

PONTIFICIA UNIVERSITAS SANCTÆ CRUCIS

FACULTAS IURIS CANONICI

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**THE OBLIGATION OF TRANSPARENCY  
IN THE ADMINISTRATION OF TEMPORAL GOODS  
OF THE CHURCH IN CANON 1287 §2**

*Thesis ad Doctoratum in Iure Canonico*

*totaliter edita*

Romae 2016

*Vidimus et adprobavimus ad normam statutorum*

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*Imprimi potest*

Prof. Dr. Fernando Puig

*Vice Decano della Facoltà di Diritto Canonico*

Dr. Manuel Miedes

*Segretario Generale*

Roma, 2 novembre 2016

Prot. n° 1417/2016

*Imprimatur*

Con approvazione ecclesiastica

Mons. Filippo Iannone

*Vicegerente – Vicariato di Roma*

Roma, 4 novembre 2016

*"Who then is the faithful and wise steward,  
whom his master will set over his household..."*

Luke 12:42

**To the many faithful and wise stewards  
who chose the straight and narrow way  
to manage the temporal goods of the Church  
with efficiency, accountability and transparency.**



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## ACKNOWLEDGEMENT

Every human endeavor is a collaboration and this undertaking is of no exception. With the joy and pleasure of finishing this dissertation comes the delight of remembering the persons who accompanied its journey from conception to its realization. Hence, I would like to express my sincerest appreciation and profound gratitude to the following who have been instrumental to the successful completion of this work:

His Excellency, Most Rev. Camilo D. Gregorio, D.D. Bishop-Prelate of Batanes, for his constant paternal support, trust and confidence, and for granting me the opportunity to pursue further studies in Rome;

Prof. Jesús Miñambres, my moderator and Dean of the Faculty of Canon Law of the University of the Holy Cross, for his scholarly guidance, enduring patience and unwavering support in directing me on this research;

Prof. Cristian Mendoza, for generously accommodating me for consultation, for his encouragement and support, and for sharing his ideas and resources on the topic which made this work possible;

Prof. Luis Navarro, former Dean of the Faculty of Canon Law and the current Rector of the University of the Holy Cross, for his constant help, encouragement and guidance in this difficult undertaking;

Prof. Charles Zech of the Center for Church Management and Business Ethics of the Villanova University, Pennsylvania, USA, and Prof. Diego Zalbidea of the Universidad de Navarra, Pamplona, Spain, for generously sharing with me their expertise, scholarly insights and researches which are so valuable for the realization of this work;

The professors, library and office staff of the Pontifical University of the Holy Cross, for benevolently sharing their knowledge and expertise as well as for their invaluable assistance in the course of my studies;

His Eminence, Francesco Cardinal Coccopalmerio, President of the Pontifical Council of Legislative Text and his staff, for generously allowing me to use their library and archives, without which this project would never have been realized;

Dr. Matteo Calabresi and Ms. Maria Grazia Bambino of the *Conferenza Episcopale Italiana (CEI) Servizio per la promozione del sostegno economico alla Chiesa cattolica* for the unstinting help and accommodation they accorded me on this research;

Dr. Tommaso di Ruzza, Director of the Financial Information Authority of the Holy See, and Mr. David Casey, Director of the Office of the Prefect of the Secretariat for the Economy of the Holy See, for their wonderful insights which contributed significantly to the improvement of this work;

The Knights of Columbus Fr. G. J. Willmann Charities, Inc., whose scholarship grant and generous support made this doctoral studies possible;

The Pontificio Collegio Filippino Community, its Administrators - Fr. Gregory Gaston, Msgr. Wilfredo Andrey and Fr. Domingo Salonga, the Dominican Missionary Sisters, lay staff, and my brother-priests who have been my “companions in the Roman sojourn” from 2013-2016, for their friendship, fellowship, edifying love and concern, fraternal support and encouragement, making the Collegio truly “a home away from home”, sustaining me along the way, and making my stay in Rome memorable and meaningful;

El Shaddai DWXI-PPFI Rome Chapter, Santo Rosario-Risorgimento Filipino Community, ADIFF (Prato) Catholic Organization, Pistoia Filipino Catholic Community, *Parrocchia di San Valentino* in Ferentino, St. Mary’s Church, Fishkill, New York, for their constant support and friendship;

Don Paolo Cristiano, Dott.sa Federica Vitali, Fr. Jose Junar de la Victoria, Fr. Greg Gaston, Fr. Milan Ted Torralba, Fr. Francis Tordilla, Maria Teresa Pischedda, and Ms. Chrisma Bangaoil, Ms. Mirasol Parale for their valuable contributions to this research;

Msgr. Geronimo F. Reyes, JCD, Msgr. Pedro Qutorio, and Fr. Enrico Martin Adoviso, whose invaluable help, friendship and encouragement made this doctoral studies possible;

Ms. Laine Vicario, Ruby Ann and Rona Oradia, Dr. Lily de las Llagas, Mrs. Catalina Joves and Ms. Ellen Joves, Mrs. Mila Roasa, Mrs. Lourdes Africa, Mr. & Mrs. Alex and Myra Kho, Mr. Richard Kho, Mr. & Mrs. Alex and Marlyn Peñas, Mrs. Diana Lee, Mrs. Tess Tan, Mrs. Lilian Siy, Mrs. Natividad Golez, Mr. & Mrs. Alvin and Lani Adriano, Ms. Aileen

Malto, Mrs. Emilia Tan and Ms. Christine Quintana, Mr. CJ and Angeline Jesena, Dr. Francis and Edna Javier, The WackWack Twin Towers Catholic Community, whose friendship and love, financial assistance, moral support and guidance helped me in so many ways in my studies;

The clergy and the lay faithful of the Prelature of Batanes as well as my family and friends whose enduring support, inspiration, and prayers, sustained and strengthened me through the difficult and trying times of my studies;

The New York Public Library, Blodgett Memorial Library, Library of Congress and The Catholic University of America Library, all those authors whose works contributed to the completion of this thesis, and all those who readily gave their help and insights on this work;

The Blessed Virgin Mary, for her guidance and maternal support;

And finally, to our loving GOD who made all these things possible. To HIM be the glory forever!

To one and all, **DIOS MAMAHES DINIU ATAVU!**



## ABBREVIATIONS

art., arts.	Article/s
AAS	<i>Acta Apostolicae Sedis</i>
AA. VV.	<i>Autores varii</i> (various authors)
A.D.	<i>Anno Domini</i> (year of the Lord)
bk., bks.	Book/s
c., cc., can., cann.	Canon/s
CBCP	Catholic Bishops' Conference of the Philippines
CEI	Conferenza Episcopale Italiana
Cf., cf.	“confer” (see)
chap., chaps.	Chapter/s
CIC 1983	<i>Codex Iuris Canonici 1983</i>
CIC 1917	<i>Codex Iuris Canonici 1917</i>
CLSA	Canon Law Society of America
<i>Comm.</i>	<i>Communicationes</i>
ed., eds.	Editor/s
EDB	Edizioni Dehoniane – Bologna
<i>et al.</i>	<i>et alii</i> (and others)
<i>Ibid.</i>	<i>ibidem</i> , same as

<i>IM</i>	<i>Inter Mirifica</i>
<i>AG</i>	<i>Ad Gentes</i>
<i>GS</i>	<i>Gaudium et Spes</i>
n., nn., no., nos.	Number/s
p., pp.	Pages
par.	Paragraph
MPG	<i>Patrologia Graeca</i> (ed.) J. P. Migne
MPL	<i>Patrologia Latina</i> , (ed.) J. P. Migne
Mt.	Gospel of St. Matthew
NLRCM	National Leadership Roundtable on Church Management
PCLT	Pontifical Council for Legislative Text
QDE	<i>Quaderno di Diritto Ecclesiale</i>
Rom	Letter of St. Paul to the Romans
Tim	Letter of St. Paul to Timothy
trans.	translation/translated/translator
UN	United Nations
USCCB	United States Catholic Conference of Bishops
vol., vols.	Volume/s

## INTRODUCTION

Salvation of souls is the primary aim of the Church. “Christ founded his Church as the sacrament of salvation.”<sup>1</sup> “He wills that all men be saved and come to the knowledge of the truth” (1Tim 2:4). However, “since the Church is established in the world and is in the nature of sacrament – a sign and instrument of communion with God and of unity among all men”<sup>2</sup>, there is a need to use human resources to carry out her aim.<sup>3</sup> This she will do without seeking earthly glory, but by her own example proclaim humility and sacrifice<sup>4</sup> “so that she may reveal in the world faithfully the mystery of the Lord.”<sup>5</sup> Thus the Church has the inherent right to acquire, own and manage temporal goods in order to fulfill her primary end and divine mission independent of any civil power.<sup>6</sup>

Although goods may be temporal and would seem to be in the view of some as contrary to the spiritual nature of the Church, the finality of their use is spiritual. They are for the furtherance of her proper objectives. According to Canon 1254 §2, the Church will use these temporal goods for the sustained regulation of divine worship, the adequate support of the clergy and other lay ministers, and the funding of the apostolates and works of charity, especially in the service of the poor.<sup>7</sup>

Although Jesus clearly instructed his apostles: “Do not carry gold or silver or copper for your belts; no sack for the journey, second tunic, or sandals, or walking stick” (Matthew 10:9), He himself further said; “the laborer deserves his keep” (Matthew 10:10). Therefore, those who work in the vineyard of the Lord deserve something for their upkeep and for them to continue their apostolate. In fact, Jesus and his disciples were accompanied by a group of women “and many others who provided for them out of their resources” (Luke 8:3). The use then of temporal goods by the Church is not contrary to the evangelical poverty that Jesus is teaching. It is not also in opposition to what the Church proclaims in the Second Vatican Council, Dogmatic Constitution on the Church, *Lumen Gentium*: “Just as Christ

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<sup>1</sup> VATICAN II COUNCIL, Decree on Church’s Missionary Activity *Ad Gentes Divinitus* (7 December 1965) in AAS 58 (1966), 947-990, n. 5.

<sup>2</sup> VATICAN II COUNCIL, Dogmatic Constitution on the Church, *Lumen Gentium*, (21 Nov. 1964) in AAS 57 (1965), 5-75, n. 1.

<sup>3</sup> Cf. *Lumen Gentium*, n. 8.

<sup>4</sup> Cf. *Ibid.*

<sup>5</sup> *Ibid.*

<sup>6</sup> Cf. Canon 1254 §1.

<sup>7</sup> Cf. Canon 1254 §2.

carried out the work of redemption in poverty and under oppression, so the Church is called to follow the same path in communicating to men the fruits of salvation.”<sup>8</sup>

The question however, does not lie on the right of the Church to use temporal goods but rather on their administration. Throughout Church history, the management of Church property and her finances was not always free from problems and conflicts – the problem started even with Jesus’ own finance officer!<sup>9</sup> “Judas had charge of the common purse and used to pilfer the money kept in it” (John 12:6). Greed or the love of money is a great temptation for those administering the goods of the Church. That is why, even during Apostolic times, one of the qualities required of bishops and deacons was freedom from greed and love of money.<sup>10</sup> “A bishop must be above reproach, married only once, [...] and not a lover of money” (1 Tim. 3:2,3).

Down through the centuries, as the Church became rich with gifts, votive offerings, tithes, and collections, mismanagement and abuse of goods was never away from it. Perhaps this is the reason why there was an imposition of mandatory celibacy upon bishops in the sixth century, which did not affect the rest of the married clergy, because bishops at that time having a wife and children had to take care of their family as well as manage the temporalities of a diocese.<sup>11</sup> And this was not free of abuse and conflict.

With all these experiences, the Church through the years has tried to establish structures that guarantee the better administration of church properties. She undertook the pains of putting them in the universal legislation both in the 1917 Code and more so in the 1983 Code of Canon Law wherein one book is allotted solely for the care of temporal goods.

However, with the recent scandals that rocked the Church concerning clergy sexual abuse and financial mismanagement, including the case of a German bishop who sparked a national scandal over lavish spending,<sup>12</sup> which led other German bishops to reveal their secret funds,<sup>13</sup>

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<sup>8</sup> *Lumen Gentium*, 8.

<sup>9</sup> Cf. G. NEDUNGATT, “Temporal Goods of the Church” in *Vidyajyoti Journal of Theological Reflection*, vol. 64, Vidyajyoti Educational & Welfare Society, India, March 2000, p. 208.

<sup>10</sup> *Ibid.*

<sup>11</sup> *Ibid.*

<sup>12</sup> German Bishop Franz-Peter Tebartz-van Elst of the Diocese of Limburg has been put into administrative leave by Pope Francis, following the investigation over his \$42 million project to build a new residential complex which sparked a national outrage. Cf. N. RAYMAN, “Pope removes German bishop for lavish spending” at [TIME.com](http://www.time.com) (23 Oct.,

the Church financial management is put to the fore again. The issue now is not just administration of ecclesiastical goods, but also accountability. And not just accountability to the superiors, but also an increasing call among the faithful for transparency. Cardinal Tarcisio Bertone, former Vatican Secretary of State, in fact acknowledged in one of his speeches at the wake of the Vatican document leak scandal that “the crisis [in the Church] calls for more transparency and controls.”<sup>14</sup>

Transparency is a growing demand of today on institutions that affect the lives of individuals. It has become a concept of global relevance for responsible governance.<sup>15</sup> Calls for transparency have been directed towards states, markets, corporations and national political processes as well as towards large institutions such as the European Union,<sup>16</sup> including the Church. Speaking along this line, Fr. Federico Lombardi, S.J., the former head of the Vatican Radio and the Vatican Press Office said:

“The growing demand for transparency in the functioning of the institutions, which is a general demand in today's world, but also specifically addressed to the Church and to the Vatican institutions. And it is also the place where the ability or inability of the institutions themselves to grow in this direction is tested, in relation to the objective and subjective difficulties. It is clear that the impetus given by Pope Francis in this direction is very powerful, it helps to overcome resistance and allows one to enjoy a more favorable overall climate in public opinion, which allows one to deal with the difficulties with more impetus (...). We must consider normal - more and more normal – to know how to render account honestly of the

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2013) at <http://world.time.com/2013/10/23/pope-removes-german-bishop-for-lavish-spending/#ixzz2kidqBXep>. [Accessed 19.05.2016]

<sup>13</sup> Cf. T. HENEGHAN, “Finance scandal spurs German bishops to reveal secret funds” in *Reuters News* (16 Oct. 2013) at <http://www.reuters.com/article/2013/10/16/us-germany-catholic-wealth-idUSBRE99F0LX20131016> [Accessed 19.05.2016]

<sup>14</sup> Cardinal Tarcisio Bertone speaking to the employees of the Prefecture of the Economic Affairs of the Holy See during the presentation of the New Regulations governing the Prefecture. *La Stampa, Vatican Insider Section*, “Vatican Finances: The crisis calls for more transparency and controls,” Bertone says” (18 Dec. 2012), at <http://vaticaninsider.lastampa.it/en/the-vatican/detail/articolo/santa-sede-holy-see-vaticano-vatican-20761/> [Accessed 19.05.2016]

<sup>15</sup> Cf. T. ERKKILÄ, *Government Transparency: Impacts and Unintended Consequences*, Palgrave Macmillan, Great Britain, 2012, p. viii.

<sup>16</sup> Cf. C. GARSTEN and M. LINDH DE MONTOYA, (eds.), *Transparency in a New Global Order: Unveiling Organizational Visions*, Edward Elgar Publishing Inc, Massachusetts, USA, 2008, p. 1.

administrative and judicial questions of our institutions. It is part of the credibility of the Church.”<sup>17</sup>

Even in the Philippine Church, where the researcher comes from, there is a growing consciousness for the need of transparency in the management of church properties. The Second Plenary Council of the Philippines held in 1991 laid it down as one of the principles envisioned for the better management of dioceses, to wit:

“Dioceses should be managed justly in accordance with the laws of the Church and in a spirit of corresponsibility and openness, proper accountability at all levels and financial transparency being the norm.”<sup>18</sup>

Now looking through the 1983 Code of Canon Law which governs fundamentally the organizational management of the Latin Church, a question is put to order: Is there a provision guaranteeing transparency in financial management?

A quick examination of its provisions would bring to fore Canon 1287 §2 which speaks of rendering account to the faithful concerning the offerings they have given to the Church. However, it produces more questions than answers such as: What does this transparency consist of? Are administrators obliged to reveal everything in the spirit of transparency? What are the things that call for transparency and what are not?

Considering that only few materials can be found on this topic, it is presumed that this canonical provision has not been widely observed, if not well understood. Furthermore, the growing call for transparency in the Church is varied in public opinion, which often leads to extreme parameters and conflicts.

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<sup>17</sup> “Il crescere della domanda di trasparenza del funzionamento delle istituzioni, che è una domanda generale nel mondo di oggi, ma anche rivolta specificamente alla Chiesa e alle istituzioni Vaticane. Ed è anche luogo in cui si sperimenta la capacità o incapacità delle istituzioni stesse di crescere in questa direzione, in rapporto a difficoltà oggettive e soggettive. È chiaro che l’impulso dato da Papa Francesco in questa direzione è molto potente, aiuta a superare resistenze e permette di godere di un clima generale più favorevole nell’opinione pubblica che consente di affrontare con più slancio le difficoltà [...]. Dobbiamo considerare normale – sempre più normale – saper rendere conto onestamente delle questioni amministrative e giudicare delle nostre istituzioni. Fa parte della credibilità della Chiesa.” F. LOMBARDI, “Venticinque anni al servizio delle comunicazioni con tre Papi” in *La Civiltà Cattolica*, n. 3948 del 20/12/2014, pp. 580-595, p. 592.

<sup>18</sup> CATHOLIC BISHOPS’ CONFERENCE OF THE PHILIPPINES, *Second Plenary Council of the Philippines. Acts and Decrees* (Jan.20-Feb. 17, 1991), CBCP, Manila, 1992, art. 96.

The purpose of this study therefore is to examine the nature and significance of Canon 1287 §2 in relation to the concept of transparency in terms of Church's temporal administration, for a better appreciation of its mandate and spirit, as prescribed by the 1983 Code of Canon Law. A clear grasp of the same can bring about better implementation of such provision and better management of the material resources of the Church, and prevent as well conflicts and excesses in varied public opinion regarding the Church's temporal administration. Thus, the main question that this dissertation attempts to answer is: *What is the Obligation of Transparency in the Administration of Temporal Goods of the Church in 1983 CIC Canon 1287 §2?*

In view then of the main question at hand, this study endeavors to answer the following specific questions:

First, what is transparency? What does it consist of? How does it work? What purpose or purposes does it serve? Are there limitations to it? How is it understood and applied in the context of the Catholic Church? What is its significance in terms of Church's administration of her temporal goods? What are the mechanisms emplaced by the 1983 Code to guarantee transparency in the administration of Church goods?

Second, how did transparency come about and develop in Church's temporal administration? Is it already a highly esteemed value in the Church since then or is it just a recent adaptation? Is it part of the management of Church resources considering the nature of her mission and the teachings of her Founder? How did it come about as a universal norm in 1983 Code specifically in Canon 1287 §2?

Third, what does Canon 1287 §2 consist of and what does it mandate as a universal canonical norm? Who are bound by this provision and to whom are they bound? What kind of transparency obligation does it require? What things are covered by this obligation? By what means and in what manner should the disclosure of financial information or financial reporting be done?

And fourth, what are some particular laws and best practices available on financial reporting to the faithful?

Moreover, in a significant way, this study also aims to be a resource material for future implementation of the said provision in other particular churches and other public juridical persons in the Church.

The scope of the study is limited only to the administration of temporal goods of the Church of Latin Rite covered by the 1983 Code of Canon Law. It thus excludes those that are governed by the 1990 Code of Canons of the Eastern Churches. Secondly, by the term "temporal goods of the Church", we mean ecclesiastical goods which according to the 1983

Code, can only be properly said of the goods owned by public juridic persons in the Church (cf. can. 1257 §1). Consequently, since this study is on ecclesiastical goods, it thus concerns only public juridic persons in the Church and excludes the private juridical persons in the Church. The research basically aims to present a clear understanding of the nature and significance of the mandate of Canon 1287 §2 as the Church's response to the call for transparency in her administration of ecclesiastical goods.

The methodology employed in this study is mainly expository analytical as well as historical. By employing such methods, the research underscores the general understanding of transparency as applied in the Church's administration of her temporal goods as provided by the 1983 Code of Canon Law, and in particular, with exegetical analysis, feature the nature and significance of Canon 1287 §2 as the concrete realization of transparency principle in Church's financial management. Some particular laws and best practices are also presented and analyzed in view of their articulation of the mandate and spirit of the said canon. Furthermore, a concise historical investigation is also done to provide a clear perspective on the development of transparency in the Church.

The bulk of the data for this study comes from library and archival research. These data were primarily drawn from commentaries and canonical opinions of canonists that can be found in canonical books and journals. The researcher also used the archives of the Pontifical Council for the Interpretation of Legislative Text in Rome for some historical data. Aware of the fact that there are only limited materials for this topic especially in the context of the Church, books and articles on other fields of social sciences which may explicate the topic were also employed, supplemented by some internet sources. The researcher also employed other documents from different conferences of bishops, dioceses and archdiocese, and parishes relevant to the study.

This study has four chapters. The first chapter is an exposition of the general concept of transparency and its application to Church's administration of ecclesiastical goods. It examines through the etymological notion of transparency, its origin and development, the problems in providing it with definition, its elements, characteristics and movements, its purposes and limits and how these items can be applied in the context of the Church. It also presents the mechanisms and structures present in the 1983 Code of Canon Law that would ensure the realization and observance of transparency in Church's financial administration. In this way, we will understand how the general understanding of transparency is perceived and practiced in the context of the financial administrative structures and systems of the Church, with financial reporting to the faithful as the most

evident and all-embracing mechanism of transparency, which is enjoined by Canon 1287 §2. The second chapter is a survey of the development of transparency in the history of Church's administration of its temporal goods and how it came about as a universal legislation in Canon 1287 §2 of the 1983 Code. It commences by exhibiting Christian teachings, practices, legislations and mechanisms that were introduced in the Church to ensure proper care of its goods, since the beginning of its inception and through the centuries of its existence, alluding to the nascent presence and development of transparency in the Church. This is followed by the history of the making of the 1983 Code, especially the redaction process of Canon 1287 §2. In this manner, we will be able to appreciate the value of transparency in the context the Church's teaching, mission and temporal administration and understand as well how it developed into a universal legislation.

The third chapter consists of an exegetical analysis of Canon 1287 §2, the canon of our study. It examines through the content of the provision, analyzing its elements and their implications in terms of its canonical mandate and spirit. In this manner, we will be able to establish the juridical nature and significance of the said canonical norm and bring about its proper observance in the administration of Church's temporal goods.

The fourth chapter is devoted to the presentation and analysis of some particular laws or guidelines and best practices in financial reporting to the faithful enacted as a way of articulation and contextualization of the mandate of Canon 1287 §2 coming from various public juridic persons in the Church particularly, the most common ones, *i.e.* conferences of bishops, archdioceses and dioceses and parishes.



# CHAPTER I

## THE CONCEPT OF TRANSPARENCY AND ITS APPLICATION IN THE ADMINISTRATION OF TEMPORAL GOODS OF THE CHURCH

Transparency has become a by-word in today's many contemporary discussions across a wide range of disciplines ranging from public relations, public policy, politics, ethics, finance, organizational studies, and even in Church affairs. It has gained a "quasi-religious significance in debates over governance and institutional design"<sup>19</sup> and a favored "organizational principle and administrative goal in recent years"<sup>20</sup>. Since the 1980s, it has appeared in many institutional-reform documents, mission statements, and organizational policies.<sup>21</sup> In fact, it was nominated by Webster's New World College Dictionary, as its word of the year in 2003.<sup>22</sup> Its growing impact and importance is so much that it has even become institutionalized in the form of Transparency International, the high-profile international organization founded by Peter Eigen in 1993 dedicated to fighting corruption in society and whose comments and researches are widely considered to count for something.<sup>23</sup>

Transparency gained even more popularity in recent years, with the corporate and whistleblowing scandals such as Enron, Goldman Sachs and Wikileaks, causing stakeholders and the global community to demand

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<sup>19</sup> C. HOOD, "Transparency in Historical Perspective," in C. Hood and D. Heald, (eds.), *Transparency: The Key to Better Governance? Proceedings of the British Academy*, Oxford University Press Inc., New York 2006, p. 3

<sup>20</sup> C. GARSTEN AND M. LINDH DE MONTOYA, (eds.) *Transparency in a New Global Order: Unveiling Organizational Visions*, Edward Elgar Publishing, Inc., Massachusetts, USA 2008, p. 1

<sup>21</sup> Cf. C. HOOD, "Transparency in Historical Perspective," p. 3.

<sup>22</sup> Cf. M. BROWNING, "Webster's transparent in its word of choice", in *Victoria Advocate*, 158/239, January 1, 2014, p. 33. <http://news.google.com/newspapers?nid=861&dat=20040101&id=qg9ZAAAAIBAJ&sjid=N0YNAAAAIBAJ&pg=1770,172987> [Accessed 8.4.2014]. Cf. also C. HOOD, "Transparency in Historical Perspective," p. 4; ANN FLORINI, *The Right to Know: Transparency for an Open World*, Columbia University Press, New York 2007, p. 2.

<sup>23</sup> Cf. C. HOOD, "Transparency in Historical Perspective," p. 3.

openness and visibility in corporate and governmental affairs,<sup>24</sup> since the lack of transparency in financial instruments has been deemed one of the major factors that cause the 2008-2009 near-global economic crisis.<sup>25</sup>

There is no mention of the word *transparency* in the 1983 Code of Canon Law. However, the recent 3 popes - Pope John Paul II, Pope Benedict XVI and Pope Francis have consistently spoken about it especially in terms of administration of temporal goods.

Pope John Paul II, in his Post-Synodal Exhortation *Pastores Gregis*, made mention of transparency as a principle for church financial administration<sup>26</sup> and made it as a guideline for Episcopal ministry, when it found its way in the Directory for the Pastoral Ministry of Bishops, *Apostolorum Successores*, to wit: “The financial administration of the diocese should be entrusted to individuals who are competent as well as honest, so that it can become an example of transparency for other similar church institutions.”<sup>27</sup>

Pope Benedict XVI on his part mentioned transparency several times in his encyclical *Caritas in Veritate*, emphasizing it as a necessary principle for integral human development, along with honesty and responsibility, based on the values of charity and truth.<sup>28</sup> As he called for renewal in

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<sup>24</sup> O. ALBU AND M. FLYVERBOM, *Categories and Dimensions of Organizational Transparency*, Paper presented for the 3<sup>rd</sup> Global Conference on Transparency Research, Oct. 24-26, 2013, HEC Paris, p. 2. [http://campus.hec.fr/global-transparency/wp-content/uploads/2013/10/Albu\\_Flyverbom\\_Forms-and-Categories-of-Transparency.pdf](http://campus.hec.fr/global-transparency/wp-content/uploads/2013/10/Albu_Flyverbom_Forms-and-Categories-of-Transparency.pdf) [Accessed 8.4.2014].

