experienced in organization and not assertive. Hence, all “structure” is very non-connected. This leads to general apathy/resistance to change. Priests need organizational education”.

One East Coast participant put it very succinctly

“No money, no mission”.

## **Relationships**

While pastoral council members don’t have as many or as deep relationships with constituents as do parish business managers, nevertheless many are important to effectively carrying out this ministry.

Pastor



The finance council is strictly advisory to the pastor, while at the same time finance council members would be expected to have knowledge that the pastor lacks but which is critical to the success of the parish. As a result there could exist some tension between the two. Some pastors, unwilling to cede any control over something as important as parish finances, expect their finance councils to be token bodies or rubberstamp their every financial decision, or worse, to ignore them. Zech, et al, found that, in spite of the mandates of canon law, only 90 percent of the parishes in the U.S. had finance councils. Others seldom met, with 7% meeting semi-annually or less and a large number never reviewed important parish financial reports. In a little more than a third of the parishes the pastor served as chair of the finance council.<sup>16</sup> At the other extreme are pastors who recognize their limitations and relinquish almost total control of parish finances to the business manager and finance council. Hopefully most pastors strike a happy medium, selecting the best finance council members possible, listening to them and learning from them, but maintaining final decision-making authority.

Nearly all of the focus group participants recognized the proper balance between finance council and pastor

“Our finance council relates well with the pastor. He takes our recommendations into consideration. He has the last say, but he weighs our recommendations heavily” (East Coast).

“It is essential to communicate financial issues with the pastor with an open line of communication. The pastor must hear the concerns expressed by the finance council to be effective” (Midwest).

“Our pastor is present in our quarterly meetings and the finance council serves to support and assist the pastor” (Southwest).

“We are just forming a finance council; so this is my hope as a member: That we would have an open honest relationship; be seen as consultants; be as source of ideas, and be a representative of the pastor to the community to share his vision. We hope to be a resource to him” (West Coast).

But some expressed some frustration with the pastor

“Our current pastor prefers short meetings. Many issues are presented to us without getting our input” (East Coast).

Our pastor does not understand basic financial applications. Many times he disregards the budget” (East Coast).

Participants were asked about what they specifically need from the pastor. Among the responses were a better understanding of who and what the parish finance council is and more feedback from the pastor.

### Parish Business Manager

The parish finance council is not only advisory to the pastor, but through him they are also advisory to the parish business manager. Most parish business managers serve ex officio on the finance council. Council depends on the business manager to provide data and reports and to respond to questions. Clearly the two need to work together closely

“We work closely with the business manager and usually have contact on different issues a couple of times a week” (Midwest).

“She is an active participant and chief resource person for the finance council. I frequently interact with her by phone” (Southwest).

“Our business manager is often our intermediary between the pastor and the council” (East Coast).

“The parish business manager keeps the meetings in order and establishes rules and guidelines, as well as, putting the reports together for review. The parish business manager chairs the meetings of the finance council” (West Coast).

Participants were asked what would make their relationship with the parish business manager better. Among the responses were

- Contact the finance council **before** any major expenditures. Please, no surprises. This includes personnel issues that might impact the parish’s finances.
- Provide minutes of the pastoral council and any other committee that might impact the finance council.
- Effective communication is essential, including educating finance council members about their role.

### Parish Pastoral Council

As the two most important advisory bodies in the parish, there should be a close working relationship between the finance council and the parish pastoral council. As Mark F. Fischer has pointed out<sup>17</sup> the two councils address different issues and require two different types of knowledge. But at some point close interaction is required as the plans formulated and implemented by the pastoral council need to be addressed in the budget and other financial decisions made by the finance council. Most observers recommend that at least one member of each council sit ex officio on the other council in order to facilitate this relationship.

Somewhat surprisingly, nearly half of the focus group participants either belonged to parishes that lacked a pastoral council or where the finance council had absolutely no relationship with the pastoral council. In about a quarter of the parishes the relationship could best be described as loose or informal

“No direct interaction. Only indirect interaction through the pastor” (East Coast).

“One joint social meeting in June to welcome new members and thank those who are leaving” (East Coast).

“I know several members of the pastoral council” (Midwest).

“No formal relationship. We find out what they are doing with financial ramifications through the pastor or business manager” (Southwest).

“We meet with the pastoral council twice a year, but there is no real interaction” (West Coast)”.  
 (West Coast)”).

About a quarter of the participants described a formal relationship between the pastoral council and the finance council

“I serve as the finance council liaison to the pastoral council so that the finance council can track the activities of the pastoral council. As the resources of the parish are limited, they need to be directed to support the pastoral plan” (East Coast).

“Parish finances are discussed fully with the pastoral council to be certain that we are on the same page” (East Coast).

“We are linked through the finance council chair. Agendas and minutes are shared. The pastoral council is visionary – the finance council deals more in present and with existing constraints (money)” (Midwest).

“At least one pastoral council rep attends the monthly finance council meetings as a liaison, plus the pastoral council president is strongly encouraged to attend and participate in all financial activities, including voting” (Midwest).

“There is a member of the finance council on the pastoral council to provide information sharing, vision sharing, clarification, and to discuss projects, the needs of the community, and approaches to addressing them” (West Coast).

“We have a close relationship. The pastoral council plans and the finance council ok’s funding when appropriate” (West Coast).

Participants were asked about what they wished pastoral council better understood about the finance council. Among the responses were

- The financial resources and the cash flow of the parish are limited and we seek to maximize the dollars that are available for the various ministries.
- We are all working towards the same goals. Let’s cooperate.
- We must conform with diocesan rules and regulations.

### Parishioners

Somewhat surprisingly, many focus group respondents indicated finance council had no relationship with parishioners

“Most parishioners don’t know that we exist or why” (East Coast).

“Parishioners are invited to contact finance council members but rarely ever do” (East Coast).

“We could benefit from more social contact with the members of the Parish” (Midwest)

“We will occasionally get calls or questions but they are rather infrequent” (Southwest).

Some of the contact with parishioners is informal

“Most of our questions come after Mass or at a ministry meeting (music, etc.)” (East Coast).

“We try to keep them informed with what is being done with finances. Good PR never hurts over coffee, etc.” (Midwest)

Others stated that finance council members made formal presentations to parishioners on the budget or other financial reports

“Finance council members make short pulpit announcements three or four times a year to discuss budget, increase giving campaigns, bishop’s appeal, etc.”(East Coast).

“Our finance chair presents the budget in November of every year to our parishioners. This shows the parish where we are financially so any concerns can be addressed” (Midwest).

“We give a ‘State of the Parish’ presentation” (Southwest).

A small minority disclosed that formal opportunities for exchange between parishioners and council members existed in their parish

“Contact information to finance council exists on our parish website. Parishioners can send us emails and we answer them” (East Coast).

“We hold open meetings. Finance council reports are kept in writing and given from the pulpit” (Midwest).

“Our finance council holds an annual town hall meeting” (East Coast).

“Most parishioner input is gathered outside of finance council meetings. Parishioners are welcome to attend the early part of each finance council meeting to present issues” (West Coast).

Focus group participants were asked what they wished parishioners understood better. Among the responses were

- A finance council exists. We offer oversight of parish finances and give the parish guidance about parish assets. We provide accountability and decision-making assistance.
- There is no such thing as unlimited funds
- We need your help in raising funds

### Parish School

Most of the focus group participants either belonged to parishes without a school or had no relationship with the school. In this latter case, the reason was often because the school was an independent, regional school. Of those that had a relationship, most reported that the relationship was healthy

“The principal attends finance council meetings. The school is a key part of our parish’s finances. The finance council sets the tuition. Occasionally a finance council member reports to the Home and School Association” (East Coast).

“The School Board is represented on council. The principal and office manager report to the pastor. The school budget receives a subsidy determined by the finance council. The school budget is presented and vetted by finance council” (Midwest).

“Similar to pastoral council, a member of the finance council serves as liaison to the school committee” (Southwest).

But some relationships were not so healthy

“We have a very troubled relationship with the school board as they appear to not want to share any financial information” (East Coast).

“We don’t get any specific financials relating to the school other than the amount of the subsidy the parish is responsible for” (East Coast).

“The school is not much on our agenda: (West Coast).

### Diocese

Most of the participants indicated that they had no direct contact with the diocese, other than submitting the required reports. Those who had dealings with the diocese were generally negative

“Keep them away! They provide no value added. They require us to comply with things that distract us from our activities” (East Coast).

“The diocese is a one-way street. They tell us what they want and demand it be provided. There is little or no return from the diocese as to parish needs and no cooperation with parish requests” (East Coast).

However, some participants saw the diocese’s value

“The diocese assists the finance council to ensure good operating practices. They are consultative and supportive” (Midwest).

“The diocese supports the parish, providing informational resources and resources on finance council and questions” (Midwest).

“We educate ourselves to their policies and work in harmony with them” (West Coast).

Participants in the West Coast focus group were asked what they wished the diocese understood better. Among the responses were

“We need spiritual and practical formation. Many here don’t understand stewardship”.

“We are volunteers with the parish’s best interests at heart”.

“We want to work with you and you with us. We want you to be honest and genuine”.

They also asked that the diocese

“Do live Web-x on-line training in a coordinated manner at least once every three months so that all finance councils are on the same page.”

“Proved support, such as do’s and don’ts, and statistics on how other parishes are doing”.

“Have bulletins specially dedicated to the finance council that can be passed along at the monthly meetings”.

Perhaps the relationship between the diocese and the finance council depends on the particular diocese.