<sup>25</sup> A. ETZIONI, “Is Transparency the Best Disinfectant?” in *Journal of Political Philosophy*, Vol 18/4 (December 2010), pp. 389-404. Article first published online: 14 MAR 2010 | DOI: 10.1111/j.1467-9760.2010.00366.x [Accessed 5.4.2014].

<sup>26</sup> Cf. JOHN PAUL II, Post-Synodal Apostolic Exhortation *Pastores Gregis* on the Bishop, Servant of the Gospel of Jesus Christ for the Hope of the World (16 October 2003) in AAS 96/12 (2004) 825-924, n. 45. English trans. in [http://www.vatican.va/holy\\_father/john\\_paul\\_ii/apost\\_exhortations/documents/hf\\_jp-ii\\_exh\\_20031016\\_pastores-gregis\\_en.html](http://www.vatican.va/holy_father/john_paul_ii/apost_exhortations/documents/hf_jp-ii_exh_20031016_pastores-gregis_en.html) [Accessed 27.1.2015].

<sup>27</sup> CONGREGATION FOR BISHOPS, Directory for the Pastoral Ministry of Bishops *Apostolorum Successores*, (22 February 2004) in *Enchiridion Vaticanum* 22 (2003-2004), 1047-1275, n. 189a. English trans. in CONGREGATION FOR BISHOPS, Directory for the Pastoral Ministry of Bishops *Apostolorum Successores*, Libreria Editrice Vaticana, Rome 2004.

<sup>28</sup> Cf. BENEDICT XVI, Encyclical Letter *Caritas in Veritate* on Integral Human Development in Charity and Truth (29 June 2009) in AAS 101/8 (2009), 641-709, nn. 36, 47, 50. Eng. trans. from [http://www.vatican.va/holy\\_father/benedict\\_xvi/encyclicals/documents/hf\\_ben-xvi\\_enc\\_20090629\\_caritas-in-veritate\\_en.html](http://www.vatican.va/holy_father/benedict_xvi/encyclicals/documents/hf_ben-xvi_enc_20090629_caritas-in-veritate_en.html) [Accessed 27.1.2015]. Pope Benedict XVI emphasized the importance of transparency by mentioning it several times in this encyclical. For instance in n. 36 he said: “...that traditional principles of social ethics like transparency, honesty and responsibility cannot be ignored or attenuated...” In n.

structures and processes in the field of finance and economy, he underlined transparency as a vital link between right intention and the search for profitable results.<sup>29</sup> In emphasizing the need for solidarity in human development, he even pointed it out as a quality of the divine Persons, total and mutually-given to one another, as an effect of their absolute unity, to which humanity is also called to share and realize: “that they may be one even as we are one” (Jn. 17:22).<sup>30</sup> This showed transparency, not just as an indispensable value in social relations but also an ideal for man to pursue in order to achieve real total human development. And concretizing his position on transparency, Pope Benedict XVI, issued a *Motu proprio* on December 30, 2010 establishing Financial Information Authority, an independent oversight agency that will oversee the monetary and commercial activities of all Vatican-related institutions, including the Vatican bank.<sup>31</sup> It was an unprecedented move never yet seen before, in order to ensure that the Vatican and the Holy See-related institutions may conform with the international standards of financial operations.<sup>32</sup>

Pope Francis on the other hand, further reinforced this pursuit of transparency by extending the job of the Financial Information Authority to cover prudential role of supervision and regulation of Vatican entities engaging in financial transactions,<sup>33</sup> and creating a Financial Security

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47 referring to true international cooperation, he said: “Hence it is to be hoped that all international agencies and non-governmental organizations will commit themselves to complete transparency...” In n. 50 referring to the responsible use of the environment, he said: “It is likewise incumbent upon the competent authorities to make every effort to ensure that the economic and social costs of using up shared environmental resources are recognized with transparency and fully borne by those who incur them, not by other peoples or future generations.”

<sup>29</sup> “Right intention, transparency, and the search for positive results are mutually compatible and must never be detached from one another.” Ibid., n. 65.

<sup>30</sup> Cf. Ibid., n. 54.

<sup>31</sup> Cf. BENEDICT XVI, Apostolic Letter issued *Motu proprio*, *La Sede Apostolica*, for the Prevention and Countering of Illegal Activities in the Area of Monetary and Financial Dealings (30 December 2010) in AAS 103/1 (2011), nn.7-8. English trans. from [http://w2.vatican.va/content/benedict-xvi/en/motu\\_proprio/documents/hf\\_ben-xvi\\_motu-proprio\\_20101230\\_attivita-illegali.html](http://w2.vatican.va/content/benedict-xvi/en/motu_proprio/documents/hf_ben-xvi_motu-proprio_20101230_attivita-illegali.html) [Accessed 27.1.2015].

<sup>32</sup> Cf. Ibid. Cf. also G. O’CONNELL, “Pope institutes financial measures: New legislation and agency will ensure Vatican organizations conform to international standards,” OSV Newsweekly. <https://www.osv.com/OSVNewsweekly/ByIssue/Article/TabId/735/ArtMID/13636/ArticleID/7884/Pope-institutes-financial-transparency-measures.aspx#sthash.EQG2s7qS.dpuf> [Accessed 20.1.2015].

<sup>33</sup> Cf. FRANCIS, Apostolic Letter issued *Motu proprio*, *La promozione*, for the Prevention and Countering of Money Laundering, the Financing of Terrorism and the Proliferation of Weapons of Mass Destruction (8 August 2013) in AAS 105/9 (2013), 811-813, art. 2.

Committee that will prevent and counter money laundering and financing of terrorism,<sup>34</sup> stating the intention of the Holy See to cooperate in the efforts of the international community “to protect and promote integrity, permanence and transparency.”<sup>35</sup> Moreover, seriously mindful of the task of the Church “to safeguard and administer her goods in light of her mission of evangelization, with special care for the needy,”<sup>36</sup> he established the Council for the Economy whose task is to set economic policies for the Holy See and exercise oversight on all the financial structures and activities of the Roman Curia, Holy See, and Vatican City State, emphasizing in his speech to the members of the said Council that “[...] we must not stray from this path (referring to the said Church’s responsibility). Everything, transparency, efficiency, everything is for this purpose.”<sup>37</sup>

These papal actions clearly indicate that transparency is a necessary ingredient in the proper and efficient management of Church’s temporal goods in view of the furtherance and realization of Church’s mission of evangelization. Thus, in spite of not being mentioned explicitly in the 1983 Code, transparency alludes to the call of Canon 1284 that Church administrators are to carry out their duties with “the diligence of a good householder” (can. 1284).

However, what is this transparency? What does it consist of? How does it work? What purpose or purposes does it serve? Are there limitations to it? How do we understand and apply it in the context of the Catholic Church? What is its relevance in terms of Church’s administration of her temporal goods?

This chapter will examine through the etymological notion of transparency, its origin and development, its elements, characteristics and movements, its purposes and limits and their application in the Church, and the mechanisms present in the 1983 Code of Canon Law that would guarantee its observance in order to come out with an overview of the concept of transparency as well as show its relevance to Church’s administration of temporal goods.

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<sup>34</sup> Cf. Ibid., art. 4.

<sup>35</sup> Ibid, par. 2.

<sup>36</sup> FRANCIS, Apostolic Letter issued *Motu proprio*, *Fidelis Dispensator et Prudens*, (24 February 2014), in AAS 106/3 (2014), 164-165, par. 1.

<sup>37</sup> “... non dobbiamo uscire da questa strada. Tutto, trasparenza, efficienza, tutto per questo scopo.” FRANCIS, *Saluto del Santo Padre Francesco Al Consiglio per L'Economia*, Sala dei Papi, Venerdì, 2 maggio 2014; *Allocutio Ad Sodales Consilii Rei Oeconomicae Curandae*, AAS 106 (2014), 383-384, n. 5. English trans. by the author.

## A. Etymology

Transparency is a term derived from a compound word of Medieval Latin origin, *transparens*, the present participle of the Latin verb *transparere*. It consists of 2 distinct concepts, i.e, *trans* meaning “through” or “across” and *parens*, the present participle of *parere* meaning, “to appear”, which when put together would mean “to appear through” or “to show through”.<sup>38</sup> The first attested known use of it as such dates back to 1591.<sup>39</sup> It developed later into a figurative sense of “easily seen through”. Since then it has been in use in English to mean “having the property of transmitting light without appreciable scattering, so that bodies lying beyond are entirely visible.”<sup>40</sup> It denotes “perviousness to light; diaphaneity, pellucidity”<sup>41</sup> as in contrast with translucency, which means allowing the light to pass through but diffusing it so that the bodies on the other side are not clearly visible.<sup>42</sup> The opposite term of transparency is opacity or opaqueness, which means the condition of being impervious to light<sup>43</sup> or not allowing light to pass through.

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<sup>38</sup> Cf. P. GOVE, *et al.* (eds.), *Websters’ Third New International Dictionary of the English Language: Unabridged*, Könemann Verlagsgesellschaft MBH, Cologne, Germany 1993, p. 2430; Also Transparent. Dictionary.com. *Online Etymology Dictionary*. D. HARPER, Historian., <http://dictionary.reference.com/browse/transparent> [Accessed 22.08.2014]; The Oxford Dictionary of English Etymology, Oxford University Press, Inc., New York 1996, p. 937.

<sup>39</sup> “To make transparencies to meete in one, And so conuey the sunne beams where you will” J. HARRINGTON English trans. of Lodovico Ariosto’s *Orlando Furioso* iii, xvi, 18 (London 1591) STC 746. And another early proof of its use in 1615: “It is like a thinne and polished horne of a Lanthorn, not only in trasparenie by which meanes it receiveth the light, but also in his substance” H. CROOKE *Μικροκοσμογραφία*, 556 (London 1615). Cf. B. NERLICH, “Making the Invisible Visible: On the Meanings of Transparency,” *Making Science Public Blog Post*, October 12, 2012, <http://blogs.nottingham.ac.uk/makingsciencepublic/2012/10/12/making-the-invisible-visible-on-the-meanings-of-transparency/> [Accessed 3.9.2014]; Also Cf. Transparency. Merriam-Webster Dictionary Online <http://www.merriam-webster.com/dictionary/transparency> [Accessed: 3.8.2014].

<sup>40</sup> P. GOVE, *et al.* (eds.), *Webster’s Third International Dictionary of the English Language: Unabridged*, p. 2430. Cf. also “transparent” Dictionary.com. *Dictionary.com Unabridged*. Random House, Inc. <http://dictionary.reference.com/browse/transparent> [Accessed 18.10.2014].

<sup>41</sup> Ibid.

<sup>42</sup> Cf. “translucency,” Dictionary.com. *The American Heritage® Science Dictionary*. Houghton Mifflin Company. <http://dictionary.reference.com/browse/translucency> [Accessed 16.9.2014].

<sup>43</sup> Cf. “opacity,” Dictionary.com. *The American Heritage® Stedman’s Medical Dictionary*. Houghton Mifflin Company. <http://dictionary.reference.com/browse/opacity> [Accessed 16.9.2014].

Properly speaking, the word ‘transparency’ belongs to the vocabulary of physics.<sup>44</sup> It refers to the objective property of a material to transmit electromagnetic rays without distortion.<sup>45</sup> This can be seen in a glass or crystal. In common language, it usually evokes positive connotations associated with purity and clarity and appears to be a desirable quality (for instance, we prefer to drink transparent water rather than a troubled beverage).<sup>46</sup>

The most common use of the term which occupies prominence in the discussions of today is its metaphorical sense of being ‘easily seen through’ which is related to clarity of vision. It carries an implication of allowing others to see the truth of a given act or fact without any alteration. As such, it is considered by some to be an inclusive and appealing word which encompasses candor, predictability, integrity, honesty, full disclosure and many other things.<sup>47</sup> It is being applied to almost everything ranging from interpersonal, legal, organizational, and social dimensions of life.

## B. Origins and Development

The metaphorical use of the term transparency applied to governance did not come well into widespread use until the twentieth century, although the notion is rather ancient. The doctrine that the government should operate according to fixed and predictable rules and must be documented can be traced back from the doctrines of Chinese legalists and from the laws of ancient Greeks who epitomized the ideals of democracy.<sup>48</sup> Public accounts were sometimes set in stone in public places and all public officials were subjected to a two-part public audit at the end of their short term of office.<sup>49</sup>

The idea of transparency in corporate governance as obligation of firms to disclose financial matters to their stakeholders goes back to as early

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<sup>44</sup> Cf. D. BESSIRE, “Corporate Social Responsibility: From Transparency to ‘Constructive Conflict’” in *The Ashgate Research Companion to Corporate Social Responsibility*, Ashgate, Aldershot, England; Burlington, VT: Ashgate 2008, p. 69.

<sup>45</sup> Cf. P. STURGES, *What is this absence called transparency?* Paper delivered at an ICIE Conference, Pretoria, February 2007, p. 5. <http://www.ifla.org/files/assets/faife/publications/sturges/icie-paper.pdf> [Accessed 17.10.2014].

<sup>46</sup> Cf. D. BESSIRE, “Corporate Social Responsibility: From Transparency to ‘Constructive Conflict,’” p. 69.

<sup>47</sup> Cf. W. BENNIS, D. GOLEMAN, J. O’TOOLE w/ P. BIEDERMAN, *Transparency: How Leaders Create a Culture of Candor*, Jossey-Bass, San Francisco, CA 2008, p. vii.

<sup>48</sup> Cf. C. HOOD, “Transparency in Historical Perspective,” p. 5.

<sup>49</sup> Cf. T. IRWIN, *Shining a Light on the Mysteries of State: The Origins of Fiscal Transparency in Western Europe*, IMF Working Paper, October 2013 <http://www.imf.org/external/pubs/ft/wp/2013/wp13219.pdf> [Accessed 8.4.2014].

as the French *Ordonnance de Commerce* of 1673.<sup>50</sup> Press freedom and freedom of information giving statutory rights of access to government records has already been in practice in Sweden since the enactment of *Freedom of the Press Act of 1766* which later been imitated by different governments around the world.<sup>51</sup>

In the 1980s, the term came to be considered as an accounting principle, *i.e.* financial transparency. The late 1980s and early 1990s saw the democratic transitions in Eastern Europe, Latin America, East-Asia and Africa which stirred renewed interest in democratic concepts and processes in institutions. Mikhail Gorbachev's introduction of the term *glasnost* which literally means 'publicity' in Russian in the 1980s as part of his reformist administration, made transparency prominent.<sup>52</sup>

Moreover, the term came into widespread significance after the corporate scandals of the early 21st century, such as Enron, WorldCom, and Tyco<sup>53</sup> where many people lost their investments, jobs and eventually lost their trust in financial reporting and accounting practices. The demand for greater transparency came to the fore, which eventually led to the enactment of Sarbanes-Oxley Act of 2002 (SOX).<sup>54</sup> The Act was intended to protect shareholders and the general public from fraudulent accounting practices, improve accuracy and reliability of corporate disclosures<sup>55</sup> and regain the trust of the investors. It requires companies to set up stronger internal controls and puts new demands on CEO and CFOs of public companies, including making personal pledges that the quarterly and annual financial

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<sup>50</sup> Cf. C. HOOD, "Transparency in Historical Perspective," p. 17.

<sup>51</sup> Cf. *Ibid.*, p. 8.

<sup>52</sup> Cf. G. MICHENER AND K. BERSCH, *Conceptualizing the Quality of Transparency*, Paper prepared for the 1<sup>st</sup> Global Conference on Transparency, Rutgers University, Newark, May 17-20, 2011, p. 3. [http://gregmichener.com/Conceptualizing\\_the\\_Quality\\_of\\_Transparency--Michener\\_and\\_Bersch\\_for\\_Global\\_Conference\\_on\\_Transparency.pdf](http://gregmichener.com/Conceptualizing_the_Quality_of_Transparency--Michener_and_Bersch_for_Global_Conference_on_Transparency.pdf). [Accessed 11.11.2014].

<sup>53</sup> Cf. B. RAWLINS, "Measuring the Relationship Between Organizational Transparency and Employee Trust," in *Public Relations Journal*, vol. 2/2 (2008), pp. 1-21, p. 2. <http://scholarsarchive.byu.edu/cgi/viewcontent.cgi?article=1884&context=facpub> [Accessed 13.11.2014].

<sup>54</sup> SARBANES-OXLEY ACT OF 2002, 107<sup>th</sup> Congress, U.S. Pub. L. No. 107-204, 116 Stat. 745, July 30, 2002 <https://www.sec.gov/about/laws/soa2002.pdf>. [Accessed 27.11.2014].

<sup>55</sup> Cf. SARBANES-OXLEY ACT OF 2002, p. 1. <https://www.sec.gov/about/laws/soa2002.pdf>. [Accessed 27.11.2014] Cf. also M. ROUSE, Sarbanes-Oxley (SOX), WhatIs.com, <http://searchcio.techtarget.com/definition/Sarbanes-Oxley-Act>. [Accessed 26.11.2014].

reporting of their company is truthful and expands the independence of the auditing bodies.<sup>56</sup>

The emergence of information technology gave rise to more transparency and rendered countries, world leaders and even multinational corporations more accountable to a global audience as domestic events became more visible to both office-handlers and ordinary citizens around the world. However, this phenomenon is not without its share of negative effects which we will see later in the succeeding discussion.

After considering its etymology and development, how do we define transparency? What are its so-called trademarks and purposes?

### C. Problems with Defining Transparency

Although the word *transparency* is often and widely used, according to Ann Florini, it is rarely well defined. It is considered a multifaceted concept. There is no consensus on its exact meaning and how it should be measured.<sup>57</sup> Even though, it is commonly used to mean a number of different things, such as disclosure, policy clarity, consistency, culture of candor, and many others, there is no classic modern treatise that embraces all those things according to Christopher Hood.<sup>58</sup> One reason for the lack of precision, Florini observed, is that the term is being used in so many different areas – politics, economics, law and public policy, public relations and organizational studies, business ethics and so many others,<sup>59</sup> and to each his own description and application of the term into the particular field of concern. Its meaning varies depending on time, place, purpose and function.<sup>60</sup>

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<sup>56</sup> Cf. G. C. GHOSH, *An Introduction to Sarbanes-Oxley Act of 2002*, The Institute of Chartered Accountants of Bangladesh.CPE Seminar Paper of 31 July 2008, p. 7. [http://www.icab.org.bd/images/stories/download/download/CPE%20Paper\\_Gopal%20Chndra%20Gosh\\_An%20Introduction%20to%20Sarbanes%20Oxley%20Act-2002.doc](http://www.icab.org.bd/images/stories/download/download/CPE%20Paper_Gopal%20Chndra%20Gosh_An%20Introduction%20to%20Sarbanes%20Oxley%20Act-2002.doc) [Accessed 26.11.2014]

<sup>57</sup> A. FLORINI, (ed.), *The Right to Know: Transparency for an Open World*, Columbia University Press, New York 2007, p. 4.

<sup>58</sup> Cf. C. HOOD, “Transparency” in P. Clarke and J. Foweraker, (eds.), *Encyclopedia of Democratic Thought*, Routledge, London; New York 2001, p. 701.

<sup>59</sup> Cf. A. FLORINI, (ed.), *The Right to Know: Transparency for an Open World*, p. 4.

<sup>60</sup> Cf. J. SAVAGE, “Member-State Budget Transparency in the Economic and Monetary Union” in C. HOOD and D. HEALD, (eds.), *Transparency: The Key to Better Governance? Proceedings of the British Academy*, Oxford University Press Inc., New York 2006, pp. 145-163, p. 146. Cf. also A. BUIJZE, *The Principle of Transparency in EU Law*, Dissertation: Utrecht University, Utrecht University Repository (2013), p. 28. <http://dspace.library.uu.nl/handle/1874/269787> [Accessed 3.11.2014].

Another problem pointed out by Anoeska Buijze is that the concept is so broad as to almost defy definition. Many authors avoid defining it and offering just a list of elements of transparency that may or may not be exhaustive.<sup>61</sup> On the other hand, other authors like David Heald, instead of giving definition, provide an analytical framework that allows a wide array of instances of transparency to be analyzed.<sup>62</sup> This approach helps to understand why transparency is so diffuse.<sup>63</sup>

A third problem that can be observed is the fast-changing notion of the term and its elements. Richard Oliver, in his book *What is Transparency?*, noted the fact that in the last century, the concept of what was or was not transparent changed dramatically. Likewise the medium, venue, or method for observation has changed radically as well. While the what, when, and where of transparency may be defined, the reason for transparency is quite problematic and often in the extreme.<sup>64</sup> He said: "Today, the whys of transparency are under constant and significant revision... the rights and responsibilities of both the observed and the observer are often nebulous, uncertain and subject to the vagaries of time and circumstance."<sup>65</sup>

Considering these problems, it would be impossible to provide an objective and universally viable definition to transparency. However, what we can do is to trace out some common determinants that can provide us with an overview of the concept and its significance. In the following sections, we will try to identify some common elements, characteristics and movements of transparency and their particular application in the context of the Church financial administration.

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<sup>61</sup> Cf. A. BUIJZE, *The Principle of Transparency in EU Law*, p. 29.

<sup>62</sup> Cf. D. HEALD, "Varieties of Transparency" in C. Hood and D. Heald, (eds.), *Transparency: The Key to Better Governance? Proceedings of the British Academy*, Oxford University Press Inc., New York 2006, pp. 25-43, p. 40. Cf. also A. BUIJZE, *The Principle of Transparency in EU Law*, p. 29.

<sup>63</sup> A. BUIJZE, *ibid.*

<sup>64</sup> Cf. R. OLIVER, *What is Transparency?* McGraw-Hill Companies, Inc., New York 2004, p. 2.

<sup>65</sup> *Ibid.*, p. 2.

## D. Elements, Characteristics and Directions

### 1. *Elements of Transparency*

According to Richard Oliver, transparency has three main elements: an *observer*, *something available to be observed*, and a *means or method for observation*.<sup>66</sup> However, Stephan Grimmelikhuijsen expanded further Oliver's basic elements, calling them components of the definition of transparency and relating them to online disclosure.<sup>67</sup> Drawing from their framework and considering various definitions of transparency, we present here the following common elements we deem useful for our study:

#### *a) Information*

The focus of any transparency definition is information.<sup>68</sup> It is considered a "crucial component of any transparency process."<sup>69</sup> What kind of information and how much information is disclosed and can be accessed is the main concern of transparency.

Any meaningful discussion on transparency, would always speak about information asymmetries. Hence, it is deemed noteworthy to mention it here. Information asymmetry is defined as a situation in which one party in a transaction has more or superior information compared to another.<sup>70</sup> This situation prevents one from making fair and efficient judgments. Decision-making is always based on the quality and quantity of the information received about a particular consideration. This information can be public (freely available to all) or private (available only to some). Although it is a given that not all private information be made public, however, when

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<sup>66</sup> Ibid., p. 3.

<sup>67</sup> Cf. S. GRIMMELIKHUIJSEN, *Transparency and Trust: An experimental study of online disclosure and trust in government*, (Dissertation), Utrecht University, Utrecht 2012, p. 53. <http://dspace.library.uu.nl/handle/1874/218113>. Based on the definition of transparency maintained by Grimmelikhuijsen, he delineated it into five components: availability, information, organization or actor, external actors and internal workings or performance. This paper adopts some of them as elements of transparency, drawing heavily from his ideas.

<sup>68</sup> Grimmelikhuijsen distinguished information from data. Information has meaning for the recipient while data are just the bare facts and figures. Cf. GRIMMELIKHUIJSEN, *Transparency & Trust*, supra note 4, p. 58.

<sup>69</sup> C. GARSTEN AND M. DE MONTROYA (eds.), *Transparency in a New Global Order: Unveiling Organizational Visions*, p. 5.

<sup>70</sup> "Asymmetric Information," <http://www.investopedia.com/terms/a/asymmetric-information.asp> [Accessed 26.1.2015].

a private information relevant to decision-making is privy only to some and not to all parties concerned in a given transaction, how can there be a fair deal and efficient outcomes for all concerned?<sup>71</sup> This is one of the aims of transparency – to achieve symmetrical information distribution or the availability of all information to all parties involved.

The same holds true for the Church. The aim and mission of the Church is to deliver her message of salvation to all.<sup>72</sup> Thus, she is “duty bound publicly to communicate her belief and her way of life to the whole humanity,”<sup>73</sup> placing it as an incumbent right and obligation of each faithful to spread the salvific information to all peoples at all times and places (cf. can. 211). Since her message and her spiritual riches are important and beneficial to all as it concerns salvation, her disclosure of information must be distinguished by “integrity, truth and openness,”<sup>74</sup> always aiming for symmetrical information dissemination or making all necessary information available to all parties involved.

*b) Actor or Agent*

This refers to either an individual or a public or private organization who is the agent of transparency. According to Grimmelikhuijsen, there are two ways in which actor is creating transparency: (1) disclosure of information by an actor about another actor, or (2) disclosure of information of an actor that is being transparent.<sup>75</sup>

The first option would refer to transparency of an actor through mediation of another. An example of which is when the government obliges companies to disclose information about the safety of its products, thus enabling consumers to make more informed choices, and encourage manufacturers to improve their

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<sup>71</sup> Cf. J. FORSSBAECK AND L. OXELHEIM, “The Multifaceted Concept of Transparency,” in J. Forssbaeck and L. Oxelheim, (eds.), *The Oxford Handbook of Economic and Institutional Transparency*, Oxford University Press, New York 2015, p. 6.

<sup>72</sup> Mt. 28:19-20.

<sup>73</sup> PONTIFICAL COUNCIL ON SOCIAL COMMUNICATIONS, Pastoral Instruction on the Means of Social Communication, *Communio et Progressio*, (29 January 1971), AAS 63 (1971), 593-656, n. 122.

<sup>74</sup> *Communio et Progressio*, 121.

<sup>75</sup> S. GRIMMELIKHUIJSEN, *Transparency and Trust*, p. 60.

products.<sup>76</sup> The second option would refer to voluntary disclosure of an actor, subjecting itself to transparency.

In the Church, this would refer to the individual administrators of the public juridical persons in the Church, the public juridical persons themselves, and all those who are directly involved in their administration as stipulated by law and/or their individual statutes. These actors can create transparency also in two ways: (1) through the Superiors (who are also actors themselves) – i.e. the Roman Pontiff, by virtue of his supreme authority (cf. can. 1256) and primacy of governance as supreme administrator and steward (cf. can. 1273) and the Ordinaries, obliging disclosure of information from actors under their supervision, through issuance of norms or special instructions within the bounds of law, in view of regulating their administration (can. 1276 §2); and (2) through the voluntary disclosure of the individual actors themselves.

*c) Observer/External Actor*

Oliver would refer to it as *observer*<sup>77</sup> while Grimmelikhuijsen calls it as *external actor*.<sup>78</sup> The observer/s or external actor/s are individuals or groups of individuals outside the institution-in-question that can now look ‘inside’ due to transparency. Because of this, individuals or groups that previously had not been allowed access to decision-making arenas are now enabled to influence decision-making and regulations. There could be several types of observers: journalists, citizens or other intermediaries such as experts, activists or mass media that monitor information about internal workings or performance divulged by public or private organizations.<sup>79</sup>

The Church, being an organization with visible structures, also has different publics that need and deserve different degrees of information disclosure. As a nonprofit organization, she has no investors or shareholders, but she has stakeholders to consider, i.e. (1) the faithful – bishops, clergy, religious and consecrated persons and the laity who are members of the Church by virtue of baptism and who own roles of responsibility in the mission of the Church; (2) the individual or group donors who may not be members of the

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<sup>76</sup> Ibid., p. 61.

<sup>77</sup> Cf. R. OLIVER, *What is Transparency?*, p. 2.

<sup>78</sup> Cf. S. GRIMMELIKHUIJSEN, *Transparency and Trust*, p. 61.

<sup>79</sup> Cf. Ibid.

Church but are participants or contributors in the advocacies and apostolates of the Church; (3) the civil society; and (4) the media. A strategy on transparency is required for each different public.

*d) Internal Workings*

Internal workings refer to mechanisms, processes, and performance of an organization either government or private which are objects of transparency. Transparency International, a non-profit, non-governmental organization dedicated to fighting corruption and best known for their Corruption Perceptions Index, which measures levels of perceived corruption around the world, defines transparency as a “*principle that allows those affected by administrative decisions, business transactions or charitable work to know not only the basic facts and figures but also the mechanisms and processes.*”<sup>80</sup> “It is the duty of civil servants, managers and trustees to act visibly, predictably and understandably.”<sup>81</sup> Also Albert Meijer defines transparency as the “*availability of information about an actor allowing other actors to monitor the workings or performance of this actor.*”<sup>82</sup> Thus, transparency covers not only data information but also the actions, mechanisms and processes involved within an organization, and among organizations.

In the Church this would refer to the mechanisms, requisites and procedures in performing ordinary administration, acts of administration of major importance, acts of extraordinary administration and alienation in the Church. Performing these acts would require accurate recording, accounting and reporting (cf. cann. 1284 §2, 7°–9°, §3; can. 1287), consultation and deliberation with other stakeholders (cf. cann. 1277; 1281 §2; 1287 §1; 1292; 1305), and even asking for license or permission from Superiors on

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<sup>80</sup> TRANSPARENCY INTERNATIONAL Archive Site, Newsroom, FAQ, “What is transparency?”, [http://archive.transparency.org/news\\_room/faq/corruption\\_faq](http://archive.transparency.org/news_room/faq/corruption_faq) [Accessed 26.1.2015]. Cf. also P. STURGES, *What is this absence called transparency?* Paper delivered at an ICIE Conference, Pretoria, February 2007, <http://www.ifla.org/files/assets/faife/publications/sturges/icie-paper.pdf>. [Accessed 17.10.2014]; R. Oliver, *What is Transparency?*, p. 5.

<sup>81</sup> Ibid.

<sup>82</sup> A. MEIJER, *Understanding the Complex Dynamics of Transparency*, (Paper for the Transatlantic Conference on Transparency Research, Utrecht, June 2012), p. 5, <http://www.transparencyconference.nl/wp-content/uploads/2012/05/Meijer.pdf>. [Accessed 5.4.2014]

some acts (cf. cann. 1281 §1; 1288; 1292 §2; 1304) in order to make the Church's administration visible, predictable and verifiable.

*e) Means of Observation*

This refers to some objective and published rules and criteria to gauge the transparency of an individual or organization. The debate on the merits of transparency is predominantly based on normative claims,<sup>83</sup> hence transparency requires some regulation on how to go about it. Christopher Hood in *Encyclopedia of Democratic Thought* describes transparency as a “government according to fixed and published rules, on the basis of information and procedures that are accessible to the public, and (in some usages) within clearly demarcated fields of activity.”<sup>84</sup> Thus, the need for some established standard with which to measure transparency or some basis of monitoring, and also defined targets or aspects of life experience to be subjected to transparency measures, in order to avoid arbitrariness which could lead to counterproductive results as well as to avoid violation of other well-established rights. Even the Business Dictionary, in one of its common usage of the term in business, defines transparency as “an essential condition for a free and open exchange whereby the rules and reasons behind regulatory measures are fair and clear to participants.”<sup>85</sup>

To invoke transparency then requires establishment of norms for transparency. These may be compulsory and legal, as in freedom of information legislation, or other laws that force disclosure under penalty of law. Or such norms may be voluntary, self-imposed programs, as in the case of codes of conduct or professional code of ethics or individual, spontaneous actions.<sup>86</sup>

In the Church, this refers primarily to the Code of Canon Law which serves as general norms and standards that must be observed in the whole Church, particularly its Book V (cann. 1254-

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<sup>83</sup> S. GRIMMELIKHUIJSEN, *Transparency and Trust*, p. 53.

<sup>84</sup> C. HOOD, “Transparency,” in P. B. Clarke and J. Foweraker, (eds.), *Encyclopedia of Democratic Thought*, Routledge, London 2001, p. 701.

<sup>85</sup> “Transparency,” BusinessDictionary.com, <http://www.businessdictionary.com/definition/transparency.html> [Accessed: 17.8.2014]. Also, D. GEBLER, *The 3 Power Values: How Commitment, Integrity and Transparency Clear the Roadblocks to Performance*, Jossey-Bass, San Francisco [CA] 2012, p. 147.

<sup>86</sup> B. HOLZNER & L. HOLZNER, *Transparency in Global Change: The Vanguard of the Open Society*, University of Pittsburgh Press, Pittsburgh 2006, p. 13.

1310), upon which the proper administration of the temporal goods must be based (cf. can. 1257 §1). Secondly, this would refer also to particular laws and proper statutes of the different public juridical persons applicable to their particular circumstances (cf. can. 1257 §1). Thirdly, this refers also to the civil laws considered as “canonized” by canon law (cc. 22; 197; 1290) and those treated merely as reference norms (e.g. cc. 1274 §5; 1284 §2; 1286; 1289)<sup>87</sup>.

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<sup>87</sup> There are instances that canon law does not have its own norms on a matter but defers to the civil laws. Canon 22 provides the foundational principle for this that whenever canon law yields (remittit) to the civil law, the civil law must be observed with the same effects as canon law. (Cf. J. HUELS, “Canon 22”, in *New Commentary on the Code of Canon Law*, commissioned by The Canon Law Society of America, Paulist Press, New York 2000, p. 84). This remittal “consists in the fact that the norm which carries out such remittal does not regulate its own supposition of fact, but rather accepts the regulation that the other system makes in the same circumstances” (J. MIÑAMBRES, “Análisis de la técnica de la remisión a otros ordenamientos jurídicos en el Código de 1983,” in *Ius Canonicum* 64 (1992), p. 716; quoted from, J. OTADUY, “Commentary on Canon 22” in E. CAPARROS, *et al* (English eds.), *Exegetical Commentary on the Code of Canon Law*, vol. I, Midwest Theological Forum, Chicago (IL)/Wilson & Lafleur, Montreal 2004, p. 379.) Thus the term “canonization” of civil laws. “With such technique, the legislator dispenses from the need to vastly increase its Code, avoids many grounds of disputes, adapts to different laws and cultures, and also performs an act of esteem for the same civil ordinances” (V. DE PAOLIS, *I beni temporali della Chiesa*, p. 72. English trans. by the author) This is practically convenient and necessary especially in terms of administration of temporal goods for the fact that real properties are situated locally and therefore cannot but be subject to state laws of the land to which they are located as well as in making contracts (Can. 1290) especially alienation in order for them to be lawfully recognized civilly and effectively binding.

Moreover, this observance of civil laws in the administration of ecclesiastical goods finds particular importance in terms of transparency. Since transparency obligations, which actually developed outside the Church and are now widely practiced by public and private institutions and imposed by State laws, the Church cannot just be oblivious to it. A particular example of this is the issuance of the Holy See of several financial measures to ensure that the Vatican organizations conform to international standards of transparency. Cf. BENEDICT XVI, *Motu proprio, La Sede Apostolica*, for the Prevention and Countering of Illegal Activities in the Area of Monetary and Financial Dealings (30 December 2010) in AAS 103/1 (2011) 641-709; FRANCIS, *Motu proprio, La promozione*, for the Prevention and Countering of Money Laundering, the Financing of Terrorism and the Proliferation of Weapons of Mass Destruction (8 August 2013) in AAS 105/9 (2013) 811-813; *Motu proprio, Fidelis Dispensator et Prudens*, (24 February 2014) in AAS 106/3 (2014) 164-165; *Motu proprio*, Transferral of the Ordinary Section of the Administration of the Patrimony of the Apostolic See to the Secretariat for the Economy (8 July 2004) in AAS 106/8 (2014) 618-620, and the currently issued Statutes of the New Economic Organisms (22 February 2015) at [http://w2.vatican.va/content/francesco/it/motu\\_proprio/documents/papa-francesco\\_20150222\\_statuti-segreteria-per-economia.html](http://w2.vatican.va/content/francesco/it/motu_proprio/documents/papa-francesco_20150222_statuti-segreteria-per-economia.html). [Accessed 6.7.2015]

Cf. also M. LÓPEZ ALARCÓN, “Introduction to Book V” in E. Caparros, *et al.* (eds.), *Exegetical Commentary on the Code of Canon Law*, Vol. IV/1, pp. 10-11.

Finally, this includes also codes of conduct, international standards and “best practices” adopted by both public and private institutions in their institutional management which may be applicable also to the Church as a nonprofit religious organization. An example of which is the U. S. National Leadership Roundtable’s Standards for Excellence which was laid down by experts in various public and private sectors as well as of the Church, to provide the highest standards of ethics and accountability in the Church management and operations upon which Catholic dioceses, parishes and other public juridical persons in the Church may gauge their performance in governance and management.<sup>88</sup> All these criteria may serve as means to determine transparency in the Church.

## 2. *Characteristics of Transparency*

After pointing out the basic elements of transparency, we shall now identify some common characteristics observable in transparency literatures that can help us understand what transparency is all about and what it demands.

Bernard J. Laurens, Marco Arnone, Jean-Francois Segalotto, writing about transparency in monetary-policy of Central Banks, pointed out four characteristics of transparency that should be observed.<sup>89</sup> Their observations were based on Bernhard Winkler’s defining aspects of Central Bank transparency, i.e. clarity, common understanding and honesty, as well as his concept of informational efficiency.<sup>90</sup> Observing them to be common features and reasonably applicable to all, together with some features mentioned by other authors, we deduce the following characteristics:

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<sup>88</sup> For more details into the matter, cf. <http://theleadershiproundtable.org/sfx/default.asp> [Accessed 20.05.2015]

<sup>89</sup> Cf. B. LAURENS, M. ARNONE, J. F. SEGALOTTO, *Central Bank Independence, Accountability, and Transparency: A Global Perspective*, International Monetary Fund, Palgrave Macmillan, Hampshire, UK/New York, USA 2009, p. 113.

<sup>90</sup> Bernhard Winkler is a Senior Advisor of the Directorate Monetary Policy of the European Central Bank (ECB) who authored several working papers of ECB including ECB Working Paper Series, No. 26, titled *Which Kind of Transparency? On the Need for Clarity in Monetary Policy-Making*, ECB Working Paper European Central Bank, Frankfurt, Germany, August 2000 wherein he pointed out the defining elements of Central Bank transparency mentioned above. Cf. <https://www.ecb.europa.eu/pub/pdf/scpwp/ ECBWP026.pdf> [Accessed 14.11.2014].

- a) *Openness* – This refers to the amount of information one entity is committed to reveal.<sup>91</sup> It entails availability and accessibility of information to an observer or stakeholder. The prime aim of transparency is to inform, thus to inform, one has to be open and should make the necessary information available and accessible. As Buijze noted, “All transparency obligations seem to have a common core. They are all concerned with availability, accessibility, and comprehensibility of information.”<sup>92</sup>

Information can be available in passive or active forms. Passive transparency means information is available upon request. This is the more traditional understanding of transparency. However, modern day transparency debates tend to focus on active transparency, *i.e.*, voluntary disclosure, making information available to people without them having to make a specific request for that information. This is now being made possible by Information and Communication Technologies (ICTs) and the Internet in particular.<sup>93</sup>

- b) *Clarity* – This suggests that information, in order to be understood, must be simple, clear, and well-structured.<sup>94</sup> The information provided must also allow critical analysis at multiple levels and ambiguity must be avoided.<sup>95</sup> Reginald Carter noted the importance of clarity in achieving transparency in his *10 Dimensions of Transparent Accountability Paradigm*: “Results should be measurable, simple, realistic, manageable, and easily understood.”<sup>96</sup>

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<sup>91</sup> Cf. Cf. B. LAURENS, M. ARNONE, J. F. SEGALOTTO, *Central Bank Independence, Accountability, and Transparency: A Global Perspective*, p. 113.

<sup>92</sup> A. BUIJZE, “The Six Faces of Transparency” in *Utrecht Law Review*, vol. 9/3 (July 2013), p. 4. <http://www.utrechtlawreview.org/index.php/ulr/article/view/233/228> [Accessed 11.4.2014]

<sup>93</sup> Cf. S. GRIMMELIKHUIJSEN, *Transparency and Trust: An experimental study of online disclosure and trust in government*, p. 57.

<sup>94</sup> Cf. B. WINKLER, *Which Kind of Transparency? On the Need for Clarity in Monetary Policy-Making*, p. 8.

<sup>95</sup> Cf. B. LAURENS, M. ARNONE, J. SEGALOTTO, *Central Bank Independence, Accountability, and Transparency: A Global Perspective*, p. 113.

<sup>96</sup> R. CARTER, *The Transparent Accountability Paradigm: An Outcome-based Management Approach for Government and Nonprofit Organization*, p. 128.

- c) *Comprehensibility* - The communication process must be founded on a common language and a common mode of interpretation which has to be comprehensible to both parties: the communicating party and the receiving one.<sup>97</sup> Information disclosure has to consider always its target audience. Otherwise, information is inutile and transparency is unrealized. There has to be common knowledge and common understanding on both parties to achieve communication. Common understanding is considered “an important precondition for successful communication as well as the ultimate objective of genuine transparency.”<sup>98</sup>
- d) *Informational Efficiency* – More information and greater detail does not necessarily translate into greater transparency and better understanding, nor does it subsequently lead to more efficient decision-making.<sup>99</sup> Large amount of raw information in the public domain may even cause opacity rather than transparency.<sup>100</sup> Hence, according to Walker, the optimal use of available information is necessary, *i.e.* to balance the benefits of information with the cost associated with searching, processing and interpreting information.<sup>101</sup> It is quality rather than just quantity of information that is crucial to transparency. Factors like relevance, timeliness and accuracy are necessary in evaluating information disclosure if one is to aim for informational efficiency. As the Transparency-Accountability Initiative would point out in its own presentation of transparency: “Information

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<sup>97</sup> Cf. B. LAURENS, M. ARNONE, J. SEGALOTTO, *Central Bank Independence, Accountability, and Transparency: A Global Perspective*, p. 113.

<sup>98</sup> B. WINKLER, *Which Kind of Transparency? On the Need for Clarity in Monetary Policy-Making*, p. 8.

<sup>99</sup> Cf. *Ibid.*, p. 18.

<sup>100</sup> *Transparency-Accountability Initiative*, <http://www.transparency-initiative.org/about/definitions> [Accessed 14.11.2014]. The Transparency and Accountability Initiative (T/A Initiative) is a donor collaborative working to expand the impact and scale of transparency and accountability interventions.

<sup>101</sup> B. WINKLER, *Which Kind of Transparency? On the Need for Clarity in Monetary Policy-Making*, p. 8.

should be managed so that it is up-to-date, accurate and complete.”<sup>102</sup>

- e) *Honesty* – This aspect refers to the degree in which the representation of information employed in *external* communication corresponds to the actual structuring of information adopted *internally* by an entity.<sup>103</sup> There must be no modification or omission in the interpretation and communication of data.<sup>104</sup> This means that there should be consistency, integrity, and fidelity to the original information in the process of information disclosure.

The abovementioned characteristics of transparency correspond also to what are prescribed in the *Code of Good Practices on Fiscal Transparency* and the *Manual on Fiscal Transparency* issued by the International Monetary Fund, save the informational efficiency. The *Code of Good Practices* serves as the standard against which fiscal transparency should be judged, while the *Manual* serves as the reference handbook on ways to improve fiscal transparency.<sup>105</sup> The *Code of Good Practices*, which are discussed in detail by the *Manual*, outlined four major requirements, namely: *clarity of roles and responsibilities*, *open budget processes*, *public availability of information*, and *assurances of integrity*. These are consistent with clarity, openness, comprehensibility and honesty which have been previously discussed. Furthermore, Winkler noted, that the same values directly correspond to the common dictionary definition of transparency among many others, that is, “easily seen through” (openness), “frank” (honesty), “evident” (clarity), and “easily understood” (common understanding).<sup>106</sup>

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<sup>102</sup> *Transparency-Accountability Initiative*, <http://www.transparency-initiative.org/about/definitions>. [Accessed: 14.11.2014].

<sup>103</sup> B. WINKLER, *Which Kind of Transparency? On the Need for Clarity in Monetary Policy-Making*, p. 8.

<sup>104</sup> Cf. B. LAURENS, M. ARNONE, J. SEGALOTTO, *Central Bank Independence, Accountability, and Transparency: A Global Perspective*, p. 113.

<sup>105</sup> Cf. INTERNATIONAL MONETARY FUND, *Manual on Fiscal Transparency*, IMF Fiscal Affairs Department, Washington, D.C. 2007, p. vii.

<sup>106</sup> Cf. B. WINKLER, *Which Kind of Transparency? On the Need for Clarity in Monetary Policy-Making*, p. 8.

### 3. *Directions of Transparency*

According to David Heald, there are four directions of transparency<sup>107</sup> which are generally applicable to different fields of concern. They refer practically to the flow of information within and outside an organization. These movements and relationships are also significant in the Church. We shall now examine each in detail.

- a) *Transparency upwards* – It refers to hierarchical movement and relationship or the principal-agent model which is frequently used in economic models. *Transparency upwards* denotes that the conduct, behavior and/or results of the hierarchical subordinate/agent can be monitored by the hierarchical superior/principal.

In the Church, this refers to the flow of information from pastors and administrators of public juridical persons to their hierarchical superiors and from the faithful to their pastors. In terms of financial administration, administrators of ecclesiastical goods have the obligation to give an account of their administration to their proper diocesan bishops (can. 1287 §1) while the diocesan bishops themselves are to account also for their administration to the Roman Pontiff every five years (cf. cann. 399 §1; 400). Another is the obligation to obtain permission on acts beyond ordinary administration from the hierarchical authority (cf. cann. 1281 §1; 1288; 1292 §2; 1304). In this manner, the performance of the administrators is made visible and easily monitored and controlled by the hierarchical Superior/s.

- b) *Transparency downwards* – It occurs when the ‘ruled’ or the subordinates can observe the conduct, behavior, and/or results of their ‘rulers’ or superiors. Such condition and relationship is of paramount importance in democratic theory and practice and guaranteed by rights and obligations, often under the umbrella of ‘accountability’. In term of principal-agent model, the

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<sup>107</sup> David Heald calls them “directions of transparency.” Cf. D. HEALD, “Varieties of Transparency” in C. Hood and D. Heald (eds.) *Transparency: Key to Better Governance?*, Proceedings of the British Academy, Oxford University Press., New York 2006, pp. 27-29.

government is seen as the accountable agent and the electorate as the principal.<sup>108</sup>

In the Church, this is realized in the flow of information from the ecclesiastical authorities at all levels to the faithful. Thus, administrators are asked to render an account of their administration to the faithful (cf. can. 1287 §2), but not in the manner of a ‘ruled–ruler’ or ‘subordinate–superior’ model but rather of a principal-agent framework where the administrators are seen as accountable agents of the faithful who constitute the public juridical persons who are rightful owners of the goods subject to administration (cf. can. 1256).

- c) *Transparency outwards* – It occurs when the hierarchical subordinate or agent can observe what is happening ‘outside’ the organization. The ability to see outside is fundamental to an organization’s capacity to understand its habitat and to monitor the behavior of its peers and /or competitors.

This holds true also for the Church. Since the Church lives and operates in the world, it is fundamental for her to maintain a line of communication and relationship with the human society.<sup>109</sup> “The Church does not speak and listen to her own members alone; her dialogue is with the world.”<sup>110</sup> She needs public opinion in order to advance in thought and action,<sup>111</sup> read the ‘signs of the times’,<sup>112</sup> and employ social advancements in order to express her identity and mission better and relevant to the modern times.<sup>113</sup> In terms of temporal administration, “the Church must tap into the [modern management principles and techniques], into the best human talent, creativity, and professional know-how available if it is to pursue its mission responsibly and effectively.”<sup>114</sup>

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<sup>108</sup> Cf. Footnote 2, D. HEALD, “Varieties of Transparency” p. 27.

<sup>109</sup> *Communio et Progressio*, 114.

<sup>110</sup> *Communio et Progressio*, 122.

<sup>111</sup> Cf. *Communio et Progressio*, 115.

<sup>112</sup> Cf. VATICAN II COUNCIL, Pastoral Constitution on the Church in the Modern World, *Gaudium et Spes*, (7 Dec. 1965) in AAS 58 (1966) 1025-1120, n. 4.

<sup>113</sup> Cf. *Gaudium et Spes*, 44.

<sup>114</sup> NATIONAL LEADERSHIP ROUNDTABLE ON CHURCH MANAGEMENT, *The Church in America: Leadership Roundtable 2004-Challenges and Opportunities in Governance and Accountability for Institutions in Transition*, p. 1, cf. <http://www.theleadershiproundtable.org/TLR/pubs-resources/books.html> [Accessed 7.02.2015].

- d) *Transparency inwards* – It is a condition where those outside can observe what is going on inside the organization. According to Heald, it is relevant to freedom of information legislation and also to mechanisms of social control that enforce behavior patterns<sup>115</sup> that would facilitate visibility. Transparency inwards denotes also surveillance and being watched by peers. He noted as an example the observation made by John Lloyd, a contributor to *FT Magazine*, who observed that the former East Germany was a highly transparent society in the sense that citizens were observed by other citizens reporting to the authorities.<sup>116</sup> However, the right to privacy is something to reckon with in setting limits on this movement of inward transparency.

The Church, by virtue of the divine mandate from her founder to proclaim the gospel of salvation to all,<sup>117</sup> “manifesting and actualizing the mystery of God’s love for men,”<sup>118</sup> and by the inherent right to information and knowledge of the people with whom she lives with in the world, has the obligation to communicate publicly her belief and her way of life to the whole humanity.<sup>119</sup> In order to realize this, her intentions and all her actions must be distinguished by integrity, truth and openness.<sup>120</sup> She has to allow members, critics, sympathizers and even mere spectators to look into her systems of governance, structures and teachings to bring her message across as relevant and attractive to every man and every epoch of history. Thus, “it is the mission of those with responsible positions in the Church to announce without fail or pause, the full truth, by the means of social communication, so as to give a true picture of the Church and her life.”<sup>121</sup>

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<sup>115</sup> Cf. Footnote no. 2, D. HEALD, “Varieties of Transparency”, p. 28.

<sup>116</sup> Cf. Ibid. Cf. also J. LLOYD, “Morals and the Story” in *FT Magazine*, 10/11 (September 2005).

<sup>117</sup> Mt. 28:19-20.

<sup>118</sup> *Gaudium et Spes*, 45.

<sup>119</sup> Cf. *Communio et Progressio*, 122.

<sup>120</sup> Cf. Ibid., 121.

<sup>121</sup> Cf. Ibid., 123

To understand now the various directional movements and their relations, we present here the Venn diagram Heald made.

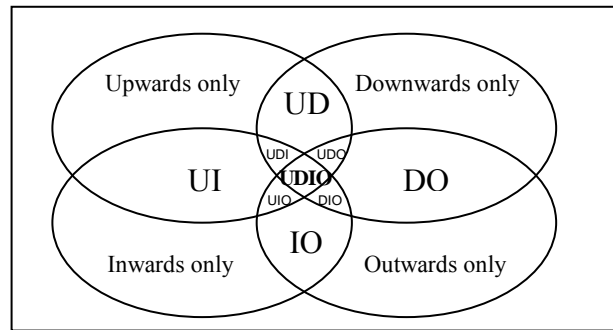


Fig. 1 Heald's Four Directions of Transparency

*Note: The two combinations (UO and ID) cannot be shown in this two-dimensional representation. No significance is to be attached to which two combinations are not represented in Figure 1. The significance depends on the labeling of the 4 circles. The shaded diamond-like area (UDIO) denotes the convergence and simultaneous presence of all four directions of transparency achieving full symmetrical transparency.*

A symmetry occurs in vertical transparency wherever upwards and downwards transparency are both present. The same is true in horizontal transparency when outwards and inwards transparency co-exist. Without which, transparency is either completely absent or asymmetrical in vertical and horizontal dimension respectively.<sup>122</sup>

Wherever there is a simultaneous presence and convergence of all four directions of transparency, full symmetrical transparency is achieved. The diamond-shaped area (UDIO) in the figure presented denotes this. Although Heald admits that there is no normative evaluation made of the relative desirability of the different areas in the framework he made, however, such analysis helps clarify why views about transparency are often ambivalent in practice. This discussion of directions of transparency demonstrate that once certain asymmetrical combinations occur, it would be

<sup>122</sup> Cf. D. HEALD, "Varieties of Transparency" in C. Hood and D. Heald (eds.) *Transparency: Key to Better Governance?*, Proceedings of the British Academy, Oxford University Press., New York 2006, pp. 27-29.

uncomfortable to experience, especially in the Church whose mission is proclamation of truth and whose nature is one of communion.<sup>123</sup>

## **E. Rationale or Purpose of Transparency**

An object is chosen because of the good it offers. The general perception is that transparency is “good” because of its prevalence in almost every sphere of human and public relations. However, what is it good for? There has to be some sense of value or purpose for it or what is it supposed to achieve? After pointing out the common elements and characteristics to help us understand what transparency is, in this section we will endeavor to present the rationale for transparency. What value does it have? What good does it offer?