## **Education and Training Needs**

### Previous Training

Table 14 shows information on the types of education and training that had been available to the survey respondents.

TABLE 14  
PARISH FINANCE COUNCIL MEMBERS

## PERCENT PREVIOUS TRAINING

<u>Training</u>	<u>Percent</u>
Opportunities for Continuing Formation as Parish Finance Council Member	
Diocesan-based Orientation	23%
Parish Support for Attending Conferences	18%
Diocese Sponsored Retreats	5%
Diocesan Office Responsible for Consulting	14%
No Education/Formation Available	44%
Financial Assistance for Continuing Education	
Parish	5%
College/University	0%
Seminary	0%
Religious Community	1%
Diocese	4%

Over 40 percent of the respondents indicated that there had been no education or training available to them. Notably lacking was an organized effort on the part of dioceses to provide any support at all for finance council members. Fewer than a quarter offered an orientation program for members, only 5 percent sponsored retreats, and only 14 percent even had a diocesan office to provide consulting or other support to finance council members. A handful of parishes offered financial assistance for members to attend conferences, but financial support from any source for education or training of parish finance council members was virtually non-existent.

The focus group participants were asked about the initial training they received. Typical responses were

“None zip NADA” (East Coast).

“I did not receive formal initial training as a new member, but group discussions within the council helped a great deal” (East Coast).

“None, it was more of a matter of a baptism by fire, learning as you go” (Midwest).

“Half the council turned over at the same time. I received very little training. Primarily it was guidance from existing members and the finance council chair” (Southwest).

Although one West Coast participant had a better experience

“We had a group training session. We also had someone from the diocese attend a meeting and show us what to look for”.

The focus groups were also asked about continuing opportunities for formation. Typical responses were

“I’m not aware of any. I would happily attend/ take advantage of opportunities. Other members of our finance council would also” (East Coast).

“Our diocesan ministry formation program has a financial training component that covers a wide variety of basics. But none of it was specific to parishes. I hope they improve on this” (Midwest).

“None, although I’ve initiated some one-on-one discussions which probably would have been better suited for inclusion in a training program” (Southwest).

“This is my first outside meeting and learning session” (West Coast).

However, one West Coast participant remarked

“I just learned of the finance council workshop for new members (after two years). I have not been involved in any training.

One might argue that typically parish finance council members are highly trained professionals offering their talents to serve their parish and hence are less likely to require much education or training to carry out their ministry. However, this overlooks the fact that financial and other business-related issues are different for a non-profit organization compared to a firm in the proprietary sector. Second, not all finance council members have a broad background covering all the issues that a finance council member might encounter (budgeting, facilities, contracts, etc.). And finally, since membership on a finance council is a ministry to a faith-based organization, members should have some formation in areas such as personal spirituality, the theology of the parish, etc.

#### Areas of Responsibility Important vs. Prepared

Table 15 displays the results of the survey of parish finance council members where they were asked about the importance of a variety of areas that council members might encounter and their degree of preparedness for each.

TABLE 15  
PARISH FINANCE COUNCIL MEMBERS  
AREAS OF RESPONSIBILITY IMPORTANT/PREPARED

<u>Areas of Responsibility</u>	<u>Important</u>	<u>Prepared</u>
Financial		
Administering a Budget*	3.83	3.68
Financial Reporting*	3.82	3.53
Managing Investments	3.01	2.89
Stewardship/Development*	3.37	3.07



Insurance	2.94	2.78
Real Estate	2.46	2.38
General Management		
Project Management	2.98	3.00
Facilities Management*	3.24	2.99
Strategic/Pastoral Planning*	3.26	2.90
Church Marketing	2.63	2.54
Legal		
Understanding Canon Law*	2.44	2.01
Understanding Civil Law	2.86	2.64
Understanding Diocesan Financial Guidelines*	3.65	3.02
Religious		
Possessing a Personal Spirituality	3.46	3.38
Catholic Social Teaching	3.01	2.88
Understanding Church Doctrine	2.85	2.66

1=Not at all    2=A little    3=Somewhat    4=Very

\*Denotes differences significant at 95% confidence level

Respondents indicated that they were significantly underprepared, based on the importance that they placed on them in their role as finance council members, in seven areas of responsibility. While it is distressing to learn of significant discrepancies between the level of importance and the degree of preparedness in areas such as budgeting, financial reporting, and strategic planning, it is most disturbing that the respondents indicated that the greatest shortfall in their preparation is in their understanding of diocesan financial guidelines.

Nearly as troubling is the degree to which respondents undervalued the importance of other areas of responsibility such as insurance, civil law, and understanding church doctrine. As parish organizational structures become more complex finance councils will increasingly be required to provide their wisdom on these areas. Naturally it is important for any church advisory body, but especially one as important as the finance council, to understand not only canon law but also church doctrine.