According to Jens Forssbaeck and Lars Oxelheim, there are two main categories of the rationale for transparency. The first is functional or instrumental while the second is ideological or value-driven.<sup>124</sup> The first recognizes transparency as a value useful for another end while the second considers transparency as an intrinsic value – a value by itself. These two categories are discussed in detail to illustrate importance of transparency and its application in the many facets of human and institutional relations and especially to the financial administration in the Church.

### ***1. As Instrumental Value***

According to Heald and Buijze, although transparency can be seen as intrinsically important, it owes its popularity to a large extent to its instrumental value.<sup>125</sup> It is valued because it promotes democracy, trust in public institutions or market efficiency.<sup>126</sup> In short, it serves as an instrument in the realization of a specific purpose. It is a means to an end.

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<sup>123</sup> Cf. Ibid.

<sup>124</sup> J. FORSSBAECK AND L. OXELHEIM, “The Multifaceted Concept of Transparency,” in J. Forssbaeck and Lars Oxelheim (eds.), *The Oxford Handbook of Economic and Institutional Transparency*, Oxford University Press, New York 2015, p. 10.

<sup>125</sup> D. HEALD, “Transparency as an Instrumental Value,” in C. Hood & D. Heald (eds.), *Transparency, the Key to Better Governance? Proceedings of the British Academy*, Oxford University Press Inc., New York 2006, p. 59. Also, A. BUIJZE, “The Six Faces of Transparency,” p. 4.

<sup>126</sup> Cf. C. HOOD, “Transparency in Historical Perspective,” p. 3. Also A. BUIJZE, “The Six Faces of Transparency,” p. 5.

To demonstrate further the instrumental value of transparency, Heald enumerates seven other values which when counterpoised with transparency, can bring about an optimal level of transparency, *i.e.* effectiveness, trust, accountability, autonomy and control; confidentiality, privacy, and anonymity; fairness, and legitimacy.<sup>127</sup> This means transparency is correlated with other values and in fact, a prerequisite to the attainment to some of these values.<sup>128</sup> For instance, trust and accountability can never be truly realized without transparency. How can there be trust or one be held accountable when certain matters are hidden from another party concerned?

From the positions mentioned above, we can distinguish two uses of transparency. It is used as either to enhance the process of attainment of certain end, thus bring about efficiency in an endeavor or it serves as a prerequisite in the achievement of a specific goal. Although either or both may be present in the use of transparency and may be considered insignificant to some, however this distinction is important to note in appreciating transparency itself and its benefits as we enumerate its application in different institutional or relational objectives related below.

#### a) As Instrumental Value for Accountability

Transparency itself is not the most important thing, according to Paul Sturges.<sup>129</sup> “Transparency,” he said “concerns us because it has a purpose. The purpose of transparency is accountability. Accountability is the reason why transparency is introduced into systems of public and corporate governance. Transparency allows examination of the stewardship that is expected of those who own or have the care of resources that are matters of public concern. Transparency is also introduced into what might at first seem to be purely private matters because of the need for the public accountability of individuals for certain kinds of actions.”<sup>130</sup>

Accountability is defined as “an obligation or willingness to accept responsibility or to account for one’s actions.”<sup>131</sup> This includes the duty “to explain and answer for the outcomes and impacts of those actions to others, particularly to others in some

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<sup>127</sup> Cf. D. HEALD, “Transparency as an Instrumental Value” pp. 59-60.

<sup>128</sup> Cf. Ibid. for further explanation on the matter.

<sup>129</sup> Cf. P. STURGES, *What is this absence called transparency?* p. 3.

<sup>130</sup> Ibid.

<sup>131</sup> “Accountability,” *Merriam-Webster’s Collegiate Dictionary*, 11<sup>th</sup> ed., Merriam-Webster, Inc., Springfield, Massachusetts 2004, p. 8.

authority relationship. Being accountable means being “called to account” for one’s actions and needing to accept whatever consequences might result from those actions.”<sup>132</sup>

To demonstrate further the relation between the usually two-entangled terms, Reginald Carter made this distinction: “Accountability refers to the reporting of performance information such as inputs, outputs and outcomes to various layers of oversight (governors, legislators, agency directors, auditors, and accountants).”<sup>133</sup> On the other hand, “transparency refers to the open sharing of performance information with a much broader audience of stakeholders including the media, public, and taxpayers.”<sup>134</sup> From the distinction provided, there can be three suppositions: first, that transparency is an indispensable partner of accountability. One cannot speak of authentic accountability without transparency. Second, that transparency facilitates efficiency in operations, policy and decision-making. Knowing that one is always watched upon and has the responsibility as steward to render an account of one’s stewardship under his/her care to stakeholders, one is motivated to do what is right and to make it better. Third, that transparency guarantees consistency and integrity of reporting or disclosure of information, as there are two separate audiences that need to be addressed with one single objective – accountability. It serves as an instrument of “checks and balances.” Otherwise, if there would be discrepancy in the reporting, mistrust arises and a lot of other problems would follow.

The growing demand today for accountability and transparency from different entities has arisen because of past abuses of power and misuse of resources, which resulted in loss of confidence on institutions among many stakeholders in society. The recent scandals which hit major corporations such as Enron and WorldCom in the United States as well as elsewhere around the world and even within the Catholic Church, greatly reveal greed on the part of corporate leaders and managers and starkly, the betrayal of public trust.<sup>135</sup>

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<sup>132</sup> S. WADDOCK, *The Difference Makers: How Social Institutional Entrepreneurs Created the Corporate Responsibility Movement*, Greenleaf Publishing, Ltd., Sheffield, UK 2008, p. 41.

<sup>133</sup> R. CARTER, *The Transparent Accountability Paradigm: An Outcome-based Management Approach for Government and Nonprofit Organization*, p. 52.

<sup>134</sup> Ibid.

<sup>135</sup> Cf. Ibid.

Hence, transparency is not just a technical issue, but a moral issue for us all.<sup>136</sup> It concerns trust on those who hold power for public interest. And wherever power is exercised, transparency is required,<sup>137</sup> because it concerns common interest. As Brin maintains, “transparency is not about eliminating privacy. It is about giving us the power to hold accountable those who would violate it.”<sup>138</sup>

However, Garsten and de Montoya pointed out that although transparency and accountability signify organizational trust and health especially that we are currently living in a so-called “culture of mistrust,” there is a *caveat* to it.<sup>139</sup> They said that the idea of “trust but verify”<sup>140</sup> comes into play. And with this idea comes the tendency to see and know more and more about a subject before trust is given, which when examined carefully, seemingly amplifies the sense of insecurity and mistrust rather than facilitate trust. With such tendency, there is no obvious end to the call for more transparency.<sup>141</sup>

But Paul Sturges was quick to point out the solution to this seemingly limitless coverage of transparency and accountability:

For accountability to be effective and fair to those whose conduct it reveals, a well worked-out concept of the public interest is required. The existence of a genuine need to know, generally spoken of as the public interest, is central to the rationale for all aspects of transparency.[...] Decisions on what constitutes the public interest are often a matter that is left to the law

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<sup>136</sup> Cf. A. HENRIQUES, *Corporate Truth: The Limits to Transparency*, Earthscan, London, U.K./Sterling, VA, USA 2007, p. 2.

<sup>137</sup> Cf. Ibid.

<sup>138</sup> D. BRIN, *Transparent Society: Will Technology Force Us to Choose Between Privacy and Freedom?* Basic Books, New York 1998, p. 334.

<sup>139</sup> Cf. C. GARSTEN and M. LINDH DE MONTOYA, “Introduction: Examining the Politics of Transparency,” in C. GARSTEN and M. LINDH DE MONTOYA (eds.), in *Transparency in a New Global Order: Unveiling Organizational Visions*, Edward Elgar Publishing, Ltd., Northampton [MA], p. 7. Cf. also, N. ROSE, *Powers of Freedom: Reframing Political Thought*, Cambridge University Press, Cambridge 1999, pp.154-155.

<sup>140</sup> “Trust but verify” was a slogan used during the Cold War to describe the basis for transparency in political relationships. Today, the term applies to the strategy in narrowing the “trust gap” not between nations, but between companies and stakeholders. Cf. S. DEL VECCHIO, C. THOMPSON, AND G. GALINDO, “Trust but Verify: From transparency to competitive advantage.” <http://www.pwc.com/us/en/view/issue-13/trust-but-verify.jhtml> [Accessed 17.10.2014].

<sup>141</sup> C. GARSTEN & M. DE MONTOYA (eds.), *Transparency in a New Global Order: Unveiling Organizational Visions*, p. 7.

courts to decide because of the delicate considerations that need to be balanced in some cases. The courts are presumed to rule on the basis of a balancing of the public need to know against the need of the state, business or even an individual to keep something concealed from public knowledge. [...] However, when we consider transparency generally, it is vital that there is a widely accepted consensus on what forms of transparency are in public interest and what are not.<sup>142</sup>

Thus, the rationale for transparency and accountability is for public interest and consequently their effectiveness lie on it also. Other than that is already an excess.

In the Church, accountability is both an imperative and a necessity. Thus, St. Paul reminds: “each of us shall give account of himself to God.”<sup>143</sup> Lack or absence of accountability would be a betrayal of the Church’s nature and mission and would render her witnessing to the Gospel message incredible. It would greatly damage the image of the Church, elicit mistrust among faithful and would discourage them from supporting the Church in her apostolates.<sup>144</sup>

The concept of accountability in the Church, according to Archbishop Donald Wuerl, is primarily an accountability before the faith of the Church, which transcends that of the secular or political models (which are normally founded on popular approval).<sup>145</sup> “When we speak about structure, governance, and accountability, what must be presumed is the ‘obedience of faith,’”<sup>146</sup> that is, fidelity to God’s revelation entrusted to the Church.<sup>147</sup> This Church, by virtue of Divine Revelation is both an organic structure and a communion with variety of functions but with one mission. Everyone is thus called to fulfill his or her own function in the

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<sup>142</sup> P. STURGES, *What is this absence called transparency?* p. 3.

<sup>143</sup> Rom. 14:12.

<sup>144</sup> Cf. P. IJASAN, *The Parish Finance Council according to Canon 537 of the 1983 Code of Canon Law and Its Implementation in Nigeria*, (Dissertation), Pontifical University of the Holy Cross 2010, p. 120.

<sup>145</sup> Cf. D. WUERL, “Reflections on Governance and Accountability in the Church” in F. Oakley & R. Bussett, (eds.), *Governance, Accountability and the Future of the Catholic Church*, Continuum, New York 2004, p. 18.

<sup>146</sup> Cf. D. WUERL, “Reflections on Governance and Accountability in the Church,” p. 14.

<sup>147</sup> Cf. Ibid. Cf. also R. SHAW, *Nothing to Hide: Secrecy, Communication and Communion in the Catholic Church*, Ignatius Press, San Francisco 2008, p. 135.

context of this one mission and is accountable as to how one does well his or her own function within the communion. "All the faithful, both baptized and in holy orders, must be able to stand before God and the church in the exercise of their duties."<sup>148</sup> This accountability which is exercised in the context of communion, can only be materialized through transparency. "Whatever our responsibility, we must exercise it with an *openness* that takes the form of shared information (communication), reporting on the discharge of our duties, and accepting critique of our actions (consultation), as we strive to work together for the spread of the Gospel (collaboration)."<sup>149</sup> Through this transparency, each one is able to assume responsibly his or her proper role in the church communion, solidarity is fostered, and the mission of the Church is efficiently and effectively carried out.<sup>150</sup>

In terms of Church's administration of ecclesiastical goods, accountability is viewed in the context of stewardship. Ecclesiastical goods, by virtue of the nature of the Church as communion, do not belong to any private individual but to the common patrimony of the Church community through various public juridical persons who lawfully acquired them (cf. can. 1256) and are considered the owners of those goods. Their administration is not tantamount to ownership but rather of stewardship responsibility, where one is placed in a position of trust and confidence,<sup>151</sup> with stringent duties expected of a fiduciary both in legal and ethical perspective, among which is the diligent care of the property entrusted to him or her by the owner.<sup>152</sup>

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<sup>148</sup> D. WUERL, "Reflections on Governance and Accountability in the Church," p. 14.

<sup>149</sup> D. WUERL, "Framework of Accountability in the Church" in C. Zech, *Best Practices in Catholic Church Ministry Performance Management*, Lexington Books, Lanham [Md] 2010, p. 11.

<sup>150</sup> Cf. D. WUERL, "Reflections on Governance and Accountability in the Church," p. 19.

<sup>151</sup> "A fiduciary relationship has two elements: trust and confidence. Something is entrusted to the care of a person with the confidence that proper care will be taken." J. R. BOATRIGHT, *Ethics in Finance*, 2<sup>nd</sup> ed., Blackwell Publishing, Oxford, U.K. 2008, p. 39.

<sup>152</sup> The role of a fiduciary, both in law and in socially accepted ethical standards require greater expectations since it is a "special relationship of trust and confidence which, in the words justice Benjamin Nathan Cardozo (1870-1938; US Supreme court judge from 1932 to 1938) is "something more than the ordinary honor of the marketplace ... the very punctilio of honesty and forthrightness." [...] In these relationships law demands a higher than ordinary degree of care and responsibility from the dominant or trusted party." <http://www.businessdictionary.com/definition/fiduciary-relationship.html#ixzz3XLs6gCmX> [Accessed 14.4.2015]

Thus, the current code of canon law requires that church financial administrators should perform their duties with the “diligence of a good householder” (cf. can. 1284 §1) and specified in detail the duties they are to carry out as a management standard (cf. can. 1284 §2). Administration of church goods which consists in their preservation, amelioration and application of their fruits to the proper objectives of the public juridical person who owns them,<sup>153</sup> must be done in the name of the Church and according to Church’s laws and spirit (cf. can. 1282), “in communion with and under the supervision of the hierarchy, especially the Holy See.”<sup>154</sup>

Thus, according to American canonists Adam Maida and Nicholas Cafardi, an administrator of ecclesiastical goods, by virtue of being a steward, is accountable “first and above all [...] to the Lord, who established his Church to carry on his salvific mission on earth and who intends his Church to use its property for very restricted ends, namely, to glorify him, to serve his poor, and to support its own existence”<sup>155</sup> (cf. Canon 1254 §2). Secondly, he has “an upward or hierarchical accountability. A pastor is accountable for his stewardship to his bishop. The bishop is accountable for his stewardship to the Holy See.”<sup>156</sup> Thirdly, he “is also accountable in conscience to the faithful”<sup>157</sup> – the Christian community, as well as “to those generous persons, past or present, who through their charity have endowed the Church with whatever property it possesses”<sup>158</sup> (cf. can. 1287 §2). An “accountability to donors may also exist at law when the donor has attached a clearly expressed intention to the use or administration of his or her gift (cf. cc. 1300-1301).”<sup>159</sup> Also, “when the steward is in charge of the affairs of a

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<sup>153</sup> Cf. PONTIFICAL COUNCIL FOR THE INTERPRETATION OF LEGISLATIVE TEXT, *Communicationes* 36 (2004), p. 26; WERNZ – VIDAL, *Ius Canonikum*, IV/II: *De Rebus*, pp. 211-212; O. CRUZ, *Administration of the Temporal Goods of the Church*, ALD Publications, Dagupan City 2005, p. 48; V. DE PAOLIS, *I bene temporali della Chiesa*, p. 191.

<sup>154</sup> V. DE PAOLIS, “Temporal Goods of the Church in the New Code with Particular Reference to Institutes of Consecrated Life” in *The Jurist* 43 (1983) pp. 343-360, p. 351.

<sup>155</sup> A. MAIDA and N. CAFARDI, *Church Property, Church Finances, and Church-Related Corporations: A Canon Law Handbook*, The Catholic Health Association of the United States, St Louis (MO) 1984, pp. 64-65.

<sup>156</sup> *Ibid.*, p. 64.

<sup>157</sup> *Ibid.*, p. 65.

<sup>158</sup> *Ibid.*

<sup>159</sup> *Ibid.*

collegial public juridic person, there is an accountability in conscience to the personal members of the collegial public juridic person. It is through the work of these members, who have given their lives to the service of God [...] that the public juridic person has acquired, conserved, or built up its resources for the performance of charity.”<sup>160</sup> And “finally, and perhaps most important, the canonical steward is obliged in conscience to the poor and the needy, who are meant to be the beneficiaries of the Church’s charity.”<sup>161</sup>

These accountability obligations would never be accomplished properly, diligently and sustainably without transparency. Thus, Pope St. John Paul II in his Post-Synodal Apostolic Exhortation *Pastores Dabo Vobis* remarks that a priest, “being personally involved in the life of the community and being responsible for it, [...] should also offer the witness of a total “honesty” in the administration of the goods of the community, which he will never treat as if they were his own property, but rather something for which he will be held *accountable* by God and his brothers and sisters, especially the poor.”<sup>162</sup> With this, transparency comes rather as a visible commitment to accountability.<sup>163</sup> It is a commitment to fulfill one’s stewardship responsibility in an orderly and constant manner, acting and deciding always in view of the

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<sup>160</sup> Ibid.

<sup>161</sup> Ibid.

<sup>162</sup> JOHN PAUL II, Post Synodal Apostolic Exhortation *Pastores Dabo Vobis*, (25 March 1992), Libreria Editrice Vaticana, Città del Vaticano 1992, p. 63, n. 30.

<sup>163</sup> The USCCB *Stewardship and Development in Catholic Dioceses and Parishes: A Resource Manual* which was developed by the Ad Hoc Committee on Stewardship in 1996 alludes to this role of transparency as it argues that stewardship and development efforts in a parish or diocese can only succeed if there is a visible commitment to accountability. Cf. USCCB, “*Stewardship and Development in Catholic Dioceses and Parishes: A Resource Manual*,” in USCCB, *Stewardship: A Disciple’s Response* (A Pastoral Letter on Stewardship), 10<sup>th</sup> Anniv. ed. Washington, D.C., in <http://www.usccb.org/upload/stewardship-disciples-response-10th-anniversary.pdf>. [Accessed 7.4.2015], p. 61.

Moreover, Jack McCarthy, in sharing the lessons learned from the Archdiocese of Boston Transparency project in his article *The Ingredients of Financial Transparency* pointed it out as the most important ingredient in a church financial transparency project: “Based on this experience, it seems clear that the most important ingredient in a church financial transparency project is absolute commitment to be held accountable and to providing *a level of transparency that makes that commitment obvious to all*. This commitment must come from the top and be communicated and followed through from there.” J. MCCARTHY, “Ingredients of Financial Transparency” in *Nonprofit and Voluntary Sector Quarterly* 36 (2007), pp. 156-164, p.163, at <http://nvs.sagepub.com/content/36/1/156>. [Accessed 10.9.2014]

common good of the Church and in observance of the laws of the Church. Furthermore, through this transparency, the fidelity of those who are responsible with administration in the Church is not just assumed by the faithful but verified.<sup>164</sup> Administrators likewise may be able to defend their actions and decisions against accusations of malpractice, as they can show to all how they were carried out.<sup>165</sup> “This [transparency] commitment includes accountability [and disclosure of information] for the full range of parish or diocesan activities – from the way decisions are made and carried out by diocesan or parish personnel to the way money is collected, managed and used”<sup>166</sup> to all concerned stakeholders. “Administrative processes such as recruitments, procurement, budgeting, financial management and periodic auditing are to be carried out according to pre-approved guidelines, and the supporting documentation is freely available such that the organization can clearly be seen as open, ethical, and socially responsible.”<sup>167</sup> Dioceses are to operate according to an annual budget prepared by the finance council (cf. cc. 493; 494, §3) and the other juridical persons are earnestly recommended to do the same (c. 1284, §3). Moreover all administrators are required to keep an inventory of all the properties (c. 1283, 2°-3°) and to render an account to their local Ordinary (c. 1287, §1) and to the faithful at large on the goods offered to the Church (c. 1287, §2).<sup>168</sup> This visible commitment to accountability must be reflected as well in the leadership styles and attitudes of the bishop, pastor, and all who have responsibilities for the human, physical, and financial sources of the diocese or parish.<sup>169</sup> Dioceses, parishes, schools, and other public juridical persons, in order to elicit support from the faithful, both financially and otherwise, “need to show that their programs and services truly “make a difference” in

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<sup>164</sup> Cf. D. WUERL, “Framework of Accountability in the Church,” p. 12-13.

<sup>165</sup> Cf. P. IJASAN, *The Parish Finance Council according to Canon 537 of the 1983 Code of Canon Law and Its Implementation in Nigeria*, p. 142.

<sup>166</sup> USCCB, *Stewardship and Dev’t in Catholic Dioceses and Parishes: A Resource Manual*, p. 61.

<sup>167</sup> P. IJASAN, *The Parish Finance Council according to Canon 537 of the 1983 Code of Canon Law and Its Implementation in Nigeria*, p. 143.

<sup>168</sup> Cf. J. BEAL and B. A. CUSACK, *The Standards for Excellence Code for the Catholic Sector and Canon Law*, The National Leadership Roundtable on Church Management, Washington, D.C. 2008. [http://theleadershiproundtable.org/sfx/documents/Canon\\_law\\_commentary.pdf](http://theleadershiproundtable.org/sfx/documents/Canon_law_commentary.pdf). [Accessed 1.6.2015].

<sup>169</sup> Cf. USCCB, *Stewardship and Development in Catholic Dioceses and Parishes: A Resource Manual*, p. 61.

meeting the spiritual, educational, and social needs of the people they serve. They also need to give evidence of their long-term stability and growth potential to encourage investment.”<sup>170</sup>

b) As Instrumental Value for Participation and Collaboration

Participation can be understood as the process of allowing others (individual or groups, constituents and/or outsiders) to take part in a certain subject matter or to contribute ideas or expertise for the benefit of an entity through consultation in decision-making, goal setting and teamwork,<sup>171</sup> while collaboration is understood as cooperative arrangement between two or more parties to work together in pursuit of a common goal.<sup>172</sup> These two together with transparency constitute the principles of the so-called ‘open government’<sup>173</sup> advocated for democratic regimes. Participation holds that citizens have the right not only to receive information but also to provide input and feedback and to be involved in the decision and policy-making processes while collaboration promotes partnerships among levels of government, among different governments and between government and private entities.<sup>174</sup>

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<sup>170</sup> USCCB, *Stewardship and Dev’t in Catholic Dioceses and Parishes: A Resource Manual*, p. 63.

<sup>171</sup> Cf. <http://www.businessdictionary.com/definition/participation.html> [Accessed: 24.05.2015]; Cf. also A. DI MAIO, *What’s the Difference Between Participation and Collaboration and How Do I Comply with the Open Government Directive?* (January 17, 2010), [http://blogs.gartner.com/andrea\\_dimaio/2010/01/17/whats-the-difference-between-participation-and-collaboration-and-how-do-i-comply-with-the-open-government-directive/](http://blogs.gartner.com/andrea_dimaio/2010/01/17/whats-the-difference-between-participation-and-collaboration-and-how-do-i-comply-with-the-open-government-directive/) [Accessed: 24.05.2015]

<sup>172</sup> Cf. <http://www.businessdictionary.com/definition/collaboration.html> [Accessed: 24.05.2015].

<sup>173</sup> “Open Government is a global, broad-based movement to expand citizen access to the workings of government. While the term “Open Government” is of relatively recent vintage and is closely associated with information technology and “internet culture,” its principles have been a part of democratic values for centuries. This fact sheet provides information about three core principles of Open Government: Transparency, Participation, and Collaboration.” P. ROBERTS & T. LINDSEY, “Principles of Government: Transparency, Participation & Collaboration” in *California Research Bureau Short Subjects: Open Government Series*, August 2012, S-12-003, <http://www.library.ca.gov/crb/12/S-12-003.pdf> [Accessed 17.10.2014].

<sup>174</sup> Cf. A. DI MAIO, *What’s the Difference Between Participation and Collaboration and How Do I Comply with the Open Government Directive?* (January 17, 2010), [http://blogs.gartner.com/andrea\\_dimaio/2010/01/17/whats-the-difference-between-participation-and-collaboration-and-how-do-i-comply-with-the-open-government-directive/](http://blogs.gartner.com/andrea_dimaio/2010/01/17/whats-the-difference-between-participation-and-collaboration-and-how-do-i-comply-with-the-open-government-directive/)

Transparency serves as the core instrumental value that brings about the other two.<sup>175</sup> Thus, there can be no authentic public participation that leads to proper collaboration without transparency in actions, decisions and procedures of a certain democratic government and vice versa.

According to Kjell Andersson, there are 3 reasons for public participation: First is *ethical*. Values are necessary for living and affects decision-making. Since the public is the ultimate source of values they should participate in decision-making processes which would eventually affect their own self-determination. Second is *political*. Public involvement strengthens the legitimacy of decisions and expands the responsibility over them. Third is *knowledge*. The public should be involved because they have knowledge different from experts and politicians. Such knowledge should be tapped for a broader and better consideration of a certain context.<sup>176</sup> All these reasons for public participation reflect the indispensable need for transparency.

Furthermore, the U4 Anti-Corruption Resource Center maintains that, transparency, participation, accountability and integrity are interconnected concepts which constitute the anti-corruption framework, called “accountability” chain.<sup>177</sup> “Only informed citizens can stand up for their rights and hold their leaders accountable for their actions, decisions and management of public resources.”<sup>178</sup> Citizens need to be empowered to participate in all stages of decision-making, implementation and monitoring processes, to use disclosed information and facilitate access to them,

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[Accessed: 24.05.2015]; Cf. P. ROBERTS & T. LINDSEY, “Principles of Government: Transparency, Participation & Collaboration” in *California Research Bureau Short Subjects: Open Government Series*, August 2012, S-12-003, <http://www.library.ca.gov/crb/12/S-12-003.pdf> [Accessed 17.10.2014].

<sup>175</sup> Cf. J. TAUBERER, *Transparency, Participation, Collaboration*, August 2014 at <https://opengovdata.io/2014/transparency-participation-collaboration/> [Accessed 24.05.2015]; Cf. also PRES. BARACK OBAMA, *Memorandum on Transparency and Open Government for Heads of Executive Departments and Agencies*, Washington, D.C., (January 21, 2009) at [https://www.whitehouse.gov/sites/default/files/omb/assets/memoranda\\_fy2009/m09-12.pdf](https://www.whitehouse.gov/sites/default/files/omb/assets/memoranda_fy2009/m09-12.pdf) [Accessed 24.05.2015]

<sup>176</sup> K. ANDERSSON, *Transparency and Accountability in Science and Politics: The Awareness Principle*, Palgrave Macmillan, New York 2008, pp. 141-142.

<sup>177</sup> Cf. U4 ANTI-CORRUPTION RESOURCE CENTER, “Good practice in strengthening transparency, participation, accountability and integrity” in U4 Expert Answer, CMI <http://www.u4.no/publications/good-practice-in-strengthening-transparency-participation-accountability-and-integrity/> [Accessed 20.10.2014].