#### Education and Training Needed

Focus group participants were asked about the types of education and training opportunities that they would find beneficial

“Learning how to search out new revenue streams for parishes and economy/efficiency cost reduction practices” (East Coast).

“Canon law as it relates to both church and school finances and banking relationships (specifically electronic banking)” (East Coast).

“A symposium on current financial issues with a focus on best practices. They should provide a diocesan guidebook along with a website with resources” (East Coast).

“Topics include effective board dynamics, risk, governance, technology, strategy scenario planning, and business acumen” (East Coast).

“Diocesan training and expectations for finance council and diocesan finance and accounting principles and processes” (Midwest).

“I would like to see the following topics covered: budgeting, long range financial info, assessments (possible a better way to handle them), and project management” (Midwest).

“We need training in the way diocesan accounting works. Council spends too much time attempting to understand how funds flow through the system into revenue and expense accounts. We need some way of updating asset accounts for current rather than historical value” (Southwest).

“I would like to understanding what diocesan expectations and guidelines are; the role of finance council members; and learn what resources are available to assist us” (Southwest).

“How do other parishes handle the financials where there are two parishes and two finance councils? How should expenses be split? Who decides that?” (West Coast).

## **Summary and Recommendations**

### **Summary**

Unlike parish business managers or other parish organizations, parish finance councils are mandated by canon law. Every parish must have one. While their role is strictly consultative, it is to the benefit of the pastor, and in fact the entire parish that the finance council is staffed with qualified individuals with a business background. Going forward, as parish organizational structures become more complex, finance councils will require members to have more than just a financial background. An understanding of civil law, facilities, and planning processes, among others, will also be important for them to play their proper consultative and oversight roles.

The quantitative and qualitative data revealed that most parish finance council members were actively engaged in parish operations, providing input into the budgetary process and oversight through their regular review of parish financial statements. There were indications, however, that some pastors failed to involve their finance councils or expected them to be nothing more than rubber-stamp bodies for their decisions.

From the focus group data one could conclude that there needs to be more interaction between the parish finance council and the pastoral council and parishioners.

The survey of parish leaders disclosed a general lack of preparation among parish finance council members in a number of areas of responsibility, both in the financial and non-financial sectors. Perhaps of greatest concern is the insufficient understanding of diocesan financial policies.

At the same time, both the quantitative and qualitative data revealed that most of the respondents had received little or no education or training for their role on the finance council. Most learned about their role through informal, on the job training. This is compounded by the fact that a large minority of parishes lacked written guidelines for finance council members.

#### Recommendations for Parish Finance Council Members

Parish finance councils, as Mark F. Fischer has observed, are unlike most other parish organizations in that they require their members to have “scientific knowledge”, knowledge that is always and everywhere true, such as an understanding of generally accepted accounting principles. However, finance council members need more than that. They need an understanding of how these principles apply in the unique setting of a faith-based non-profit. Furthermore, increasingly they are required to possess an understanding of other business issues such as facilities management and civil law that appear in Table 15. All need to be aware of specific diocesan policies.

Most finance council members are busy professionals, with scant time to attend classes or workshops to educate themselves. In order to meet the need for properly educated finance council members, distance learning programs should be established that are both easily accessible and flexible enough to be delivered to members on their time schedule. This is most efficiently done at the national level. A national church organization should undertake the responsibility for developing a rigorous yet accommodating distance educational program for parish finance council members. Like the distance learning approach described above for parish business managers the delivery system should encompass a multi-media approach which includes the following features

- Streaming video, including high-definition video
- Streaming audio
- Downloadable audio (podcasts)
- Articles, papers, and presentations (text, presented in the Web browser)
- Other multimedia downloads including Word, PDF, and PowerPoint files
- A fully searchable and categorized archive
- The ability to “tag” content

This education should cover the areas of responsibilities listed in Table 15, along with any others that are determined to be relevant.

The findings reported here make it clear that finance council members also require training in local diocesan policies. Each diocese, in turn, should establish its own training program. This could be as basic as a guidelines booklet (which most dioceses have already established), perhaps accompanied by a training video. But this may not be

enough. Dioceses should consider staffing a position that serves as a consultant to finance council members. Perhaps this position could be combined with a position that provides consultation to parish business managers.

While many dioceses would react negatively to the concept of creating such a staff position, good stewardship requires it. An effective diocesan-level consultant would pay for itself in the form of more efficient handling of parish finances.

It is also important that finance council members receive formation in areas such as Church doctrine, Catholic Social Thought, and personal spirituality. Such formation can best be delivered by a series of one day, weekend mini-retreats sponsored by the diocese.

Finally, as the emerging parish model gravitates towards pastors who pastor multiple parishes, issues surrounding the mechanisms of “inter-parochial finance councils (those established in clustered or twinned parishes) along with inter-parochial pastoral councils will take on added significance<sup>18</sup>.