<sup>178</sup> Ibid.

in order to hold their leaders accountable for their actions and decisions. Increased transparency must therefore be matched by more opportunities and support for citizens to participate in decision-making, monitoring and oversight of public policies and programmes.<sup>179</sup>

Today's information technology also expands participation to include virtual public representation via interactive broadcasts and Internet websites. New digital venues allow for participation by citizens who would otherwise be unable to attend.<sup>180</sup> According to Tim O'Reilly, the World Wide Web itself has an architecture of participation. Anyone can put up a website and can link to any other website without permission. Blogging platforms made it even easier for any individual to create a site. Later platforms like Facebook and Twitter are also enablers of the kind of explicit participation.<sup>181</sup> With these advancements, transparency in collaboration and participation becomes all the more significant and even unavoidable not just in governmental affairs but in every organizational, economic and social relations.

In the Church, the concept of participation and collaboration is of prime importance. It springs from the very nature of the Church as communion. By virtue of common baptism, all the faithful are incorporated into Christ's Mystical Body constituting the Church, the one People of God established and ordered in the world as a society. Thus, each one participates in the priestly, prophetic and kingly office of Christ in their own way and particular condition in pursuit of the Church's mission (cf. can. 204 §§1-2). This participation is to be exercised through the bonds of profession of faith, the sacraments and ecclesiastical governance (cf. can. 205). Accordingly, since this concept is at the very heart of the Church's identity as communion<sup>182</sup> it must be reflected consistently as a

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<sup>179</sup> Cf. Ibid.

<sup>180</sup> P. ROBERTS & T. LINDSEY, "Principles of Government: Transparency, Participation & Collaboration" in *California Research Bureau Short Subjects: Open Government Series*, August 2012, S-12-003, <http://www.library.ca.gov/crb/12/S-12-003.pdf> [Accessed 17.10.2014].

<sup>181</sup> T. O'REILLY, "Government as a Platform" in D. Lathrop and L. Ruma (eds.), *Open Government: Collaboration, Transparency and Participation in Practice*, O'Reilly Media, Inc., California, USA 2010, p.32.

<sup>182</sup> Cf. CONGREGATION FOR THE DOCTRINE OF THE FAITH, Letter to the Bishops of the Catholic Church on Some Aspects of the Church Understood as Communion, *Communio notio*, (28 May 1992) in AAS 85 (1993), 838-850, n. 1.

principle of her organization and of all her actions, including management of temporal goods.<sup>183</sup>

Participation and collaboration in the Church is better understood in the principle of co-responsibility, which can be described as a commitment to live solidarity in an affective and effective terms, participating according to one's condition in the building up of ecclesial community, assuming with conviction and joy the efforts and costs which it entails.<sup>184</sup> No one is excluded or exempted. Each one has a responsibility to fulfill in the Church.<sup>185</sup> This concept of co-responsibility finds resonance in the stewardship<sup>186</sup> thrust promoted by the United States Conference of Catholic Bishops in its Pastoral Letter *Stewardship: A Disciple's Response*, which contends that each faithful is called to be a Christian steward "who receives God's gifts gratefully, cherishes and tends them in a responsible and accountable manner, shares them in justice and love with others, and returns them with increase to the Lord."<sup>187</sup> This vocation is a call to a lifetime commitment to follow the Lord and be united with Him, which consequently "gives rise to a sense of solidarity and common cause between the disciples

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[http://www.vatican.va/roman\\_curia/congregations/cfaith/documents/rc\\_con\\_cfaith\\_doc\\_28051992\\_comunionis-notio\\_en.html](http://www.vatican.va/roman_curia/congregations/cfaith/documents/rc_con_cfaith_doc_28051992_comunionis-notio_en.html) [Accessed 9.3.2015].

<sup>183</sup> Cf. J. MIÑAMBRES, "Corresponsabilità e amministrazione dei beni della Chiesa" in F. Lozupone (ed.), *Corresponsabilità e Trasparenza nell'Amministrazione dei Beni della Chiesa*, Aracne Editrice, Roma 2015, pp. 81-100, p. 95.

<sup>184</sup> Cf. CONFERENZA EPSICOPALE ITALIANA (CEI), *Sovvenire alle necessità della Chiesa: Corresponsabilità e partecipazione dei fedeli* (14 Novembre 1988, Roma) [http://www.chiesacattolica.it/cc\\_i\\_new/documenti\\_cci/2013-03/211047/Sovvenire\\_alle\\_necessita'\\_della\\_Chiesa.pdf](http://www.chiesacattolica.it/cc_i_new/documenti_cci/2013-03/211047/Sovvenire_alle_necessita'_della_Chiesa.pdf); Also at [http://www.sovvenire.it/spse/allegati/47/Sovvenire\\_sostenere.pdf](http://www.sovvenire.it/spse/allegati/47/Sovvenire_sostenere.pdf). [Accessed on 10.4.2015] Cf. also M. Rivella, "Buon Governo e Corresponsabilità," in *Ius Ecclesiae*, vol. 24 (2012), pp. 293-302. This 1988 document of the Italian Bishops' Conference was issued with the aim of illustrating the effects of abolishing the benefice system and introducing a new system of support for the Italian clergy, following the entry into force of the New Code of Canon Law and the revision of the Lateran Concordat in 1984.

<sup>185</sup> Cf. JOHN PAUL II, *Christifideles Laici*, n. 15.

<sup>186</sup> Prof. J. Miñambres refers to stewardship as the proper translation of the Italian term "corresponsabilità". Cf. J. MIÑAMBRES, "La 'Stewardship' (Corresponsabilità) nella gestione dei beni temporali della Chiesa," in *Ius Ecclesiae*, vol. 24/2 (2012), pp. 277-292. Also in J. MIÑAMBRES, "Administracion de Bienes" in J. Otaduy, et al. (eds.), *Diccionario General de Derecho Canonico*, vol. 1, Universidad de Navarra, Aranzadi 2012, pp. 203-210.

<sup>187</sup> USCCB, *Stewardship: A Disciple's Response* (A Pastoral Letter on Stewardship), 10<sup>th</sup> Anniv. ed. Washington, D.C., in <http://www.usccb.org/upload/stewardship-disciples-response-10th-anniversary.pdf>. [Accessed: 7.4.2015], p. 9.

and the Lord, and also among the disciples themselves,”<sup>188</sup> forming a community. Pope St. John Paul II mentioned it in his Post-Synodal Apostolic Exhortation *Christifideles Laici*, in view of the Church’s mission: “Because of the one dignity flowing from Baptism, each member of the lay faithful, together with ordained ministers and men and women religious, shares a responsibility for the Church’s mission.”<sup>189</sup> His successor, Pope Benedict XVI, underlined also this need for co-responsibility in the Church in his Address at the Opening of the Pastoral Convention of the Diocese of Rome on the theme: “Church Membership and Pastoral Co-responsibility”, after noting the fact that many of the faithful do not yet feel the sense of belongingness to the Church community – just merely attendees to religious services, and the numbers of lay faithful who take an active role in the diverse ministries of the Church are still few and far between compared to those who profess to be Catholics.<sup>190</sup> Thus, he said: “[...] it is necessary to improve pastoral structures in such a way that the co-responsibility of all the members of the People of God in their entirety is gradually promoted, with respect for vocations and for the respective roles of the consecrated and of lay people.”<sup>191</sup> Accordingly, the laity must no longer be viewed as

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<sup>188</sup> USCCB, *Stewardship: A Disciple’s Response*, p. 14

<sup>189</sup> The text in Italian uses the word “*corresponsabile*” to refer to the shared responsibility of each faithful. Thus, we can use the term co-responsible to mean the same thing in English. In fact, the subtitle of Chapter III of the document in its Italian version is: “*La Corresponsabilità dei fedeli laici nella Chiesa-Missione*”. JOHN PAUL II, Post-Synodal Apostolic Exhortation, *Christifidelis Laici*, on the Vocation and the Mission of the Lay Faithful in the Church and in the World (30 December 1988), AAS 81 (1989), pp. 393-521, n.15. [https://w2.vatican.va/content/john-paul-ii/en/apost\\_exhortations/documents/hf\\_jpii\\_exh\\_30121988\\_christifideles-laici.html](https://w2.vatican.va/content/john-paul-ii/en/apost_exhortations/documents/hf_jpii_exh_30121988_christifideles-laici.html) and [https://w2.vatican.va/content/john-paul-ii/it/apost\\_exhortations/documents/hf\\_jp-ii\\_exh\\_30121988\\_christifideles-laici.html](https://w2.vatican.va/content/john-paul-ii/it/apost_exhortations/documents/hf_jp-ii_exh_30121988_christifideles-laici.html) [Accessed on 10.04.2015].

<sup>190</sup> Cf. BENEDICT XVI, *Discorso all’Apertura del Convegno Pastorale della Diocesi di Roma sul tema: “Appartenenza Ecclesiale e Corresponsabilità Pastorale”* (Basilica di San Giovanni in Laterano, 26 maggio 2009), par. 7. [http://w2.vatican.va/content/benedict-xvi/it/speeches/2009/may/documents/hf\\_ben-xvi\\_spe\\_20090526\\_convegno-diocesi-rm.html](http://w2.vatican.va/content/benedict-xvi/it/speeches/2009/may/documents/hf_ben-xvi_spe_20090526_convegno-diocesi-rm.html) [Accessed on 10.04.2015].

<sup>191</sup> The original text delivered was in Italian. “*E’ necessario, al tempo stesso, migliorare l’impostazione pastorale, così che, nel rispetto delle vocazioni e dei ruoli dei consacrati e dei laici, si promuova gradualmente la corresponsabilità dell’insieme di tutti i membri del Popolo di Dio.*” BENEDICT XVI, *Discorso all’Apertura del Convegno Pastorale della Diocesi di Roma sul tema: “Appartenenza Ecclesiale e Corresponsabilità Pastorale”* (Basilica di San Giovanni in Laterano, 26 maggio 2009), par. 7. [http://w2.vatican.va/content/benedict-xvi/it/speeches/2009/may/documents/hf\\_ben-xvi\\_spe\\_20090526\\_convegno-diocesi-rm.html](http://w2.vatican.va/content/benedict-xvi/it/speeches/2009/may/documents/hf_ben-xvi_spe_20090526_convegno-diocesi-rm.html) [Accessed on 10.04.2015].

"*collaboratori*" of the clergy but truly recognized as "*corresponsabili*"[co-responsible].<sup>192</sup> This means each one, both lay and ordained alike, has to take a proactive role in the life and mission of the Church by virtue of baptism, and thus, should be guaranteed by the pastoral structures of the Church that must be designed in a manner that promotes it, *i.e.* more participative and more collaborative. When a decision is made in a participative and consultative manner, "people feel affirmed and the decision earns their respect."<sup>193</sup> And in order to realize this, transparency is needed.

In terms of management of temporal goods of the Church, this principle of co-responsibility brings into account that despite having administrators in-charge, the resources of the Church are a responsibility of the whole community. Thus, administrators should manage those assets in a transparent manner so as to involve the whole community both in decision-making and in disclosing information on the status of those assets.<sup>194</sup> This enables participation and collaboration in a manner which awakens a "sense of ownership" of the organization in each member of the faithful. And once this "sense of ownership" is imbibed in them, increase in the support of each faithful is not far behind. Furthermore, expertise and experiences of others should be tapped<sup>195</sup> to improve the financial management system of each public juridical person and thus promote good governance. In this manner, the purposes and

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<sup>192</sup> BENEDICT XVI, *Discorso all'Apertura del Convegno Pastorale della Diocesi di Roma sul tema: "Appartenenza Ecclesiale e Corresponsabilità Pastorale"* (Basilica di San Giovanni in Laterano, 26 maggio 2009), par. 7. [http://w2.vatican.va/content/benedict-xvi/it/speeches/2009/may/documents/hf\\_ben-xvi\\_spe\\_20090526\\_convegno-diocesi-rm.html](http://w2.vatican.va/content/benedict-xvi/it/speeches/2009/may/documents/hf_ben-xvi_spe_20090526_convegno-diocesi-rm.html) [Accessed: 10.4.2015].

<sup>193</sup> A. ASSELIN, "Consultation in the Parish: A Needless Burden, a Necessary Evil, or a Worthwhile Opportunity?" in V. G. D'Souza, (ed.), *In the Service of Truth and Justice: Festschrift in honour of Prof. Augustine Mendonça Professor Emeritus*, St. Peter's Pontifical Institute: Center of Canonical Studies, Bangalore 2008, pp. 467-498, p. 479.

<sup>194</sup> Cf. J. MIÑAMBRES, "Corresponsabilità e amministrazione dei beni della Chiesa" in F. Lozupone (ed.), *Corresponsabilità e Trasparenza nell'Amministrazione dei Beni della Chiesa*, Aracne Editrice, Roma 2015, pp. 81-100, p. 93.

<sup>195</sup> This is in consonance with the instruction of the Vatican II Council that "ecclesiastical goods, properly so called, according to their nature and ecclesiastical law, should be administered by priests with the help of capable laymen as far as possible..." (VATICAN II COUNCIL, Decree on the Ministry and Life of Priests *Presbyterorum Ordinis*, (7 Dec. 1965) in AAS 58 (1966), 991-1024, n. 17) and "[pastors] should willingly use their prudent advice and confidently assign duties to them in the service of the Church" (VATICAN II COUNCIL, Dogmatic Constitution on the Church, *Lumen Gentium*, (21 Nov. 1964) in AAS 57 (1965) 5-75, n. 37).

benefits of participation pointed out by Kjell Andersson, i.e. *ethical, political and knowledge* would be made concrete in the Church administration.

However, since the Church is hierarchically constituted<sup>196</sup> and is a unity in diversity,<sup>197</sup> which affirms the universality of the Church and her character of communion<sup>198</sup> that must be seen in diverse ways and areas of the Church,<sup>199</sup> participation and collaboration in the Church is to be understood as well in different levels, each according to one's appropriate circumstance.<sup>200</sup> Not everyone could be managers of church goods nor should be supervisors of their management. But in order to make effective and productive the participation and collaboration of each one, especially in the finances of the Church, transparency demands that there should be clarity and delineation of roles, duties and responsibilities of each participant.<sup>201</sup> Structures, processes, and standards must also be clearly disclosed to all. In this manner, conflicts and confusions

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<sup>196</sup> It is worthy to note that the hierarchical structure of the Church refers not only to powers of governance and administration but to the specific *participation* of the faithful in the priesthood of Christ, whose difference is not only a matter of degree but essential to it (cf. *LG 10*). Cf. J. HERVADA, "Commentary on Canon 207" in E. Caparros, *et al.* (eds), *Code of Canon Law Annotated*, Midwest Theological Forum, Woodridge, IL/Wilson & Laflaur, Montreal 2004, p. 167. Moreover, the Second Vatican Council has clearly set forth that the hierarchical structure in the Church was established purposely for the service of Church communion. "Christ the Lord set up in his Church a variety of offices which aim at the good of the whole body. The holders of office, who are invested with a sacred power, are in fact, dedicated to promoting the interest of their brethren, so that all who belong to the People of God, and are consequently endowed with true Christian dignity, may, through their free and well-ordered efforts towards a common goal, attain salvation." *Lumen Gentium*, n. 18.

<sup>197</sup> This unity in diversity in the Church was clearly demonstrated by St. Paul in his First Letter to the Corinthians: "there are varieties of gifts, but the same Spirit; and there are varieties of services, but the same Lord" (1 Cor. 12:4-5) and "just as the body is one and has many members, and all the members of the body, though many, are one body, so it is with Christ" (1 Cor. 12:12) and re-affirmed by the Second Vatican Council. Cf. *Lumen Gentium*, n. 7.

<sup>198</sup> Cf. *Communio in notio*, 15.

<sup>199</sup> Cf. SYNOD OF BISHOPS, Final Report *Ecclesia sub verbo Dei mysteria Christi celebrans pro salute mundi*, (7 December 1985), Libreria Editrice Vaticana, Vatican City 1985; English translation in *Origins* 15 (1985-1986), p. 448; Also <http://www.ewtn.com/library/CURIA/SYNFINAL.HTM> [Accessed 9.3.2015]

<sup>200</sup> Cf. J. MIÑAMBRES, "Corresponsabilità e amministrazione dei beni della Chiesa" in F. Lozupone (ed.), *Corresponsabilità e Trasparenza nell'Amministrazione dei Beni della Chiesa*, Aracne Editrice, Roma 2015, pp. 81-100, p. 93.

<sup>201</sup> INTERNATIONAL MONETARY FUND, *Manual on Fiscal Transparency*, IMF Fiscal Affairs Dept., Washington, D.C. 2007, pp. ix, 10.

would be prevented, functions are well distributed and what the Interdicasterial Instruction, *Ecclesiae de Mystero* envisions as “collaboration with” and not “substitution for”<sup>202</sup> could be realized. Moreover, such administrative and legal framework promotes good governance and clarifies the accountability of those involved.<sup>203</sup>

Keeping this in mind, the current code of canon law has delineated roles and responsibilities in the performance of Church financial management in general. For example, the duties of administrators (cf. cc. 1282–1284; 1286; 1287); the role of ordinaries as “supervisors” (cf. cc. 1276; 1287 §1); the functions of the finance council (cf. cc. 493; 494; 1263; 1277; 1281 §2; 1277; 1287§1; 1292 §1; 1295; 1305; 1310); the functions of the college of consultors (cf. cc. 1277; 1292 §1; 1295; 494 §2). These roles and duties, as well as the processes to be observed, however, must be applied and clarified in the individual circumstances of each juridical person, in virtue of the principle of subsidiarity. Furthermore, the code provides also structures of collaboration among the different bodies involved in the fiscal administration. For example, collaboration between the Roman Pontiff and the public or private juridical persons (cf. cann. 1256; 1273)<sup>204</sup>; collaboration in the Conference of Bishops and Provincial Councils (cf. cc. 1274 §§2-4; 1262; 1264; 1265 §2; 1272; 1292 §1; 1297) and among individual bishops (cf. cc. 1274 §§3-4; 1275); collaboration between the diocesan bishop and the finance council (cf. cc. 494 §§1-2; 1263; 1277; 1281 §2; 1277; 1287§1; 1292 §1; 1295; 1305; 1310 §2); collaboration between the financial administrator and the finance council (cf. cc. 494 §§3-4; 1280),<sup>205</sup> etc. These outlined structures of

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<sup>202</sup> Cf. CONGREGATIO PRO CLERICIS ET ALIAE, Instruction On Certain Questions Regarding the Collaboration of the Non-Ordained Faithful in the Sacred Ministry of Priest, *Ecclesiae de Mystero* (15 August 1997) Premise, par. 9; AAS 89 (1997) pp. 852-877. [http://www.vatican.va/roman\\_curia/congregations/ccclergy/documents/rc\\_con\\_interdic\\_doc\\_15081997\\_en.html](http://www.vatican.va/roman_curia/congregations/ccclergy/documents/rc_con_interdic_doc_15081997_en.html). [Accessed 26.05.2015].

<sup>203</sup> INTERNATIONAL MONETARY FUND, *Manual on Fiscal Transparency*, IMF Fiscal Affairs Dept., Washington, D.C. 2007, pp. ix, 10.

<sup>204</sup> Although these canons do not explicitly express collaboration, however, such relationship can be contemplated by virtue of the universal role of the Roman Pontiff as supreme steward and administrator of all ecclesiastical goods and under whose supreme authority that the public and private juridical persons own the goods they have lawfully acquired. The Roman Pontiff does this through the several dicasteries of the Roman Curia. Cf. J. RENKEN, “The Principles Guiding the Care of Church Property” in *The Jurist* 68 (2008) 136-177, p. 152-157.

<sup>205</sup> Cf. J. RENKEN, “The Principles Guiding the Care of Church Property” in *The Jurist* 68 (2008) 136-177, p. 152-157; Cf. also J. MIÑAMBRES, “Corresponsabilità e

collaboration and the processes involved, and the functions of the different financial structures in the Church, if seriously observed, would be able to present a transparent overview of the resource management system of the Church, clarify the accountability of each one involved and enhance the possible avenues for further participation and collaboration.

### c) As Instrumental Value for Communication

Communication, in its basic sense, is a process by which meanings are exchanged between individuals through a common system of symbols.<sup>206</sup> The goal of communication is to convey information—and the understanding of that information—from one person or group to another person or group. The process has three basic components: A *sender* transmits a message through a *channel* to the *receiver*. The communication process is complete once the receiver has understood the sender.<sup>207</sup> Thus, the critical factor in measuring the effectiveness of communication is common understanding. It occurs only when the intended message of the sender and the interpreted message of the receiver are one and the same. Although this should be the goal in any communication, it is not always achieved.<sup>208</sup>

In his Theory of Communicative Action, Jurgen Habermas' distinguishes between strategic action oriented to success and communicative action oriented to understanding.<sup>209</sup> In order for an action to be communicative, Habermas has three criteria: statements

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amministrazione dei beni della Chiesa” in F. Lozupone (ed.), *Corresponsabilità e Trasparenza nell'Amministrazione dei Beni della Chiesa*, Aracne Editrice, Roma 2015, pp. 81-100, p. 94.

<sup>206</sup> P. GOVE, et al. (eds.), *Websters' Third New International Dictionary of the English Language: Unabridged*, Könnemann Verlagsgesellschaft MBH, Cologne, Germany 1993, p. 460. Also, *The New Encyclopedia Britannica: Macropedia*, 15<sup>th</sup> ed., vol. 16, Encyclopedia Britannica, Inc., Chicago 1993, p. 685.

<sup>207</sup> Cf. CLIFFNOTES, “The Communication Process,” Houghton Mifflin Harcourt, <http://www.cliffsnotes.com/more-subjects/principles-of-management/communication-and-interpersonal-skills/the-communication-process> [Accessed 21.10.2014]

<sup>208</sup> *Ibid.*

<sup>209</sup> J. HABERMAS (1981), *Theory of Communicative Action*, vol. 1: *Reason and the Rationalization of Society*, trans. Thomas McCarthy, Beacon Press, Boston, Massachusetts 1984, pp. 286-295. Cf. also, KJELL ANDERSSON, *Transparency and Accountability in Science and Politics: The Awareness Principle*, Palgrave Macmillan, Basingstoke, England/New York 2008, p. 135.

have to be true, right and truthful.<sup>210</sup> The truth requirement relates to the objective world, and a statement of truth is based on criticisable claims of validity. The requirement of rightness means that the social and normative context of the statement is recognized as legitimate. The truthfulness requirement means that an actor must be honest – there must be consistency between words and actions and no hidden agenda. If an action or statement is not honestly produced it is strategic instead of communicative.<sup>211</sup>

With these presuppositions, transparency surfaces as an instrumental value that can effectively realize the Habermasian ideal of communicative action or common understanding. The characteristics of transparency we have discussed before, *i.e.* clarity, openness and honesty closely resemble that of Habermas' criteria for communicative action, and both have common understanding as the objective. Thus, one cannot speak of communication without being transparent. Transparency makes the information clear and the flow of communication obstacle-free. But transparency alone is useless unless it is communicated to achieve common understanding among all parties concerned including the non-stakeholder observers like the media. Reflecting this position, the European Central Bank in one of its Working Paper defined transparency as “a measure of genuine understanding and successful communication – in order to distinguish different, potentially conflicting aspects of it.”<sup>212</sup>

Moreover, communication which etymologically stems from the Latin *communis*, and its derivative *communicare* imply common, sharing, mutual giving, imparting, togetherness and fellowship.<sup>213</sup> Thus, effective communication brings about not only understanding but relationships, quality, long-term and stable relationships. As the moral theologian Germain Grisez would put it: “Every act of

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<sup>210</sup> J. HABERMAS (1981), *Theory of Communicative Action*, vol. 1: *Reason and the Rationalization of Society*, p. 307. Cf. also, K. ANDERSSON, *Transparency and Accountability in Science and Politics: The Awareness Principle*, p. 135.

<sup>211</sup> J. HABERMAS (1981), *Theory of Communicative Action*, vol. 1, p. 308. Cf. also, K. ANDERSSON, *Transparency and Accountability in Science and Politics*, p. 135.

<sup>212</sup> B. WINKLER, “Which Kind of Transparency? On the Need for Clarity in Monetary Policy-Making,” p. 26.

<sup>213</sup> Cf. Online Etymology Dictionary, <http://www.etymonline.com/index.php?term=communication> [Accessed 29.5.2015]; Cf. also C.R.W. DAVID, (ed.), *Communication in Theological Education*, Vanguard Press, Madurai 1986, p. 8. Cf. also F. J. EILERS, “Communication Theology: Some Considerations” in F. J. Eilers, (ed.), *Church and Social Communication in Asia: Documents, Analysis, Experiences*, 2<sup>nd</sup> ed., LOGOS (Divine Word) Publications, Inc., Manila 2008, p. 172.

communicating and receiving communication tends to draw the parties into an interpersonal relationship or to carry on and perhaps deepen an existing relationship.”<sup>214</sup> More than information, communication is about linking, about unity and harmony. “Good communication helps us to grow closer, to know one another better, and ultimately, to grow in unity.”<sup>215</sup> Communication therefore is at the heart of Church’s life and mission. The Church being a communion – a “community of faith, hope and charity”<sup>216</sup> “rooted in and mirroring the intimate communion of the Trinity”<sup>217</sup> that “reaches out to mankind”<sup>218</sup> essentially demands communication for her to realize her very nature of communing with God and with one another,<sup>219</sup> and all her communications should be directed towards strengthening this communion.<sup>220</sup> Moreover, the Church’s mission is to communicate the Gospel and the fruits of salvation to all.<sup>221</sup> This requires the Church to make herself fully present and relevant in the present society, using every means legitimately possible, in order to lead people to faith and facilitate the full participation of all

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<sup>214</sup> G. GRISEZ, *They Way of the Lord Jesus*, vol. 2, *Living a Christian Life*, Franciscan Press, Quincy, [Ill.] 1993, p. 390. Cf. also R. Shaw, *Nothing to Hide: Secrecy, Communication and Communion in the Catholic Church*, Ignatius Press, San Francisco 2008.

<sup>215</sup> FRANCIS, Message for the 48<sup>th</sup> World Communications Day: Communication at the Service of an Authentic Culture of Encounter (24 January 2014), par. 2. [http://w2.vatican.va/content/francesco/en/messages/communications/documents/papa-francesco\\_20140124\\_messaggio-comunicazioni-sociali.html](http://w2.vatican.va/content/francesco/en/messages/communications/documents/papa-francesco_20140124_messaggio-comunicazioni-sociali.html). [Accessed 31.5.2015]

<sup>216</sup> *Lumen Gentium*, 8.

<sup>217</sup> PONTIFICAL COUNCIL FOR SOCIAL COMMUNICATIONS, Pastoral Instruction on Social Communications on the 20<sup>th</sup> Anniv. of *Communio et Progressio*, *Aetatis Novae*, (22 February 1992), art. 10, AAS 84 (1992), pp. 447-468, [http://www.vatican.va/roman\\_curia/pontifical\\_councils/pccs/documents/rcpc\\_pccs\\_doc\\_22021992\\_aetatis\\_en.html](http://www.vatican.va/roman_curia/pontifical_councils/pccs/documents/rcpc_pccs_doc_22021992_aetatis_en.html) [Accessed 29.5.2015]; Cf. Pontifical Council for Social Communications, *Ethics of Communication*, (4 June 2000), n. 3, [http://www.vatican.va/roman\\_curia/pontifical\\_councils/pccs/documents/rc\\_pc\\_pccs\\_doc\\_20000530\\_ethics-communications\\_en.html](http://www.vatican.va/roman_curia/pontifical_councils/pccs/documents/rc_pc_pccs_doc_20000530_ethics-communications_en.html). [Accessed 29.5.2015]; Cf. *Communio et Progressio*, 3.

<sup>218</sup> *Ethics in Communication*, 3.

<sup>219</sup> Cf. *Communio et Progressio*, 3.

<sup>220</sup> Cf. P. HENRICI, “Truth and Power in Ecclesial Communication” in P. Granfield, (ed.) *The Church and Communication*, Sheed & Ward, Kansas City [MO] 1994, p. 47; K. KIENZLER, “The Church as Communion and Communication” in P. Granfield, (ed.), *The Church and Communication*, Sheed & Ward, Kansas City [MO] 1994, p. 80-96.

<sup>221</sup> Cf. *Lumen Gentium*, 24, 8; *Gaudium et Spes*, 89, 92; VATICAN II COUNCIL, Decree on Church’s Missionary Activity *Ad Gentes Divinitus*, (7 December 1965) in AAS 58 (1966) 947-990, nn. 1, 5.

humanity in the mystery of the divine communion.<sup>222</sup> As Pope Francis exhorts: “The Church needs to be concerned for, and present in, the world of communication, in order to dialogue with people today and to help them encounter Christ. She needs to be a Church at the side of others, capable of accompanying everyone along the way.”<sup>223</sup> Accordingly, the Church must engage in a fruitful communication within herself – among her members,<sup>224</sup> and externally, with the whole humanity as well. Failure to have efficient and effective communication in and by the Church is tantamount to distortion of her life and betrayal of her mission.

In order for the Church’s communication to be efficient and effective it should first and above all observe the essential requisites of every communication, i.e. sincerity, honesty and truthfulness<sup>225</sup> in an exemplary manner. “A communication must state the truth. It must accurately reflect the situation with all its implications.”<sup>226</sup> Secondly, it should also carefully take into account not just the message to be communicated but also, its purpose, the context and circumstances surrounding it and that of the intended audience.<sup>227</sup> Thirdly, since communication is for communion, it should be open and generous.<sup>228</sup> “Communication is more than the expression of ideas and the indication of emotion. At its most profound level it is the giving of self in love.”<sup>229</sup> Thus, *Communio et progressio* tells us that “the normal flow of life and the smooth functioning of government within the Church require a steady two-way flow of information between the ecclesiastical authorities at all levels and the faithful as individuals and as organized groups. This applies [also to her relations] to the whole world.”<sup>230</sup> It is not enough then for the Church to provide information, she should also listen carefully to

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<sup>222</sup> Cf. *Ad Gentes*, 5.

<sup>223</sup> FRANCIS, Message for the 48<sup>th</sup> World Communications Day: Communication at the Service of an Authentic Culture of Encounter (24 January 2014), par. 2. [http://w2.vatican.va/content/francesco/en/messages/communications/documents/papa-francesco\\_20140124\\_messaggio-comunicazioni-sociali.html](http://w2.vatican.va/content/francesco/en/messages/communications/documents/papa-francesco_20140124_messaggio-comunicazioni-sociali.html). [Accessed 31.5.2015]

<sup>224</sup> Cf. *Gaudium et Spes*, 92.

<sup>225</sup> Cf. *Communio et Progressio*, 17.

<sup>226</sup> *Communio et Progressio*, 17

<sup>227</sup> *InterMirifica*, 4; *Communio et Progressio*, 17

<sup>228</sup> R. SHAW, *Nothing to Hide: Secrecy, Communication & Communion in the Catholic Church*, p. 123.

<sup>229</sup> *Communio et Progressio*, 11.

<sup>230</sup> *Communio et Progressio*, 120.

public opinion both inside and outside the Church,<sup>231</sup> for true communication needs feedback to make sure that what was communicated was well-understood. And if useful feedback is expected from the faithful, they need to be informed well and clear.<sup>232</sup> Without communication, the Church cannot realize the giving and taking between her members and she will not be able to advance in thought and action.<sup>233</sup>

Just as transparency in communication is necessary in carrying out the Church's nature and mission, so it is also with her financial management. According to Prof. Diego Zalbidea, some sociological studies reveal that there is a great lack of awareness regarding the financial reality of the Church and the scarcity of her available resources. Some think that the Church is rich and many faithful do not contribute as much as expected of them.<sup>234</sup> Prof. Zalbidea opines that this could have been due to secularism that penetrated the ranks of the young people, keeping them from supporting the Church, or the lack of sense of belongingness resulting to lack of commitment to support the Church financially or perhaps the improper management and relationship with the Church resources. All these need new strategies of communication that would inspire commitment of support from the faithful and a visible commitment from the church pastors to make the temporal management proper and better.<sup>235</sup>

The Church, considered as a religious non-profit organization, has to communicate primarily that the motive for her acquisition and use of temporal goods is solely for the fulfillment of her religious mission.<sup>236</sup> To make it possible, a clear disclosure of the proper objectives in the use of these goods in view of the mission of the Church is crucial. As Kennon Callahan notes in *Twelve Keys to an Effective Church*: "Indeed, the first and most central characteristic of an effective, successful church is its specific, concrete, missional objectives... Objectives refer to missional

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<sup>231</sup> Cf. *Communio et Progressio*, 114.

<sup>232</sup> Cf. R. SHAW, *Nothing to Hide: Secrecy, Communication & Communion in the Catholic Church*, p. 42.

<sup>233</sup> Cf. *Communio et Progressio*, 115.

<sup>234</sup> Cf. D. ZALBIDEA, "Corresponsabilidad (Stewardship) y Derecho Canonico," *Ius Ecclesiae* 24 (2012), pp. 303-322.

<sup>235</sup> Cf. *Ibid.*

<sup>236</sup> The Second Vatican Council clearly stated this: "The Church herself makes use of temporal things insofar as her own mission requires it" *Gaudium et Spes*, 76; Cf. also *Presbyterorum Ordinis*, 17.

direction stated in a sufficiently clear fashion that it is possible to know when they have been achieved.”<sup>237</sup> Thus, at the onset of the patrimonial law of the Church found in Book V of the current code, the legislator provides us with the principal purposes for which temporal goods are to be used by the Church, *i.e.*: 1) the sustained regulation of divine worship; 2) adequate support of the clergy and other lay ministers; and 3) funding of the apostolates and 4) funding works of charity, especially for the needy (cf. can. 1254 §2).<sup>238</sup> These purposes are directly linked to her mission. All other purposes must be along any of these four<sup>239</sup> in order to be in line with her mission. Such purposes provide clarity of direction in church resource management and a motive for cooperation. Because of these objectives, the Church is able to justify her inherent right to acquire, possess and manage temporal resources, independent of civil power,<sup>240</sup> and thus, the right to demand material support from her faithful (cf. can. 1260),<sup>241</sup> and at the same time, provide reason for the obligation of the faithful to provide for the needs of the Church so she can fulfill her mission (cf. can. 222). “The necessity

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<sup>237</sup> K. CALLAHAN, *Twelve Keys to an Effective Church*, Harper & Row Publishers, San Francisco 1983, pp. 1-2. Cf. also RICHARD VARGO, *The Church Guide to Planning and Budgeting* (Church Law & Tax Report Series), Christian Ministry Sources, Matthews [NC] 1995, p. 16.

<sup>238</sup> These purposes were indicated during the Second Vatican Council and were carried over in the current code. Cf. *Presbyterorum Ordinis*, 17.

<sup>239</sup> This list is not taxative nor in hierarchical order but rather the scope and content of each objective are to be interpreted broadly, so that each one might be totally fulfilled and manifest Church’s institutional and communitarian identity. The *Coetus* who worked on the revision of Book V decided that the objectives should be limited to these four explaining that, “all the other ends that could be added are nothing but the development of the ends already contained under the more general formula of ‘works of sacred apostolate and of charity’” *Communicationes* 12 (1980), pp. 396-397; Cf. also M. LÓPEZ ALARCÓN, “Commentary on Canon 1254” in E. Caparros, *et al* (eds.), *Exegetical Commentary on the Code of Canon Law*, IV/1, pp. 17-22.

“Other texts from Vatican II have indicated as the Church’s objectives founding and directing schools (*GE* 8), using and owning social media (*IM* 3), promoting missionary activity (*AG* 19), helping the poor; and promoting peace and justice (*GS* 44; *AA* 8; *AG* 12). [...] the list in can. 1254 §2, although indicating prevailing objectives, does not exclude other ecclesial objectives by juridical persons.” M. LÓPEZ ALARCÓN, “Commentary on Canon 1254” in E. Caparros, *et al* (eds.), *Exegetical Commentary on the Code of Canon Law*, IV/1, pp. 24-25.

<sup>240</sup> Cf. Canon 1254 §1.

<sup>241</sup> Cf. V. DE PAOLIS, *I beni temporali della Chiesa*, pp. 145-146.

of the ends establishes the need of the means.”<sup>242</sup> Thus, the National Leadership Roundtable for Church Management offers as one of the eight guiding principles for standards of excellence in church management the need for all dioceses, parishes and other Catholic non-profit organizations to have well-defined mission statements and ministry programs that would carry them out.<sup>243</sup> Planning and budget preparation must also be undertaken in a manner open to consultation and collaboration,<sup>244</sup> so as to reflect the objectives and program priorities. Accordingly, the current code prescribes that an annual budget be prepared by the diocesan finance committee whose members are supposed to be experts in law and finance, in accordance with the directions of the bishop (cf. can. 493) and earnestly expecting the same from other administrators (cf. can. 1284 §3).

The second thing that Church has to communicate is the assurance that the Church goods are managed and used well so that her proper objectives are effectively and efficiently carried out. Pope Francis pointed this out in his Motu Proprio *Fidelis Dispensator et Prudens* saying: “As the faithful and prudent administrator has a vocation to care attentively for those goods that have been entrusted to him, so the Church is conscious of her call to safeguard and carefully administer her goods *in light of her mission of*

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<sup>242</sup> “La necessità dei fini fonda la necessità dei mezzi.” V. DE PAOLIS, *I beni temporali della Chiesa*, p. 146.

<sup>243</sup> Cf. THE NATIONAL LEADERSHIP ROUNDTABLE FOR CHURCH MANAGEMENT, *Standards for Excellence – Guiding Principles for Dioceses, Parishes & Nonprofits* at <http://www.theleadershiproundtable.org/SFX/about-the-standards/default.asp>. [Accessed 2.6.2015]. “These mission statements give concrete specification to the more general theological assertions of the nature and mission of the Church for the particular circumstances of the places where these dioceses, parishes and Catholic nonprofits are located.” J. BEAL and B. A. CUSACK, *The Standards for Excellence Code for the Catholic Sector and Canon Law*, The National Leadership Roundtable for Church Management,

<sup>244</sup> Charles Zech maintains that transparency and accountability does not only include information of parishioners of financial outcomes but also giving them a consultative voice in making parish financial decisions. The budgetary process for instance is a great venue for this. Since the budget reflects the parish’s priorities, parishioners should have a voice in its preparation. In the study he made with the U.S. parishes, he noted that some held open budget meetings with parishioners while majority just post them in the Sunday bulletin or mail them to parishioners’ homes. Cf. C. ZECH, “Church Governance in Light of the Sex Abuse Scandal: The Need for Financial Accountability, Transparency, and Sound Internal Financial Controls” in T. G. Plante and K. McChesney, (eds.), *Sexual Abuse in the Catholic Church: A Decade of Crisis, 2002-2012*, Praeger, Santa Barbara [CA] 2011, pp. 131-141.

evangelization, with special care for the needy.”<sup>245</sup> Moreover, if we speak of communion in the Church, it is not enough that the faithful are informed of the programs of the Church, but also how they are carried out, the status of their accomplishment, their impact to Church’s life and mission, and how the faithful are able to participate in them. In particular, those who have donated to the Church need to know that their donations will be used for the purposes for which they are given – a moral principle seriously safeguarded by the current code.<sup>246</sup> This requires clear and understandable financial policies and operating mechanisms, a financial reporting that could communicate the proper financial condition of the ecclesial organization,<sup>247</sup> and strong internal

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<sup>245</sup> FRANCIS, Apostolic Letter issued *Motu proprio*, *Fidelis Dispensator et Prudens*, (24 February 2014) in AAS 106/3 (2014), 164-165, par. 1.

<sup>246</sup> Canon 1267, 3 categorically states that: “offerings given by the faithful for a specified purpose may be used only for that purpose.” Moreover, the Code significantly highlights it, as evidenced by several canons alluding to it (ex. cann. 121-123; 326 §2; 616, §1; 706, 3°; 1284, §2, 3°-4°; 1299, §2; 1300; 1310). Cf. V. G. D’SOUZA, “General Principles Governing the Administration of Temporal Goods of the Church” in V. G. D’Souza, (ed.), *In the Service of Truth and Justice: Festschrift in honour of Prof. Augustine Mendonça Professor Emeritus*, St. Peter’s Pontifical Institute: Center of Canonical Studies, Bangalore 2008, pp. 467-498, p. 479. Cf. also G. SHEEHY, F. MORRISSEY, *et al.* (eds.), *The Canon Law Letter & Spirit: A Practical Guide to the Code of Canon Law*, The Canon Law Society of Great Britain and Ireland, Geoffrey Chapman, London 1995, p. 716. According to De Paolis, “*La volontà dei fedeli che offrono alla Chiesa di fatto esprime una profonda motivazione religiosa: deve quindi essere considerata con tutto il dovuto rispetto e, soprattutto, scrupolosamente osservata, anche in ordine all’adempimento, proprio perché espressione della fede dell’offerente. Lo stesso deve essere ditto a riguardo degli ex voto donati alla Chiesa. Anche se di valore economic assai modesto, la loro alienazione necessita della licenza della Sede Apostolica, precisamente a motive del loro intrinseco significato spiritual (can. 1292 §2).*” V. DE PAOLIS, *I Beni Temporal della Chiesa*, pp. 15-16.

<sup>247</sup> Cf. W. SCHNELDER, “Financial Management in Church Operations,” *The CPA Journal*, April 1989. <http://luca.com/cpajournal/old/07299394.htm>. [Accessed 4.6.2015]. Alvaro Olivos suggests that the following information should be communicated and regularly updated in the institutional websites as a way to transparent management: “a) the permanent staff, contract and fees, with their salaries; b) the contracts for the supply of goods, services and procurement of studies or consultancies; c) the transfers of public funds and private donations received; d) the funds which have invested institutional resources; e) the Procedures and requirements that must be met to access their services; f) information on the allocated budget and performance reports; g) Results of Audit on the budget; and h) the assistance of institutional authorities in the deliberative sessions and resolutions that are pertinent including their voting, elections, allowances and assignments received from other information inherent in the operation of each institution.” A. R. OLIVOS, “La transparencia institucional de la Iglesia Católica. Aproximaciones desde la ética del discurso,” *Revisita Cultura y Religion*, vol. 5/2 (2011), pp. 5-18.

financial control structures that would guarantee reliability and efficiency in operation.<sup>248</sup> The current code requires financial reporting from all canonical administrators which must be subjected to the examination of the finance committee (cf. can. 1287 §1). And the diocesan bishop has to issue special guidelines and mechanisms to ensure more reliable financial control measures within the limits of the law (cf. can. 1276 §2). Moreover, the circumstances and expectations of the different stakeholders should also be taken into account in the communication process and the necessary mechanisms and modes of communication available.<sup>249</sup> For this, the *USCCB Stewardship and Development in Catholic Dioceses and Parishes Resource Manual* suggests: “Making sure that the members of a parish or diocesan family are well informed in our world of mass communications and increasingly sophisticated information technology requires much more than articles in the diocesan newspaper, bulletin announcements, form letters or occasional newsletters. [...] Today more than ever, important matters need to be communicated as personally as possible through individual and group meetings, personal letters and phone calls, and a full array of printed, electronic, and audiovisual support materials. In addition, given the mobility of our people today, informational items should be communicated frequently and in a variety of ways, so that those who miss one information medium can still be reached through other means. If the desired outcome of our communication efforts is a

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<sup>248</sup> According to Charles Zech and Robert West, the objectives of the internal control structure in the church, drawing from the general standard are: 1) to provide reliable financial statements and accounting records; 2.) to safeguard the church assets; 3.) to promote operational efficiency and effectiveness; and 4) to promote adherence to Church’s mission. Cf. R. WEST and C. ZECH, *Internal Financial Controls in the U.S. Catholic Church*, (2007) Online: <http://www1.villanova.edu/content/dam/villanova/VSB/publications/catholicchurchfinances.pdf>. [Accessed 4.6.2015] Moreover, the USCCB document *Diocesan Financial Issues* developed by its Committee on Budget and Finance stressed the need for strong systems of internal controls in the Church to safeguard her assets by reducing the risk of fraud, misuse, waste or embezzlement. Cf. USCCB COMMITTEE ON BUDGET AND FINANCE, *Diocesan Financial Issues Manual* (2002), p. 5. <http://www.usccb.org/about/financial-reporting/upload/Diocesan-Financial-Issues-Manual.pdf>. [Accessed 13.3.2015]

<sup>249</sup> Drawing from the success of their Boston Transparency Project in 2006, Jack McCarthy maintains that these factors are necessary to achieve effective communication process which is an essential ingredient of financial transparency. Cf. J. MCCARTHY, “Ingredients of Financial Transparency” in *Nonprofit and Voluntary Sector Quarterly* 36 (2007), pp. 156-164, pp.160, 163 at <http://nvs.sagepub.com/content/36/1/156>. [Accessed 10.9.2014]

community of people who understand, accept, and are committed to the mission and goals of the diocese, parish, school, or agency, we must develop forms of communication that can inform, motivate, and invite people to participate in our mission.”<sup>250</sup>

The third thing that the Church needs to communicate is the performance report in carrying out the objectives and programs and their impact to Church’s life and mission. This includes regular program and organizational evaluation, monitoring mechanism for the faithful’s satisfaction,<sup>251</sup> and establishment of communication channels for whistleblowers to report suspected irregularities or fraudulent activities while protecting their anonymity.<sup>252</sup> Moreover, in order to communicate the connection between faith and money, the Church needs to show how these programs have touched and changed individual lives. The Church financial report should be accompanied by the “return on investment” ministry stories<sup>253</sup> that would inspire the faithful to continued commitment to support the Church’s objectives and programs.

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<sup>250</sup> USCCB, “*Stewardship and Dev’t in Catholic Dioceses and Parishes: A Resource Manual*,” p. 63.

<sup>251</sup> The National Leadership Roundtable on Church Management recommends these factors as part of the Standards for Excellence for Church Management. Although there is no explicit canonical provision on program evaluation and monitoring faithful’s satisfaction, they maintain that these are not inconsistent with canon law. Cf. J. BEAL and B. A. CUSACK, *The Standards for Excellence Code for the Catholic Sector and Canon Law*, The National Leadership Roundtable on Church Management, Washington, D.C. 2008. [http://theleadershiproundtable.org/sfx/documents/Canon\\_law\\_commentary.pdf](http://theleadershiproundtable.org/sfx/documents/Canon_law_commentary.pdf). [Accessed 1.6.2015].

<sup>252</sup> Professors Robert West and Charles Zech of Villanova’s Center for the Study of Church Management recommends it as one of the financial environment control policies, as a result of the national survey they made on chief financial officers. Cf. C. ZECH, “Church Governance in Light of the Sex Abuse Scandal: The Need for Financial Accountability, Transparency, and Sound Internal Financial Controls” in T. G. Plante and K. McChesney, (eds.), *Sexual Abuse in the Catholic Church: A Decade of Crisis, 2002-2012*, Praeger, Santa Barbara [CA] 2011, pp. 131-141. Cf. also, R. WEST and C. ZECH, “Internal Financial Controls in the U.S. Catholic Church,” in *Journal of Forensic Accounting* 9/1 (2008), pp. 129-155.

<sup>253</sup> Cf. M. REEVES, “Effective Financial Communication in the Church: Part Two” in Horizons: Seeing Beyond Blog Post, (11 June 2014) at <http://www.horizonsstewardship.com/blog/effective-financial-communication-in-church-part-two/> [Accessed 2.6.2015]. Although this position is not canonical and not usually observed in the Catholic Church, the author believes that it is important to be communicated by the Church in order to inspire and elicit sustainable support from the faithful and other donors in the fulfillment of her programs and objectives.

Doing all these transparency in communication facilitates a far greater understanding of the Church, her message and her mission in the world.<sup>254</sup>

#### d) As Instrumental Value for Trust and Credibility

Trust is generally considered essential to relationship and functioning in our complex and interdependent society.<sup>255</sup> “It is the strongest glue binding people together in groups.”<sup>256</sup> While it is difficult to define and measure trust, Megan Tschannen-Moran & Wayne Hoy attempt to offer this fairly comprehensive definition: “Trust is one party’s willingness to be vulnerable to another party based on the confidence that the latter party is (a) benevolent, (b) reliable, (c) competent, (d) honest, and (e) open”.<sup>257</sup>

Credibility, which is the quality or power to inspire belief or being trustworthy,<sup>258</sup> is the foundation of trust, according to Stephen Covey. It is built on four elements – integrity, good intent, capabilities to deliver results and results or track record of good performance. The first two would refer to *character* while the latter two refer to *competence*. Both dimensions serve as bases of trust.<sup>259</sup>

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<sup>254</sup> Cf. N. O’LOAN, “Transparency, accountability and the exercise of power in the Church of the future,” *Studies: An Irish Quarterly Review*, vol. 99/395 (Autumn 2010), pp. 267-275, p. 274.

<sup>255</sup> M. TSCHANNEN-MORAN & W. HOY, “A Multidisciplinary Analysis of the Nature, Meaning, and Measurement of Trust” in *Review of Educational Research*, [published by American Educational Research Association], vol. 70, no. 4 (Winter, 2000), pp. 547-593, p. 549. <https://www.uwec.edu/COEHS/upload/Worley-Article.pdf>. [Accessed 28.10.2014]. Cf. also, B. RAWLINS, “Measuring the Relationship Between Organizational Transparency and Trust” in M. W. DiStaso, (ed.), *10<sup>th</sup> International Public Relations Research Conference: ‘Roles Scopes of Public Relations’*, South Miami, Florida (8-11 March 2006), pp. 425-439, p. 427, [http://instituteforpr.org/wp-content/uploads/IPRRC10\\_Proceedings.pdf#page=425](http://instituteforpr.org/wp-content/uploads/IPRRC10_Proceedings.pdf#page=425). [Accessed 23.10.2014].

<sup>256</sup> J. O’TOOLE, “Speaking Truth to Power” in W. Bennis, *et al.* (eds.), *Transparency: How Leaders Create a Culture of Candor*, Jossey-Bass, San Francisco, CA 2008, pp. 45-91, p. 61.

<sup>257</sup> M. TSCHANNEN-MORAN & W. HOY, “A Multidisciplinary Analysis of the Nature, Meaning, and Measurement of Trust,” p. 556. Cf. also B. RAWLINS, “Measuring the Relationship Between Organizational Transparency and Trust,” p. 427.

<sup>258</sup> Cf. *Merriam-Webster’s Collegiate Dictionary*, 11<sup>th</sup> ed., Merriam-Webster, Inc., Springfield, [MA] 2003, p. 293. Cf. also “credibility,” *Dictionary.com*. *Dictionary.com Unabridged*. Random House, Inc. at <http://dictionary.reference.com/browse/credibility> (accessed: June 06, 2015).

<sup>259</sup> Cf. S. COVEY, *How the Best Leaders Build Trust* (2009) at <http://www.leadershipnow.com/CoveyOnTrust.html>. [Accessed 6.6.2015]. The author has

This relationship between trust and credibility finds resonance in what Linda Hon and James Grunig identified as three dimensions to organizational trust: integrity, or the belief that an organization is fair and just; dependability, or the belief that an organization will do what it says it will do; and competence, or the belief that the organization has the ability to do what it says it will do.<sup>260</sup>

James O'Toole noted that one of the primary requirements that followers expect from their leaders is trust, which is earned through their consistently transparent actions.<sup>261</sup> "Whenever leaders are candid, open, consistent, and predictable in their dealings with followers, the result will almost always be a condition of trust. Leaders who always tell the truth will perforce tell everyone the same thing; [...] The resulting constancy allows followers to act with the assurance that the rules of the game won't suddenly change, and that they will not be treated arbitrarily."<sup>262</sup> The followers, given such assurance, O'Toole explained, "become more willing to stick their necks out, make an extra effort, put themselves on the line to help leaders achieve goals, and tell the truth themselves."<sup>263</sup> Moreover, the same holds true in organizations. According to Brad Rawlins, "organizations that encourage and allow public participation, share substantial information so that their publics can make informed decisions, give balanced reports that hold them accountable, and open themselves up to public scrutiny, are more likely to be trusted."<sup>264</sup> Hence, transparency is an important instrumental value to gain trust and credibility for leaders and for organizations.

Transparency is increasingly demanded in the context of global change because of the need to create trust and credibility across vast cultural and geographic distances. Business requires

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a further discussion on this topic in his book *The Speed of Trust: The One Thing That Changes Everything*, Free Press, New York 2006.

<sup>260</sup> L. HON & J. GRUNIG, *Guidelines for Measuring Relationships in Public Relations*, Institute for Public Relations, November 1999, p. 3. [http://www.instituteforpr.org/wp-content/uploads/Guidelines\\_Measuring\\_Relationships.pdf](http://www.instituteforpr.org/wp-content/uploads/Guidelines_Measuring_Relationships.pdf). [Accessed 29.10.2014]. Cf. also, Brad Rawlins, "Measuring the Relationship Between Organizational Transparency and Trust," p. 427.

<sup>261</sup> Cf. J. O'TOOLE, "Speaking Truth to Power" in W. Bennis, *et al.* (eds.) *Transparency: How Leaders Create a Culture of Candor*, Jossey-Bass, San Francisco, CA 2008, pp. 45-91, pp. 61-62.

<sup>262</sup> Ibid., p. 62.

<sup>263</sup> Ibid.