## **Financial Accountability and Transparency**

There are essentially two ways for parishes to exhibit financial accountability and transparency. One is to give parishioners the opportunity for input into financial decision making, such as determining the parish budget. The other is to keep parishioners informed on the parish’s financial situation on a regular basis by providing them access to financial reports.

### **Parishioner Opportunity For Input into Parish Budget**

Table 16 shows the findings from the survey of parish business managers, who were asked about ways in which their parish is financially accountable and transparent.

TABLE 16  
PARISH FINANCIAL ACCOUNTABILITY  
AND TRANSPARENCY

<u>Activity</u>	<u>Percent</u>
Budget Preparation	
Parish Ministries Asked About Financial Needs	66.0%
Open Meetings to Establish Budget Priorities	8.0%
Draft Budget in Parish Bulletin	5.0%
Draft Budget Mailed to Parishioners	6.8%
Parish-Wide Presentation of Draft Budget to Parishioners	1.0%
No Opportunity to View Draft Budget	79.7%

The top of the table lists the responses for some typical opportunities for parishioners to be engaged in the budget preparation process. The findings are disappointing.

In only two-thirds of the parishes in the sample did the business manager consult with the various parish ministries to learn their needs when formulating the budget. This makes one wonder about upon what basis the budget was formed in the other one-third of the parishes. In 80 percent of the parishes the typical parishioner had absolutely no input into the formulation of the parish budget. This is important because the parish budget is an indicator of parish priorities. By its spending, the parish signals what it values. Does the parish value religious education? Outreach to the poor? Evangelization? By viewing the budget, one should get an understanding of the parish. Depriving parishioners the opportunity to participate in budget formulation is to deny them a voice in determining parish priorities. If parishioners are to contribute to the parish at a high level, they need a say into how the funds are spent. Zech<sup>19</sup> found that fewer than half of the parishioners in his sample thought that they had enough influence in parish financial decision-making. Those who did believe that they had sufficient influence contributed significantly more than those who did not believe that their input was sufficient. Likewise, those who thought their parish's budget priorities were appropriate (barely half of the sample) were significantly better givers than those who disagreed.

### **Parishioner Ability to Review Financial Reports**

The other component of financial accountability and transparency is the issuance of parish financial reports. Table 16 shows the frequency with which parish financial reports are made available to parishioners in a variety of settings. The table also shows the judgment of the parish business managers as to whether this frequency is sufficient.

TABLE 17  
PARISHIONER ABILITY TO  
REVIEW FINANCIAL REPORTS

Parishioners View Parish Financial Reports	
Sunday Collection Reported in Parish Bulletin	
Percent Weekly	69.7%
Percent Never	6.1%
Percent Sufficient	78.0%
Financial Reports Posted in Parish Bulletin	
Percent At Least Quarterly	19.4%
Percent Never	9.0%
Percent Sufficient	68.0%
Financial Reports in Parish Newsletter	
Percent At Least Quarterly	19.2%
Percent Never	40.4%
Percent Sufficient	35.0%
Financial Reports Mailed to Parishioners' Homes	
Percent At Least Quarterly	4.8%
Percent Never	49.2%

Percent Sufficient	58.1%
Financial Reports Posted on Parish Grounds	
Percent At Least Quarterly	8.3%
Percent Never	66.7%
Percent Sufficient	43.0%
Financial Reports on Parish Website	
Percent At Least Quarterly	6.6%
Percent Never	59.0%
Percent Sufficient	46.0%
Financial Reports Given At Mass	
Percent At Least Quarterly	4.7%
Percent Never	31.3%
Percent Sufficient	54.1%
Financial Information Shared At Town Hall Meeting	
Percent At Least Quarterly	3.8%
Percent Never	61.1%
Percent Sufficient	30.0%
No Financial Reports Distributed	8.1%

Over 90 percent of the parishes in the sample distributed at least one parish financial report to parishioners at least annually. But eight percent of the parishes did not distribute any financial reports in any format. Zech<sup>20</sup> found that barely over half of the parishioners in his sample believed that they received enough information about the handling of funds in their parish, but those who did contributed significantly more.

## **Summary and Recommendations**

### Summary

Parish financial issues, especially those involving transparency and accountability, will become increasingly important in the emerging model of parishes as parishes take on a more program or corporate approach in reaction to their increasing size. Parish business managers and finance council members will be at the forefront of this development. More complicated financial management processes, along with a heightened desire on the part of parishioners to be actively involved in decisions regarding their financial contributions, will require business managers and finance council members to be innovative in the ways that they solicit parishioner input. This is simply good stewardship. Unfortunately, most of the parishes in the CARA survey did not exhibit open and transparent processes.