<sup>264</sup> B. RAWLINS, "Measuring the Relationship Between Organizational Transparency and Trust" p. 425.

valid information about markets and their risks and opportunities; political relations demand probes of valid information about intentions and strategies among countries; protection of public health needs global information sources to deal with possible epidemics; global institutions like the United Nations or the World Bank are beginning to adapt to openness.<sup>265</sup> The relationship of transparency and trust may help us to bridge universal and particular values. It may also generate new forms of solidarity in a newly inclusive, transnational civil society.<sup>266</sup>

Consequently, it is also an expectation in the Church. The Church, claiming to be “the pillar and bulwark of truth” (1 Tim 3:15) in her life and teaching,<sup>267</sup> offering to everyone the answers to the challenges of the times from the truth about Jesus Christ and his Gospel,<sup>268</sup> which is the “source of all saving truth and moral teaching,”<sup>269</sup> and maintaining that she has the “right always and everywhere to proclaim moral principles, even in respect of the social order, and to make judgments about any human matter insofar as this is required by fundamental human rights or the salvation of souls,”<sup>270</sup> is bound to prove her credibility to all, both in her life and teachings also. However, with the recent scandals that rocked the Church concerning clergy sexual abuse and financial embezzlements, her image and credibility is seriously damaged and questioned both within and outside of the Church circles.<sup>271</sup> People

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<sup>265</sup> B. HOZNER AND L. HOLZNER, *Transparency in Global Change: The Vanguard of Open Society*, Univ. of Pittsburgh Press, Pittsburgh, PA 2006, p. 3.

<sup>266</sup> Ibid., pp. 81-82.

<sup>267</sup> JOHN PAUL II, *Veritatis Splendor*, 27.

<sup>268</sup> Cf. *Veritatis Splendor*, 2.

<sup>269</sup> *Dei Verbum*, art. 7.

<sup>270</sup> Canon 747 §2; *Veritatis Splendor*, 27.

<sup>271</sup> Surveys show that the Catholic Church is currently suffering from loss of social prestige. For instance, the *La Tercera*, a newspaper in Santiago de Chile, provide the following results on the survey they made in April 2011: "Regarding the opinion that these people have of the Catholic Church, 24% considers it good; 32% neither good nor bad, and 21% rate it as poor. 59% of respondents think that their opinion about the Catholic Church has worsened over the years. 80% say they diminish confidence. Furthermore, only 38% rate it as something reliable, while 36% say it's not reliable." Centro de Encuestas de la Tercera, *Evaluacion de la imagen de la Iglesia Catolica poscaso Karadima*, at *La Tercera Edicion Impresa*, (4 de Abril 2011), “Encuesta La Tercera: 88% cree que la Iglesia Católica ha ocultado información sobre abusos,” <http://diario.latercera.com/2011/04/04/01/contenido/pais/31-64606-9-encuesta-la-tercera-88-cree-que-la-iglesia-catolica-ha-ocultado-informacion.shtml>. [Accessed 9.6.2015] Also quoted by ALVARO RAMIS OLIVOS, “La transparencia institucional de la Iglesia Católica. Aproximaciones desde la ética del

seem to see inconsistency with what the Church proclaims and what her leaders are doing amidst such grave betrayal of trust committed by some church pastors. Is the Church still credible?

In order to address this crisis in the Church, according to George Boisi of the National Leadership Roundtable of Church Management, “that relationship between trust and a sense of integrity and excellence must be restored, above all, through openness, accountability, dialogue and teamwork.”<sup>272</sup> Transparency which is truth and consistency of practice and teaching is necessary. Thus, Pope Francis in one of his homilies said: “Let us all remember this: one cannot proclaim the Gospel of Jesus without the tangible witness of one’s life. Those who listen to us and observe us must be able to see in our actions what they hear from our lips, and so give glory to God! [...] Inconsistency on the part of pastors and the faithful between what they say and what they do, between word and manner of life, is undermining the Church’s credibility.”<sup>273</sup>

The proper management of Church resources and how their managers relate to these goods as means to carry out the mission of the Church is crucial in resolving the negative perception of the Church.<sup>274</sup> Aware of this serious obligation, the Italian Bishops in their Letter *Sostenere la Chiesa per servire tutti: A vent’anni da Sovvenire alle necessità della Chiesa* remind their priests: “You are

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discurso,” *Revisita Cultura y Religion*, vol. 5/2 (2011), pp. 5-18. The Iona Institute 2011 survey on the attitude of the Irish people towards the Catholic Church reveal that 27% only of Irish Catholics have a favourable view of the Church at present, and mostly due to the sexual abuse scandal. Cf. IONA INSTITUTE, *Attitude towards the Catholic Church: An Amárach Report for the Iona Institute* (October 2011) at <http://www.ionainstitute.ie/assets/files/Attitudes%20to%20Church%20poll.pdf>. [Accessed 9.6.2015].

<sup>272</sup> G. BOISI, “Opening Comments,” in NLRMC, *Report of the Church in America: Leadership Roundtable 2004 - Challenges and Opportunities in Governance and Accountability for Institutions in Transition*, p. 6. The document can be accessed at <http://www.theleadershiproundtable.org/TLR/pubs-resources/books.html>. [Accessed 7.2.2015].

<sup>273</sup> “Ricordiamolo bene tutti: non si può annunciare il Vangelo di Gesù senza la testimonianza concreta della vita. Chi ci ascolta e ci vede deve poter leggere nelle nostre azioni ciò che ascolta dalla nostra bocca e rendere gloria a Dio! [...] L’incoerenza dei fedeli e dei Pastori tra quello che dicono e quello che fanno, tra la parola e il modo di vivere mina la credibilità della Chiesa.” FRANCIS, *Omelia, Visita alla Basilica Papale di San Paolo Fuori le Mura e la Santa Messa* (14 Aprile 2013). English version taken from [http://w2.vatican.va/content/francesco/en/homilies/2013/documents/papa-francesco20130414\\_omelia-basilica-san-paolo.html](http://w2.vatican.va/content/francesco/en/homilies/2013/documents/papa-francesco20130414_omelia-basilica-san-paolo.html). [Accessed 7.6.2015].

<sup>274</sup> D. ZALBIDEA, “Corresponsabilidad (Stewardship) y Derecho Canonico,” pp. 303-322.

called, together with us, to educate yourself and the faithful to consider money for what it is: a tool and not an end. It is a medium that is given to us with a clear commitment to use it only to proclaim the Gospel and to alleviate poverty and suffering. Precisely for this motive, we should not have restraint in addressing these issues with the faithful, while ensuring maximum transparency in communicating the economic situation and the accounts of our parishes and all ecclesial realities. Our personal availability to a sober life and authentically evangelical will strengthen credibility to our educational work”<sup>275</sup> The Church must be able to show that her mission is religious in nature<sup>276</sup> and that her use of temporal goods are only in view of the pursuit of her mission, without seeking earthly glory, but by example of humility and self-denial, as shown by her Founder.<sup>277</sup> Only by doing this can she be found credible in the society.

In order to realize this, observance of professionalism in the management of Church goods is necessary. This is reflected in the requirements of *competence* and *character* for the office of financial administrator (i.e. expertise in financial matters and outstanding integrity, cf. can. 494 §1) and members of the diocesan finance council (i.e. expert in financial affairs and civil law, outstanding integrity, cf. can. 492). Moreover, the current code enumerates in detail the stringent duties to be fulfilled by the administrators of ecclesiastical goods to ensure such professionalism in management, *i.e.*: “1° be vigilant that no goods placed in their care in any way perish or suffer damage; to this end they are to the extent necessary, to arrange insurance contracts; 2° ensure that the ownership of ecclesiastical goods is safeguarded in ways which are valid in civil law; 3° observe the provisions of canon and civil law, and the

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<sup>275</sup> “*Siete chiamati, insieme a noi, a educare voi stessi e i fedeli a considerare il denaro per quello che è: uno strumento e non un fine. È un mezzo che ci viene dato con il preciso impegno di impiegarlo unicamente per annunciare il Vangelo e per alleviare povertà e sofferenza. Proprio per questo motivo non dobbiamo avere ritegno ad affrontare questi temi con i fedeli, garantendo al contempo la massima trasparenza nel far conoscere la situazione economica e i conti delle nostre parrocchie e di tutte le realtà ecclesiali. La nostra disponibilità personale a una vita sobria e autenticamente evangelica rafforzerà la credibilità alla nostra opera educatrice.*” CONFERENZA EPISCOPALE ITALIANA (CEI), *Sostenere la Chiesa per servire tutti: A vent’anni da Sovvenire alle necessità della Chiesa*, (Roma, 4 Ottobre 2008), art. 17. [http://www.chiesacattolica.it/ccei\\_new/documenti\\_cei/2008-11/19-3/Lett\\_Sovvenire%2020AnniDopo.pdf](http://www.chiesacattolica.it/ccei_new/documenti_cei/2008-11/19-3/Lett_Sovvenire%2020AnniDopo.pdf). [Accessed 9.6.2015].

<sup>276</sup> *Ad Gentes*, 5.

<sup>277</sup> Cf. *Lumen Gentium*, 8.

stipulations of the founder or donor or lawful authority; they are to take special care that damage will not be suffered by the Church through the non-observance of the civil law; 4° seek accurately and at the proper time the income and produce of the goods, guard them securely and expend them in accordance with the wishes of the founder or lawful norms; 5° at the proper time pay the interest which is due by reason of a mortgage or pledge, and take care that in due time the capital is repaid; 6° with the consent of the Ordinary make use, for the purposes of the juridical person, of money which is surplus after payment of expenses and which can be profitably invested; 7° keep accurate records of income and expenditure; 8° draw up an account of their administration at the end of each year; 9° keep in order and preserve in a fitting and secure archive the documents and records establishing the rights of the Church or institute to its goods; where conveniently possible, place authentic copies in the archive of the curia” (Canon 1284, §2). In addition, the administrators are also expected to make an accurate and detailed inventory of all goods with their description and estimated value, and should be checked once done (can. 1283); to make an annual budget of income and expenditure (can. 1282 §3); to submit a financial report of their management to the local Ordinary annually and also the faithful (cf. cc. 1287, §§1-2).<sup>278</sup>

This professionalism also includes subjecting financial information and financial management procedures to independent verification or audit based on best practices and standards of fiscal integrity and accountability conventional to other nonprofit organizations for reliability of results<sup>279</sup> as well as evaluation of

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<sup>278</sup> This discussion about the professionalism in the management of ecclesiastical goods can be found in D. ZALBIDEA, “Corresponsabilidad (Stewardship) y Derecho Canonico,” in *Ius Ecclesiae*, vol. 24 (2012) pp. 303-322.

<sup>279</sup> Jack McCarthy pointed out that the reliability of the information subjected to independent testing is one key ingredient to effective financial transparency. It fosters greater acceptance and credibility in Church’s stakeholders and the media than just any ordinary financial information given by the organization. Cf. J. MCCARTHY, “Ingredients of Financial Transparency” in *Nonprofit and Voluntary Sector Quarterly* 36 (2007), pp. 156-164, p.163, at <http://nvs.sagepub.com/content/36/1/156>. [Accessed 10.9.2014]. Moreover, Wayne Schnelder argues that aside from annual audit of financial statements, periodic audit of the financial management practices of an organization is also necessary in minimizing financial irregularities. Unlike in business enterprise, which usually has a regular competent personnel performing financial functions, some parishes often just have dedicated, well-intentioned volunteers performing similar financial functions who may not be competent and could make honest mistakes, or may be inclined to misuse or misappropriate parish property. Thus, ongoing review of financial procedures, ranging from internal reviews by

organizational, program and personnel performance for better management and avoidance of complacency in carrying out the operations.<sup>280</sup> It also includes liability and sanctions on malpractice and abuse in administration.<sup>281</sup> Moreover, consistency and sustainability in observance of these professional standards brings about trust and credibility to the Church as it would manifest well her fidelity to her religious mission. Through the embrace of transparency, the Church would be able to stand as a true “pillar and bulwark of truth” (1 Tim. 3:15) and impress upon all that the true heritage of the Church is no other than the “unfathomable riches of Christ” (Eph 3:8).<sup>282</sup>

## 2. *As An Intrinsic Value*

The second rationale for transparency is focused more on its ideological or value-driven aspect.<sup>283</sup> It is chosen not because of its use but because it is an intrinsic value in itself. It is based more on the recognition of access of information as a fundamental right – the “right to know.” This “right to know” springs from the argument that information is fundamental for the functioning of individuals and for their self-determination, without

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parish staff and parish members to external reviews by archdiocesan staff or independent auditors need to be implemented. Cf. W. SCHNELDER, “Financial Management in Church Operations,” *The CPA Journal*, April 1989. <http://luca.com/cpajournal/old/07299394.htm>. [Accessed 4.6.2015].

<sup>280</sup> Cf. J. BEAL, “Consultation in Church Governance: Taking Care of Business by Taking Care after Business” in *CLSA Proceedings* 68 (2006) pp. 25-54. This assessment includes also the level of time and resource commitment on the part of administrators and finance personnel to complete the accounting process and deliver the information on a timely basis. Cf. J. McCarthy, “Ingredients of Financial Transparency,” p.163.

<sup>281</sup> The current code takes into account the accountability of administrators for the illicit and invalid acts of administration (c. 1281 §3) and penalties for serious abuse or violations (cc. 1377, 1389). Canon 1281 §3 provides that juridical persons are not liable for invalid acts of their administrators however, for those valid but illicit acts, they are responsible and they have the right to bring an action or recourse against those who have committed them. Canon 1377 sanctions with just penalty the serious violation of not obtaining permission for acts of alienation – a solemn requirement imposed by the code (cf. cann. 1291, 1292) since acts of alienation could seriously endanger the patrimony of the juridic person. Canon 1389 on the other hand punishes abuse of power depending on its gravity, not excluding removal from office (§1) as well as culpable negligence of responsibility with just penalty (§2). These sanctions manifest the serious concern of the Church that professionalism should be observed well in the administration of ecclesiastical goods.

<sup>282</sup> Cf. D. ZALBIDEA, “Corresponsabilidad (Stewardship) y Derecho Canonico,” pp. 303-322.

<sup>283</sup> Cf. J. FORSSBAECK AND L. OXELHEIM, “The Multifaceted Concept of Transparency,” p. 10.

which one cannot accomplish something.<sup>284</sup> Thus, transparency of information is an end itself that needs to be pursued. What are the considerations along this rationale? We shall endeavor to discuss further this rationale of transparency below.

a) As A Right

As mentioned above, information is a fundamental necessity for every function and decision. Deprived of it one cannot achieve self-determination. Thus, it is argued that the “right to know” is a fundamental right in itself. This basic right does not exist for itself alone. It extends as indispensable factor for the realization of other rights, not only in terms of personal autonomy of an individual (like freedom of choice and freedom of expression) but also in terms of being citizens of society who need to know in order to take part in democratic processes.<sup>285</sup>

This position was laid down by the United Nations when it defined Freedom of Information in its famous Resolution of the General Assembly of 14 December 1946: “Freedom of information is a fundamental human right and is the touchstone for all freedoms to which the United Nations is consecrated.”<sup>286</sup> In 1948, the United Nations, aware of its great importance, cemented its support to FOI by including it in its Universal Declaration of Human Rights of 1948, Article 19 stating: “Everyone has the right to freedom of opinion and expression; this right includes freedom to hold opinions without interference and to seek, receive and impart information and ideas through any media and regardless of frontiers.”<sup>287</sup> With these declarations, the United Nations establishes that the freedom to be correctly and truthfully informed is something intrinsic and inviolable to every man and something indispensable in the fulfillment of other human rights. This was a great step in promoting

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<sup>284</sup> Cf. A. BUIJZE, *The Principle of Transparency in EU Law*, pp. 36-37.

<sup>285</sup> Cf. *Ibid.*

<sup>286</sup> UN GENERAL ASSEMBLY, Resolution 59(1), 65th Plenary Meeting, 14 December 1946. <http://daccess-dds-ny.un.org/doc/RESOLUTION/GEN/NR0/033/10/IMG/NR003310.pdf?OpenElement> [Accessed 31.10.2014]

<sup>287</sup> UN GENERAL ASSEMBLY, Resolution 217A (III), 183<sup>rd</sup> Plenary Meeting, 10 December 1948. <http://daccess-dds-ny.un.org/doc/RESOLUTION/GEN/NR0/043/88/IMG/NR004388.pdf?OpenElement>. [Accessed 31.10.2014]

the values of individual dignity openness and freedom<sup>288</sup> and makes possible the achievement of social and economic justice.<sup>289</sup>

Thus, Patrick Birkinshaw boldly maintains that within the framework of internationally agreed concepts of human rights, the right to access information, popularly known now as the Freedom of Information (FOI), deserves to be listed among them. First, it serves as an important instrument in the realization of other human rights such as freedom of speech, access to justice and other values like accountability. Second, it is an indispensable element in the right of the citizens and stakeholders to know how management operations are done on their behalf.<sup>290</sup> It springs from the argument that information held by leaders is held on trust to be used for the public interest.<sup>291</sup> It belongs rightly to the people, whose custodians are the office-holders. This right must be defined in law to be a right. And as a right it imposes duties upon others to observe such right. However, like any other right, it has its limits. It is invariably limited by exemptions to protect the public welfare or safety, defense and national security, international relations, or to protect items such as commercial secrecy or individual privacy,<sup>292</sup> as well as from indiscreet and irresponsible disclosure betraying trust or good will. The UN General Assembly Resolution of 1946 was clear in providing its boundaries: "Freedom of Information requires as an indispensable element the willingness and capacity to employ its privileges without abuse. It requires as a basic discipline the moral obligation to seek the facts without prejudice and to spread knowledge without malicious intent."<sup>293</sup> In imploring such right, there is an equivalent moral obligation accompanying it, that of seeking and proclaiming the truth without vested interest, without partiality and without malice.

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<sup>288</sup> B. HOLZNER AND L. HOLZNER, *Transparency in Global Change: The Vanguard of Open Society*, Univ. of Pittsburgh Press, Pittsburg, USA 2006, p. 2.

<sup>289</sup> Cf. A. FLORINI, (ed.) *The Right to Know: Transparency for an Open World*, p. 3.

<sup>290</sup> Cf. P. BIRKINSHAW, "Transparency as a Human Right" in C. Hood & D. Heald, (eds.), *Transparency: The Key to Better Governance?* Proceedings of the British Academy, Oxford University Press, New York 2006, pp. 47-57, p. 47.

<sup>291</sup> P. BIRKINSHAW, "Transparency as a Human Right," pp. 47-57, p. 51.

<sup>292</sup> P. BIRKINSHAW, "Transparency as a Human Right," pp. 47-57, p. 50.

<sup>293</sup> UN GENERAL ASSEMBLY, Resolution 59(1), 65<sup>th</sup> Plenary Meeting, 14 December 1946. <http://daccess-dds-ny.un.org/doc/RESOLUTION/GEN/NR0/033/10/IMG/NR003310.pdf?OpenElement> [Accessed 31.10.2014]

The Church recognizes transparency as a human right in her Vatican II Council's *Decree on the Means of Social Communication* stating thus: "There exists therefore in human society a right to information on the subjects that are of concern to men either as individuals or as members of society, according to each man's circumstances. The proper exercise of this right demands that the content of the communication be true and – within the limits set by justice and charity – complete. Further, it should be communicated honestly and properly. This means that in the gathering and in the publication of news the moral law and the legitimate rights and dignity of man should be upheld."<sup>294</sup>

If the right to transparency in human affairs is generally a strong one, and is clearly acknowledged by the Church, the case for living by it within the Catholic Church is even stronger. It lies in the fact that the Church is a communion.<sup>295</sup> In this communion, by virtue of common baptism, all share a fundamental equality in dignity and rights to participate according to one's own circumstances in the building up of the ecclesial community.<sup>296</sup> "All should know what they need to know for that to come about."<sup>297</sup> This is especially noted by *Communio et Progressio*: "Individual Catholics have the right to all the information they need to play their active role in the life of the Church."<sup>298</sup>

Although the current code does not explicitly state it, this right to information is a precondition to the obligation of all the faithful to support the needs of the Church (cf. can. 222 §1). For how can one be able to fulfill his or her obligation without adequate information about the Church objectives, the status of her means to achieve them and how each one could contribute to their fulfillment? Or how can the diocesan bishop be able to encourage the faithful to fulfill their financial obligations (cf. can. 1261 §2) or request support from them without the necessary information about their purpose and means of completion (cf. can. 1262)? Furthermore, Canon 212 §2 also lays down the fundamental right of the faithful to inform the church pastors about their needs and wishes which may require concrete response or necessary information with regard to participation in the

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<sup>294</sup> VATICAN II COUNCIL, Decree on the Means of Social Communication, *Inter Mirifica* (4 December 1963) in AAS 56 (1964) pp. 145-157, n. 5.

<sup>295</sup> Cf. R. SHAW, *Nothing to Hide*, p. 119.

<sup>296</sup> Cf. *Lumen Gentium*, 32. Cf. Canon 208.

<sup>297</sup> R. SHAW, *Nothing to Hide*, p. 119.

<sup>298</sup> *Communio et Progressio*, 119. Cf. R. SHAW, *Nothing to Hide*, p. 77.

life of the Church which need special attention.<sup>299</sup> Moreover, according to Prof. Javier Hervada, the right to information is also attached to the right and duty of the faithful to give opinion on matters concerning the good of the Church (cf. can. 212 §3). It comes as a logical prerequisite in order to properly exercise this right and duty. For how can one properly formulate his or her own opinion and adequately participate in the life of the Church without due information?<sup>300</sup> This right to information is limited by one's degree of effective participation and the common good of the Church,<sup>301</sup> as well as the rights of others and one's duty to others.<sup>302</sup> This means that given the different hierarchical levels of participation in the Church – bishops, clergy and laity, different levels of 'right to know' must also be observed. Thus, the current code guarantees that the faithful be informed as to what happens to the offerings given to the Church (cf. can. 1287 §2) in order to show that they have been applied properly according to the wishes of the donors (cf. can. 1267 §3). As a form of financial control, a separate accounting information must be given to the diocesan Bishop for the evaluation and opinion of the experts – the finance council (cf. 1287 §1). Moreover, in terms of alienation, sufficient information is required about the economic condition of the juridical person and the alienations previously made, prior to giving of advice or consent by those responsible for it (cf. can. 1292 §4).<sup>303</sup>

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<sup>299</sup> Cf. D. CENALMOR, "Commentary on Canon 212" in E. Caparros, *et al* (English eds.), *Exegetical Commentary on the Code of Canon Law*, vol. II/1, Midwest Theological Forum, Chicago (IL)/Wilson & Lafleur, Montreal 2004, p. 71.

<sup>300</sup> Cf. J. HERVADA, *Elementos de Derecho Constitucional Canónico*, EUNSA, Pamplona 1987, p. 142. Cf. D. CENALMOR, "Commentary on Canon 212" in E. Caparros, *et al* (English eds.), *Exegetical Commentary on the Code of Canon Law*, vol. II/1, Midwest Theological Forum, Chicago (IL)/Wilson & Lafleur, Montreal 2004, p. 73.

<sup>301</sup> In order to avoid arbitrariness and irresponsible giving of opinion and demanding for information, the code limits this right to contribution to the common good of the Church in terms of *scientia*, *competentia* and *praestantia* (cf. can. 212 §3).

<sup>302</sup> Cf. Canon 223 §1. On the other hand, *Communio et Progressio* offers also the limit to secrecy: "Secrecy should therefore be restricted to matters that involve the good name of individuals, or that touch upon the rights of people whether singly or collectively" *Communio et Progressio*, 121.

<sup>303</sup> In fact Canon 1293 §1 makes this information requirement concrete: "To alienate goods whose value exceeds the determined minimum sum, it is also required that there be: 1° a just reason, such as urgent necessity, evident advantage, or a religious, charitable or other grave pastoral reason; 2° an evaluation in writing by experts of the goods to be alienated."

## b) As An Obligation

When we speak of right, obligation is not far behind for they are correlated to one another. One does not exist without the other. If transparency is considered to be a fundamental right, then it also entails obligation. For instance, a party who claims to have the 'right to know' imposes an obligation on the other party to reveal what the other party ought to know.

The notion of transparency as an obligation can be argued on three aspects. First, it is primarily founded on the *ethical obligation to tell the truth*. Truthfulness is a fundamental principle of ethics, a necessary category for authentic human life, for man, being of rational nature, is inclined naturally to seek the truth. Without truthfulness, human beings cannot act as free and responsible persons and cannot have genuine interpersonal and social relationship.<sup>304</sup> As the German philosopher Immanuel Kant argues: "Truthfulness in statements that cannot be avoided is the formal duty of man to everyone, however great the disadvantage that may arise therefrom for him or for any other."<sup>305</sup> Thus, truth is what ought to be known and what should be told by everyone.<sup>306</sup> St. Thomas Aquinas even underlined its importance as part of justice: "Since man is a social animal, one man naturally owes another whatever is necessary for the preservation of human society. Now it would be impossible for men to live together unless they believed one another as declaring the truth to one another. Hence the virtue of truth does, in a manner regard something as being due."<sup>307</sup>

This ethical duty of truth-telling applies not only to interpersonal relationships but more so to organizational and governmental relations especially in their relation to their stakeholders as well as the public in terms of social responsibility

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<sup>304</sup> Cf. F. GOMEZ, OP, *A Pilgrim's Notes: Ethics, Social Ethics, Bioethics*, UST Publishing House, Manila 2005, p. 229.

<sup>305</sup> I. KANT, "On A Supposed Right to Lie Because of Philanthropic Concerns" in James Ellington, (trans.), I. Kant (1785), *Grounding for the Metaphysics of Morals with On A Supposed Right to Lie Because of Philanthropic Concerns*, 3<sup>rd</sup> ed., Hackett Publishing Company, Inc., Indianapolis/Cambridge 1993, p. 64. The essay first appeared in September of 1799 in *Berlinische Blätter* (Berlin Press), published by Biester. See H. J. PATON, "An Alleged Right to Lie" in *Kant-Studien* 45 (1953-54).

<sup>306</sup> A. HENRIQUES, *Corporate Truth: The Limits to Transparency*, p. 17.