### Recommendations on Financial Accountability and Transparency

These findings lead to the following recommendations

- Parishioners should be provided the opportunity to view and comment on the parish budget while it is still in its draft form and before it is finalized, with the understanding that the final say belongs to the pastor
- Routine parish financial statements, such as a comparison between budgeted and actual expenditures and revenues, should be made available to all parishioners on a regular, preferably quarterly, basis.

## **Multi-Cultural Issues of Parish Internal Financial Controls**

An evolving issue in the area of financial transparency and accountability is the emergence of culturally-centered ministries in multi-cultural parishes. How are these ministries financed? Who maintains control over their budgets? In other words, how do parishes implement internal financial controls in their oversight over these entities?

### **Parish Business Manager Participants**

Nearly all of the participants in the West Coast focus group of parish business managers ministered in multi-cultural, multi-lingual parishes. In many cases each cultural group supported their own culturally-centered ministries. These business managers were asked a separate set of questions relating to the uniqueness of this pastoral situation.

#### Communication of Parish Financial Management Process

Participants were first asked about steps used to communicate the bookkeeping, budgeting, and financial management process in an understandable manner to each culturally-centered ministry. Most, but not all, made a special effort to reach these culturally-centered ministries directly

“The Hispanic minister receives reports and then reports to 1) the supervisor and 2) the Hispanic Ministry Council”.

“Nothing special or different”.

“We initially meet with all ministries, and then with them individually to discuss specifics”.

“All funds must run through the general accounts of the Church. The pastor and finance council communicate with ministry groups”.

“We make an effort to be very transparent. Financial reports are provided regularly to ministries. Our policy for ministries is that they earn (fundraise) for their needs”.

“All must have a chart of accounts. All must have a budget for income and expenses and be accountable for financial activity”.

“Working meetings are followed with E-mails and teleconferencing”.

“The pastoral leader talks to the leader of that group and then the parish business manager does the follow-up with the ministry”.

#### Culturally-Centered Ministry Budgeting

The participants were asked about budgeting, specifically the extent to which each culturally-centered ministry had its own budget and the individual responsible for reviewing them. A majority of the participants indicated that their parish allowed each of these ministries to have their own separate budgets, typically monitored by the parish business manager (occasionally along with other parish officials).

“Yes, by parish business manager. It is a balanced budget.”

“Yes, all groups have separate budgets. The business manager manages all budgets. The format for budgeting is historically based, plus related to on-going activities and future needs.

“Partially. The Pastoral Coordinator, Business Managers, Finance Council Chair, Korean Pastoral Council President, and Korean Pastor supervise”.

“Yes, managed by their treasurer, the parish business manager and the Parish Finance Council”.

“The cultural group leaders propose the budget, and the pastor approves the budget plan”.

But some participants disclosed that rather than allow them to have their own budgets, their parish gave these ministries separate line items in the overall parish budget

“Separate account centers. Only one budget”.

“No. The pastor reviews all financials. Ministry groups can do a budget, but the overall budget is combined with the parish budget”.

“No, we use separate expense centers, supervised by the pastor, business manager, and bookkeeper”.

One participant required each culturally-centered ministry to raise their own funds

“All groups have “zero” budget. They can spend what they earn. I provide statements regularly”.

### Control of Expenditures

Participants were asked a series of questions relating to the internal financial controls of culturally-centered ministries. First, they were asked about whether or not these individual ministries maintain their own checking accounts separate from parish accounts, and if so, who audits these accounts. Every participant indicated that the ministries don’t maintain their own checking accounts, with exceptions such as this one

“No. All money is run through the parish except groups that are fraternal (i.e.: Knights of Columbus and the Italian Catholic Federation)”.



A second internal financial controls issue relates to who has the authority to authorize expenditures. The majority of participants stated that the pastor alone had that authority, although in some cases the ministry leader was authorized, often with another approval

“The coordinator of Hispanic Ministry approves and then the Pastoral Coordinator”.

“Group coordinates unless the (amount) is very large; then it goes to the pastor”.

“The Korean Ministry Pastoral Council President, Korean Ministry Finance Council Chairman, and the Korean Ministry Priest”.

Finally, the parish business managers were asked about their specific role regarding the finances of these groups. In general, these groups were treated no differently than any other parish organizations

“Same as the other groups (and ministries) 1) helping construct budget with the staff person who supervises, 2) opening reports, and 3) monitoring irregularities and problems”.

“I provide the interface between the ministry leader and the pastor”.

“Educating them and updating them about available funds”.

“We must stay in constant communication”.

“I am custodian of their finances”.

“All financial issues with ethnic groups must go through the business manager before it can go to the pastor for approval”.

“I oversee the invoicing and deposit activity”.

“The parish business manager follows up what the groups have planned with the pastor. The parish business manager ensures that they follow the internal control process”.

“Review finances and budgets and assist in reporting”.

“I assist with understand and provide oversight”.

“Requests their proposed budgets which will be approved by the PPC and PFC. Prepares checks from purchase/check requests by PPC”.

“We keep to the policy”.

### **Parish Finance Council Member Participants**

The same territory was covered in the West Coast focus group of parish finance council members from their perspective.

#### Communication of Parish Financial Management Process

Participants were asked about specific actions taken to communicate the financial management process to the culturally-centered ministries in order to develop their trust and confidence. Many indicated formal relationships between the finance council and the culturally-centered ministry

“A representative from each community is a member of the parish pastoral council and the parish finance council. They report on their specific community”.

“Representatives of each community are on our board”.

“We have a representative from their ministry attend parish finance council meetings meetings, and we have a member of the parish finance council attend each of their meetings”.

Others communicated to these ministries in much the same way that they would to other members of the parish

“Bulletins and speakers in their languages”.

“Bulletin inserts”.

“We use the pastor, announcements, and bulletin news to communicate”.

One participant’s parish made a genuine effort to reach out to these ministries

“We must work through translators, and attend different unrelated cultural events to show support and community”.

There are two perspectives on the issue of appointing representatives from culturally-centered ministries to serve on parish advisory councils, including the parish finance council. One perspective holds that in order for an advisory council to serve the parish community, its membership must of necessity mirror the diversity of the parish community. Failing that, it will lose credibility with many parishioners. Others argue against placing representatives of specific ministries on key advisory councils such as parish finance councils. They cite two concerns: only the most qualified parishioners should serve on these key councils; and when individuals from specific ministries are appointed to an advisory council, those members may view their role as representing only their ministry rather than the entire parish.

### Culturally-Centered Ministries' Budgeting

Like the parish business managers, finance council members were asked about the issue of separate budgets. As with the business managers, most of the finance council members' parishes allowed culturally-centered ministries to control their own budget although in some cases they have raised the money themselves

"The Vietnamese community, when they became part of our parish, came with monies that were in a separate account".

"The Vietnamese have a separate budget".

"I believe that the finance committee reviews all budget. I am aware of a separate budget for the Spanish and Korean communities.

"Only the Hispanic ministry".

"Yes, they have individuals who handle the budget. Hispanic groups keep track of the money that they earn so that they know how much that they can spend. Sometimes a petty cash system or cash advance in return for receipts system is used".

A minority of the focus group participants' parishes had a unified budget with individual budget lines for each culturally-centered ministry.

Like the parishes of the business managers, in the finance council members' parishes the pastor typically maintained the authority to authorize these ministries' expenditures.

Finally, participants in the finance council members' focus group were asked about their role in relation to the culturally centered ministries. With one exception their comments were similar to their comments regarding their oversight role of other parish ministries

"We are aware of the account and how much is spent and for what purposes".

"The financial council sees and advises".

"To review and approve actions and expenditures if unusual or large".

"We oversee their finances".

"So far the parish finance council has not had an individual relationship with these groups".

## **Summary and Recommendations**

### Summary

One emerging trend impacting US Catholic parishes is that they are becoming more multi-cultural. One consequence of this trend is that there has been a growth in culturally-centered ministries. These ministries require another level of internal financial controls oversight, especially if they are allowed to raise their own funds and/or maintain their own checking accounts. This is a stewardship issue.

#### Recommendations on Culturally-Centered Ministries

- No individual ministry, including culturally centered ministries, should have their own separate accounts. All spending should be run through a single parish budget, with each ministry provided with its own line item. Likewise, any money raised through special fundraising should be deposited in the parish's account and credited to the ministry's line item.
- All spending for these ministries should be authorized by at least one parish official (pastor or business manager) in addition to the leader of the culturally centered ministry.
- Parish officials (business manager, finance council) should make a special effort to reach out to cultural communities in the parish to explain the parish's financial management policies.

### **Multi-Media E-Learning Deliverable**

One of the primary needs articulated by both Parish Business Managers and Parish Finance Council members during the symposia was a need for education and formation in ministry. Education has been seen as a large gap and one which this project is able to address as a direct deliverable result of our inquiry and research.

The CPPCD will work collaboratively with other partners in the Emerging Models Project to develop a unique distance learning program facilitated by a multi-media e-learning website. This new site will become a dynamic library of training and educational components on specific issues relevant to the formation of both Parish Business Managers and Parish Finance Councils. The site itself will be composed of a series of 10 minute videos on a variety of topics given by nationally recognized experts and teachers in the field of Church Management. The topics for these videos will come directly from the research conducted both by CARA and from narrative responses from our symposia attendees.

Once established, this site will be promoted among dioceses and parishes across the country. In addition, the CPPCD will seek to collaborate with universities and institutions that provide a more comprehensive and credited program especially for the formation of Parish Business Managers. These institutions may find this website to be a valuable resource for their own students. In turn, these credited programs could be advertised on the e-learning site either through links or by highlighting instructors from those programs in the videos themselves. The site will seek to offer companion pieces that might enhance any existing academic program that is either e-based or classroom based.

### **Project Details**

Instead of the traditional Web pages that comprise most Web sites, the e-learning Web site will consist of audio, video, and other multimedia content. It's best to think of the e-learning site as a YouTube in miniature: the site is fully self-contained and offers no distractions from the multimedia e-learning offerings. Full-text pages will also appear on the e-learning site, usually containing articles or transcripts. The site will also be capable of hosting PowerPoint presentations and PDF files. All content will be fully searchable and will be organized according to several criteria (for example: date, author, location).

*Organization.* All content can be further organized by "tagging" an item and assigning it an even more specialized classification. The types of "tags" we come up with are limitless. Some obvious applications include tagging by subject matter, theme, or event. Searching for or clicking on a person's name, a location, or a subject matter will return a list of all media items "tagged" as such.

*Design.* Much attention will be paid to the site's design. Clean and easy-to-use navigation menus and search tools are crucial to a successful Web site. It is also important that the home page meet two key goals:

1. Communicate the purpose and function of the e-learning Web site using an economy of words and;
2. Make content easy to find. A good site design will meet both goals simultaneously: It will present the most compelling media upon first visit and offer search tools to make any content simple to find. If a visitor is familiar with YouTube, then I he understand what the e-learning system is about at first visit and will be able to find relevant media with ease.

A key part of the design of the site will be formulating the appropriate branding: a name and an image.

*Features.* The key multimedia features of the Web system are:

- **Streaming video**, including high-definition video
- **Streaming audio**
- **Downloadable audio** (podcasts)
- **Articles, papers, and presentations** (text, presented in the Web browser)
- **Other multimedia downloads** including Word, PDF, and PowerPoint files
- **A fully searchable and categorized archive**
- **The ability to "tag" content:** For example, if a speech mentions Romania and also baseball, you could create two tags: Romania and baseball. When visitors click on "Romania," they are taken to a list of all other content on the site where Romania is tagged. If they click on "baseball," they are taken to a list of all other content where "baseball" is tagged.

Video will be hosted off-site via YouTube's YouTubeEDU program. Other video-hosting services are available, but only YouTube's offers the significant benefit of having the videos included in YouTube searches.

It is hoped that the e-learning site will be developed using the funds from the existing grant. No further funding will be necessary to execute this deliverable. With this deliverable in place, we

believe that this project will have successfully moved from research and consultation to execution of a practical tool that will address specific needs identified in the research itself. In addition, this site will be sustainable and dynamic. Once established, new content can be easily added and funds have been established in the budget to ensure the development of new content.

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<sup>1</sup> "Perspectives From Parish Leaders: U.S. Parish Life and Ministry", Emerging Models of Pastoral Leadership Project, [emergingmodels.org](http://emergingmodels.org), 2012, pp. 15-16.

<sup>2</sup> *Ibid.*, p.24.

<sup>3</sup> *Ibid.*, p. 49

<sup>4</sup> *Ibid.*, p.47.

<sup>5</sup> *Ibid.*, p.46.

<sup>6</sup> David DeLambo, "The Evolution of Employment Practices Regarding Lay Parish Ministry" in Charles E. Zech (ed.), *Best Practices in Catholic Church Ministry Performance Management*. New York: Lexington Books, 2010, p. 32.

<sup>7</sup> "Perspectives from Parish Leaders", *op. cit.*, p. 33.

<sup>8</sup> *Ibid.*, p.34.

<sup>9</sup> *Ibid.*, p.39.

<sup>10</sup> DeLambo, *op. cit.*, p. 31

<sup>11</sup> "Perspectives from Parish Leaders", *op. cit.*, p. 29.

<sup>12</sup> *Ibid.*, p. 25.

<sup>13</sup> Mark F. Fisher. *Pastoral Councils in Today's Catholic Parish*. Mystic, CT: Twenty-Third Publications, 2001.

<sup>14</sup> See David Johnson and Frank Johnson. *Joining Together: Group Theory and Group Skills*. 9<sup>th</sup> Edition. Boston: Allyn and Bacon Publishing, 2006.

<sup>15</sup> Charles Zech, Mary L. Gautier, Robert J. Miller, and Mary E. Bendyna, RSM. *Best Practices of Catholic Pastoral and Finance Councils*. Huntington, IN: Our Sunday Visitor, 2010, p. 67.

<sup>16</sup> *Ibid.*, pp. 64-65.

<sup>17</sup> Fischer, *op. cit.*

<sup>18</sup> Zech, Gautier, Miller, and Bendyna, pp.39-41.

<sup>19</sup> Charles Zech. *Why Catholics Don't Give...And What Can Be Done About It*. Huntington, IN: Our Sunday Visitor, pp. 86-7.

<sup>20</sup> *Ibid.*