<sup>307</sup> T. AQUINAS, *Summa Theologica*, II-II, q. 109, art. 3 ad 1, Complete English Edition in Five Volumes trans. by Fathers of the English Dominican Province, vol. 3 (II-II, QQ 1-148), Christian Classics, Westminster (MD) 1981, p. 1656.

and accountability. As part of Corporate Social Responsibility (CSR) private institutions and state agencies, ought to make clear, truthful and regular reporting of information to their stakeholders and the public at large about the social, environmental and stakeholder impacts of their company keeping in mind their accountability to the community in terms of environmental stewardship, labor practices, community development and charitable activities.<sup>308</sup>

Far even greater is expected of the public entities. It is their duty to make information on their actions and performance available to outsiders, and to make it as easy as possible to observe what they are doing by using procedures that are clear, known and simple. It is based on an argument that they do not hold information on their own account, but on account of the public. They use public resources in producing, collecting and processing of information, hence the information ultimately belongs to the public. Thus, the government being a custodian of information for the public, is under a general

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<sup>308</sup> According to Christina Garsten and Monica Lidh de Montoya, “Corporate social responsibility has gained a hold on the agenda of corporations as well as non-governmental organizations and state agencies, suggesting that today’s global business landscape requires companies to develop responsible business policies and practices and make them an integral part of their mission, values, strategy and operations. To successfully navigate a set of economic, environmental and social challenges they must address stakeholder demands for greater transparency, accountability and responsibility.” C. GARSTEN and M. LINDH DE MONTOYA, “The Naked Corporation: Visualization, Veiling and the Ethico-Politics of Organizational Transparency” in C. GARSTEN and M. LINDH DE MONTOYA, (eds.), *Transparency in a New Global Order: Unveiling Organizational Visions*, p. 81. It is a recognition that more than just profit, corporations have social, cultural and environmental responsibilities to the community where they operate, because their operations affect the community in many ways more than one at its present situation or its future. Cf. *Ibid*, p. 82.

Pope Benedict XVI reiterated the same point in his encyclical *Caritas in Veritate*: “business management cannot concern itself only with the interests of proprietors, but must also assume responsibility for all the other stakeholders who contribute to the life of business: the workers, the clients, the suppliers of various elements of production, the community of reference” (*Caritas in Veritate*, 40). This responsibility includes the natural environment, the poor, the future generations and the whole humanity (cf. *Caritas in Veritate*, 48). “Hence, it is hoped that all international agencies and non-governmental organizations will commit themselves to complete transparency, informing donors and the public of the percentage of their income allocated to programmes of cooperation, the actual content of those programmes and, finally, the detailed expenditure of the institution itself.” BENEDICT XVI, Encyclical Letter *Caritas in veritate* on Integral Human Development in Charity and Truth (29 June 2009), 47: AAS 101/8 (2009), 641-709.

obligation to make it available, except when a compelling public or private interest dictates otherwise.<sup>309</sup>

The second argument lies on the notion of transparency as a *legal concept*. Being a legal concept, it entails obligation of observance or fulfillment. It is considered ‘Revelation by Regulation’.<sup>310</sup> It means disclosure and operation according to fixed, published and predictable rules, and within clearly demarcated fields.<sup>311</sup> Recognizing transparency as a legal principle implies that it is a value that is protected in law, something the legal system as a whole seeks to attain, and that it must be taken into account when designing rules and when deciding concrete cases.

The third argument comes from the necessity for transparency brought about by new waves of *ubiquitous digital technology* and the so-called *social media* which makes transparency not just desirable but inevitable. More and more of our experience and information is being stored electronically, and powerful search engines allow this storage room to be mined in a matter of seconds by anyone with Internet access.<sup>312</sup> The rise of the blog for example, has transformed the very idea of transparency. Whistleblowers who aim to expose corruption and fraud inside an institution, no longer have to make their case to a reporter or put their career at risk by going public. They can now make their charges anonymously, and when they do, blogs allow the information to be disseminated throughout cyberspace at the speed of light.<sup>313</sup> The blog is not only a tool for posting one’s thoughts on the web, but also serves as a venue for getting feedback for things posted and improve connections with other like-minded individuals and the public at large. The same is true with other social networking sites like Twitter, Facebook, MySpace and the like. They now serve as venues of transparency. One reason that these electronic media is so effective far better than the traditional ones is that they can be written and read everywhere

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<sup>309</sup> Cf. S. KIERKEGAARD, “Open access to public documents – More secrecy, less transparency!” in *Computer Law and Security Review*, 25, 2009, p. 3-27, p. 4. Cf. also A. BUIJZE, *The Principle of Transparency in EU Law*, p. 38.

<sup>310</sup> Cf. A. FLORINI, (ed.) *The Right to Know: Transparency for an Open World*, pp. 339-341.

<sup>311</sup> Cf. C. HOOD, “Transparency,” *Encyclopedia of Democratic Thought*, p. 701.

<sup>312</sup> W. BENNIS, *et al.* (eds.) *Transparency: How Leaders Create a Culture of Candor*, p. viii.

<sup>313</sup> W. BENNIS, D. GOLEMAN AND P. BIEDERMAN, “Creating a Culture of Candor” in W. Bennis, *et al.* (eds.), *Transparency: How Leaders Create a Culture of Candor*, pp. 1-43, p. 11.

by anyone with computer access. They are powerful tools useful for promoting products and ideas but can also be destructive to companies and individuals as it can serve as venue for malicious propaganda.<sup>314</sup>

Whether we like it or not, this new exposure imposes on us an obligation to transparency which calls for a new code of behavior, one dictated by the reality that we can never assume we are alone or unwatched. This new exposure, even if unwanted is increasingly becoming part and parcel of life,<sup>315</sup> something unavoidable and compulsory.

Just as transparency is an obligation in various sectors of society both governmental and non-governmental, the Church is no exception. The Church has an obligation of justice to live transparency in accordance with the world's understanding and system. However, the Church's transparency obligation goes beyond that of the other sectors. Her obligation to live transparency comes primarily from her mission to proclaim the truth and from her vocation to live in accordance with the gospel values. This can be surmised from the words of her Founder: "For everyone who does evil hates the light, and does not come to the light, lest his deeds should be exposed. But he who does what is *true* comes to the light, that it may be *clearly seen* that his deeds have been wrought in God" (John 3:20-21). Thus, in order to be consistent with the Gospel, each disciple must behave and act with truthfulness and transparency, and all the structures of the Church must follow the same, aiming always, as St. Paul would put it, "to have a clear conscience toward God and toward men."<sup>316</sup>

Secondly, in terms of the administration of Church goods, transparency is an obligation of justice on the part of those who administer them by virtue of fiduciary or stewardship responsibility.<sup>317</sup> Since the Church is a communion, the goods of the Church are public in nature and they are "held *in trust* (they are

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<sup>314</sup> Ibid., pp. 14-15.

<sup>315</sup> Ibid., p. 43.

<sup>316</sup> Acts 24:16.

<sup>317</sup> According to Prof. Errazuriz: "The fact of being "stewards of the mysteries of God" (1 Cor. 4:1) [of the sacred ministers] implies a requirement of justice towards one's brothers and sisters as essential as the hierarchy itself, without which ecclesial communion in its fullness cannot be achieved." C. J. ERRAZURIZ, *Justice in the Church A Fundamental Theory of Canon Law*, trans. Jean Gray and Michael Dunnigan, Wilson & Lafleur, Montreal 2009, p. 113.

entrusted) – they belong neither to the superior nor to the administrator – they belong to the ‘church’ – that public juridic person who owns them (cf. cc. 1256, 1258).<sup>318</sup> Accordingly, the church administrators have the obligation not only to manage faithfully the goods entrusted to them but also to reveal to the owner the condition of their goods and how they are managed and allocated to the legitimate purposes they are intended for and in view of fulfilling the mission of the Church.<sup>319</sup> This duty of the administrators to reveal must be based on common good, guarding the right to privacy and good name of others (cf. can. 220), respecting others rights and observing one’s duty to others (cf. can. 223 §1).

As regards transparency as a *legal concept* which obliges observance or fulfillment according to fixed and predictable rules and clear delineated fields, the current code establishes that all administration of ecclesiastical goods must be done in the name of the Church in accordance with the law (cf. can. 1282) and observance of civil laws either as “canonized” laws (cc. 22; 197; 1290) or as reference norms (e.g. cc. 1274 §5; 1284 §2; 1286) as guiding principles. This finds special significance in making contracts and other administrative acts so that these transactions may have legal standing also in the civil society. Moreover, the need for specifics, detailed and predictable laws so as to adequately address the circumstances and needs of a particular community are left to particular legislations. The Ordinaries are expected to issue special provisions regarding this matter (cf. cann. 1276 §2, 1292 §1, 1284 §3). In this manner, the actions of the Church are clearly made visible, even to the civic community and in so doing, “the Church can become a leading institution of a positive vision of the human person and his relational capacity.”<sup>320</sup>

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<sup>318</sup> V. G.D’SOUZA, “General Principles Governing the Administration of Temporal Goods of the Church” in V. G. D’Souza, (ed.), *In the Service of Truth and Justice: Festschrift in honour of Prof. Augustine Mendonça Professor Emeritus*, St. Peter’s Pontifical Institute: Center of Canonical Studies, Bangalore 2008, pp. 467-498, p. 479.

<sup>319</sup> Cf. J. MIÑAMBRES, “La ‘Stewardship’ (Corresponsabilità) nella gestione dei beni temporali della Chiesa,” in *Ius Ecclesiae*, vol. 24/2 (2012), pp. 277-292, p. 288.

<sup>320</sup> “... la Chiesa può diventare istituzione trainante di una visione positiva della persona umana e delle sue capacità relazionali.” J. MIÑAMBRES, “La ‘Stewardship’ (Corresponsabilità) nella gestione dei beni temporali della Chiesa,” in *Ius Ecclesiae*, vol. 24/2 (2012), pp. 277-292, p. 288.

### c) As A Virtue

Legislation alone cannot make organizations open and healthy. Only the character and will of those who run them and those who participate in them can do that. New regulations can help restore much-needed trust, but they can only go so far. If a culture of collusion exists instead of a culture of candor, participants will find ways around the rules, new or old, however stringent.<sup>321</sup> Codes of conduct and transparency regulation can only articulate what needs to be done and externally impose compliance, but when transparency becomes a personal commitment, it can promote ethical behavior.<sup>322</sup>

Transparency is not just a technical issue but a moral issue also. Truth-telling is a moral obligation demanded of everyone. According to St. Thomas Aquinas, “men could not live with one another if there were not mutual confidence that they were being truthful to one another.”<sup>323</sup> Truth has to be a way of life if one aims for a better social interrelationship. It should be imbibed as a virtue of being sincere and open about one’s behavior, intentions and decisions. The *Catechism of the Catholic Church* defines truthfulness as the “virtue which consists in showing oneself true in deeds and truthful in words, and in guarding against duplicity, dissimulation and hypocrisy.”<sup>324</sup> Truthfulness or “honesty must be an unbroken guiding principle, the hub on the leadership wheel. And it must be visibly demonstrated through actions and decisions, or trust and credibility will not exist.”<sup>325</sup> As such, it is incumbently expected in a far greater manner from office-holders because we place our trust on them or entrust the facilitation of our self-determination and our community development to them. As Adrian Henriques would point out: “Transparency is required wherever power is exercised. And where power is abused, transparency is doubly necessary. [...] Lack of transparency seriously compounds moral failure.”<sup>326</sup>

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<sup>321</sup> W. BENNIS, D. GOLEMAN AND P. BIEDERMAN, “Creating a Culture of Candor,” p. 8.

<sup>322</sup> Cf. A. HENRIQUES, *Corporate Truth: The Limits to Transparency*, p. 64.

<sup>323</sup> T. AQUINAS, *Summa Theologiae* II-II, q. 109, art. 3, ad 1. Cf. also in *Catechism of the Catholic Church*, art. 2469.

<sup>324</sup> *Catechism of the Catholic Church*, art. 2468.

<sup>325</sup> B. PAGANO and E. PAGANO, *The Transparency Edge: How Credibility Make or Break You in Business*, McGraw-Hill, New York 2004, p. 3.

<sup>326</sup> A. HENRIQUES, *Corporate Truth: The Limits to Transparency*, p. 2.

The Church, in the same way, requires it as a virtue or quality also from her leaders. We may recall St. Paul's Letter to Titus on this: "For a bishop, as God's steward, must be blameless; he must not be arrogant or quick-tempered, or addicted to wine or violent or greedy for gain; but he must be hospitable, a lover of goodness, prudent, upright, devout and who is self-controlled" (Titus 1:7-8). And since the Church goods are held in *trust* on behalf of the ecclesial community in a stewardship responsibility, the current code requires that those involved in the financial affairs of the Church be truly of outstanding integrity (cf. can. 494 §1 for finance officer; can. 492 §1 for members of the finance council; can. 378 §1, 1° for bishop; cf. can. 521 §2 for parish priest). In fact, the Directory for the Pastoral Ministry of Bishops affirms this requirement and points out well the reason for its necessity to be a quality of church financial managers: "The financial administration of the diocese should be entrusted to individuals who are competent as well as honest, so that it can become an example of transparency for other similar church institutions."<sup>327</sup> Moreover, Pope St. John Paul II, in his Post-Synodal Apostolic Exhortation *Pastores Dabo Vobis*, reiterates this requirement in the life of the priests as leaders of the community: "being personally involved in the life of the community and being responsible for it, [...] [a priest] should also offer the witness of a total "honesty" in the administration of the goods of the community, which he will never treat as if they were his own property, but rather something for which he will be held accountable by God and his brothers and sisters, especially the poor."<sup>328</sup> Such disposition of interior freedom, the Pope continues, "will help the priest to stand beside the underprivileged; to practice solidarity with their efforts to create a more just society; to be more sensitive and capable of understanding and discerning realities involving the economic and social aspects of life; and to promote a preferential option for the poor. [...] gently approaching the poor, sinners and all those on the margins of society, following the model given by Jesus in carrying out his prophetic and priestly ministry (cf. Lk. 4:18)."<sup>329</sup>

More than just an instrumental value or a legislative concept that brings about rights and obligations, transparency has to be a virtue or a sustained quality in people responsible for the community

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<sup>327</sup> *Apostolorum Successores*, 189a.

<sup>328</sup> JOHN PAUL II, Post Synodal Apostolic Exhortation *Pastores Dabo Vobis*, (25 March 1992), n. 30, Città del Vaticano, Libreria Editrice Vaticana 1992, p. 63.

<sup>329</sup> *Ibid.*

in order for it to be truly effective, especially in Church financial affairs.

## **F. The Limits of Transparency**

As pointed out at the beginning and shown by our discussion, transparency is good. However, notwithstanding its promising benefits, some scholars point out that too much transparency has its own costs, ambiguous effects and even adverse consequences, hence there are limits to its use. We now point them out here in turn:

### *1. Information Overload and the Problem of Technical Language*

Increasing the levels of transparency does not automatically lead to positive results. It can also have negative effects, and they can be harmful if not destructive. Information can be used by International organizations, governments, firms, financial markets, NGOs, and others for other purposes aside from informing the public or facilitating mutually beneficial economic exchange. In arms control, for example, the information used by a state to assure other countries that its military forces are not massing for attack can be used by these other countries against it. In economics, misinterpretation or deliberate misuse of information by national or corporate rivals can spark unfavorable headlines, plunges in stock prices, and capital flight.<sup>330</sup> Thus, Florini argued: “too much disclosure can produce a white noise effect, making it difficult to know what is significant or even to sort through all the data.”<sup>331</sup> Ripken confirms this in her observation: “Evidence suggests that when people are given too much information in a limited time, the information overload can result in confusion, cognitive strain, and poorer decision-making.”<sup>332</sup> In addition, disclosing information also requires time, effort, and material cost, a burden that may be difficult for some institutions

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<sup>330</sup> Cf. A. FLORINI, “Does the Invisible Hand Need a Transparent Glove? The Politics of Transparency” in B. Pleskovic and J. Stiglitz (eds.), *Annual World Bank Conference on Development Economics 1999*, The World Bank, Washington D.C. 2000, p. 167. <https://openknowledge.worldbank.org>. [Accessed 29.11.2014]

<sup>331</sup> Ibid.

<sup>332</sup> S. K. RIPKEN, “The Dangers and Drawbacks of Disclosure Antidote: Toward a More Substantive Approach to Securities Regulation,” in *Baylor Law Review*, 58 (2006) pp. 139-204, at pp. 159-160.

to bear.<sup>333</sup> Thus, increase in transparency may be ideal but without setting limits to it, may dampen its good purpose.

The same holds true in the Church. Without well-prepared financial reports, Church administrators may misunderstand the financial data and could lead them to make incorrect decisions. Furthermore, too much information given to the faithful will not bring the message across to them, thus, their full support is not always achieved. And because the faithful cannot rely on the financial reports presented to show the financial condition of the Church, they would rely on someone else's interpretation which could be detrimental to the image of the Church or to her programs and objectives.<sup>334</sup> One option to address the problem of information overload, according to Richard Vargo, is to educate the receivers of the information, however this is not practical and efficient. The easiest and most plausible solution, is to make the financial reports as simple, clear, meaningful and timely as possible.<sup>335</sup> For "what is decisive is not the quantity of information but significant disclosure."<sup>336</sup>

Another limit to transparency is the problem of technical language. Caroline Bradley in her article *Transparency is the New Opacity: Constructing Financial Regulation after the Crisis* lamented this downside with regard to the formulation of transparency regulation:

"Statutes and regulations are frequently written in very technical language and one way of improving the transparency of law is to write the law, and proposals to change the law, in language citizens are able to understand. Policy-makers may draft plain language regulations and explanatory documents in simple language to improve communication with citizens. But moving from complex technical language to plainer language takes time, and even where explanations of financial rules are expressed in plain language the rules are often complex, and the activities they would control are also complex. This layering of complexities produces and intensifies opacity."<sup>337</sup>

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<sup>333</sup> A. FLORINI, "Does the Invisible Hand Need a Transparent Glove? The Politics of Transparency", p. 167.

<sup>334</sup> Cf. R. VARGO, *The Church Guide to Financial Reporting*, Church Law and Tax Report, Christian Ministry Resources, Matthews [NC] 1995, pp. 5, 9.

<sup>335</sup> Cf. R. VARGO, *The Church Guide to Financial Reporting*, p. 11.

<sup>336</sup> B. HÄRING, *Ethics of Manipulation: Issues in Medicine, Behavior Control and Genetics*, Seabury Press, New York 1975, p. 22, quoted in RUSSELL SHAW, *Nothing to Hide: Secrecy, Communication and Communion in the Catholic Church*, Ignatius Press, San Francisco 2008, p. 113.

<sup>337</sup> C. BRADLEY, "Transparency is the New Opacity: Constructing Financial Regulation after the Crisis" in *American University Business Law Review* 1/1 (2011) pp. 7-

Not only with transparency regulations can we encounter the problem of technical language but also in financial operations and in financial statements as well. Considering that members of the faithful are not all trained in finance and accounting and some even abhor numbers and statistics, the use of technical language can frustrate the purpose of financial reporting which is to convey the financial condition of the ecclesial entity and draw full support and collaboration of the faithful. Thus, financial statements should be “tailored to the personalities, circumstances, and educational level of the users in each church”<sup>338</sup> and aiming always for the intelligibility and effectivity of the message it conveys.

## 2. *The Question on Privacy and Security*

The question of privacy is perhaps the most unsettling facet of transparency. According to Oliver, while the increase in transparency means that market mechanisms operate closer and closer to true efficiency and while consumers and stakeholders have more power, the privacy rights of both individuals and organizations slip slowly away.<sup>339</sup> In the name of transparency the electronic and digital media are pervasively and invasively haunting us daily. As a result, according to Bennis, “anyone has the ability to embarrass us, should they tilt their cell phone camera in our direction and catch us squabbling with a sales clerk or being rude to a spouse. This is a downside of transparency most of us never in our worst nightmares expected to face.”<sup>340</sup>

Up to what point are we ought to disclose? What are the limits to knowing and revealing? As pointed above, Paul Sturges offers a solution to this seemingly limitless coverage of transparency, i.e. *public interest*. Transparency covers only those matters of public interest, beyond which is already a breach of individual privacy. As to who and what determines public interest, he suggests that the judiciary take that role, weighing the interest of individual, business or state and that of the public. However, he noted, there has to be a general consensus delineating public interest and

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34, p. 17; University of Miami Legal Studies Research Paper No. 2012-06. Available at SSRN: <http://ssrn.com/abstract=2013178>. Accessed: 5.4.2014

<sup>338</sup> R. VARGO, *The Church Guide to Financial Reporting*, p. 13.

<sup>339</sup> R. OLIVER, *What is Transparency?* McGraw-Hill Companies, Inc., USA 2004, p. 30

<sup>340</sup> W. BENNIS, “The New Transparency” in W. Bennis, *et al.* (eds.) *Transparency: How to Create a Culture of Candor*, Jossey-Bass, San Francisco 2008, p. 118.

mere arbitrary curiosity.<sup>341</sup> This poses still a gray area on the question of privacy.

Another effect of transparency to consider is the problem of threat to individual security. As more and more of our personal records are placed online, our ability to keep our information confidential will continue to diminish, no matter how we try to protect it. At the same time, the ubiquity of cell phone cameras makes each of us the potential target of amateur paparazzi<sup>342</sup> as well as theft, sabotage and other malicious acts. Thus, it poses a threat to individual security. And as previously mentioned above, the information publicized by a state in the spirit of transparency to assure other countries that its military forces are not massing for attack can be used by these other countries against it. With such condition, the idea of full information disclosure can also be detrimental to national security.

In the Church, what are the limits to knowing and revealing? Although the general aim in the Church is optimum availability of information, the first limit can be seen in the Church's recognition of the natural right of each one to good reputation and protection of one's privacy. Vatican II Council acknowledges this right "to a good reputation" and "to the protection of privacy and rightful freedom" as among the necessary universal and inviolable duties and rights to lead a proper human life.<sup>343</sup> Thus, the current code lays it down as a fundamental right and duty of all the faithful which must never be violated (cf. can. 220) unless legitimate reasons dictate otherwise. Those matters then which concern privacy, security and good reputation of each one must be well respected and off-limits to disclosure.

Another limitation can be seen in the canonical mandate to observe the common good of the Church in the exercise of one's rights and respect for the rights of others and one's duties to others either individually or collectively (cf. can. 223 §1). This moderation in the exercise of rights is based on the moral principle of personal and social responsibility proclaimed by *Dignitatis Humanae* stating that, "in the exercise of their rights, individual men and social groups are bound by the moral law to have respect both for the rights of others and for their own duties toward others and for the common welfare of all."<sup>344</sup> This "common good of the Church"

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<sup>341</sup> P. STURGES, *What is this absence called transparency?* p. 3.

<sup>342</sup> W. BENNIS, "The New Transparency" in *Transparency: How to Create a Culture of Candor*, p. 111.

<sup>343</sup> Cf. *Gaudium et spes*, 26. Cf. also D. CENALMOR, "Commentary on Canon 220" in *Exegetical Commentary on the Code of Canon Law*, vol. II/1, p. 126.

<sup>344</sup> VATICAN COUNCIL II, Declaration on Religious Freedom *Dignitatis Humanae* on the Right of the Person and of Communities to Social and Civil Freedom in Matters

is in line with the fundamental duty of all the faithful to preserve Church communion always (cf. can. 209 §1) which is expressed in transcending the good of the individual and favoring the best for the ecclesial community.<sup>345</sup> In determining what is supposed to be the common good, it falls upon the Church Pastors, by virtue of their being “teachers of the faith” and “rulers of the Church” (cf. can. 212 §1), to determine what is required for it, in view of ecclesial communion which they are bound to foster.<sup>346</sup> Thus, Canon 223 §2 provides that “ecclesiastical authority is entitled to regulate, in view of common good, the exercise of rights which are proper to Christ’s faithful.” Moreover, the Church declares that “on those occasions when the affairs of the Church require secrecy, the rules normal in civil affairs equally apply.”<sup>347</sup>

Applying these principal considerations to church financial management, administrators should exercise great prudence in determining which information needs to be disclosed or not for the “common good of the Church” with due respect to others’ rights and observance of one’s duties to others. Thus, consultation is crucial on this matter as well as adherence to universal laws and standards and issuance of specific guidelines and norms that would regulate the exercise of transparency to avoid arbitrariness and abuse and that the true “common good” that leads to ecclesial communion would prevail.

#### **G. The Means of Transparency in the Administration of Church Goods in the 1983 Code**

After having presented the concept of transparency and cited its application in the Church administration of temporal goods, we shall now endeavor to examine the nature of these mechanisms of transparency present in the 1983 Code and how they function to guarantee transparency:

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Religious, (7 December 1965); AAS 58 (1966) 929-946, n. 7. [http://www.vatican.va/archive/hist\\_councils/ii\\_vatican\\_council/documents/vat-ii\\_decl\\_19651207\\_dignitatis-humanae\\_en.html](http://www.vatican.va/archive/hist_councils/ii_vatican_council/documents/vat-ii_decl_19651207_dignitatis-humanae_en.html). [Accessed 2.7.2015].

<sup>345</sup> Cf. D. CENALMOR, “Commentary on Canon 223” in *Exegetical Commentary on the Code of Canon Law*, vol. II/1, p. 149.

<sup>346</sup> Cf. D. CENALMOR, “Commentary on Canon 223” in *Exegetical Commentary on the Code of Canon Law*, vol. II/1, p. 150.

<sup>347</sup> *Communio et Progressio*, 121.

## 1. *Structures of Consultation and Participation*<sup>348</sup>

Mindful of the spirit of communion, the current code provides for the establishment of consultative bodies that would ensure a collaborative and participative decision-making process in Church administration. Through proper transparency of information, these bodies are “effective in defining problems, proposing options, analyzing objectives, and developing plans and strategies best suited to the problem or situation at hand. Because of their grassroots nature, they have “hands-on” experience and are best suited to help identify the problem areas, provide solutions, and pave the road to successful implementation.”<sup>349</sup>

### a) Finance Council<sup>350</sup>

A key structure of consultation and participation required by the code in Church financial management is the Finance Council or Council for Economic Affairs. Canon 1280 provides the general mandate of its establishment: “Every juridical person is to have its own finance committee, or at least two counselors, who are to assist in the performance of the administrator’s duties, in accordance with the statutes.”

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<sup>348</sup> Although, the diocesan synod is a preeminent consultative body in a particular church and a concrete expression of the synodality of all its faithful, however, it is seldom convoked and therefore does not occupy a regular function in the diocesan and parish administration, thus its significance will not be discussed in this paper. Cf. J. BEAL, “Consultation in Church Governance: Taking Care of Business by Taking After Business,” in *CLSA Proceedings* 68 (2006) pp. 25-54, p. 27.

<sup>349</sup> A. ASSELIN, “Consultation in the Parish: A Needless Burden, a Necessary Evil, or a Worthwhile Opportunity?” in V. G. D’Souza, (ed.), *In the Service of Truth and Justice: Festschrift in honour of Prof. Augustine Mendonça Professor Emeritus*, St. Peter’s Pontifical Institute: Center of Canonical Studies, Bangalore 2008, pp. 467-498, p. 479.

<sup>350</sup> Although the published English term used in the code is “committee,” according to Oscar Cruz, the original Latin text of the 1983 Code used the word *consilium*, which is rightly translated in English as “council” and not as “committee.” He argues that a council says much more than a mere committee for the former is “more official in implication, more serious in connotation and more stable in operation” while the latter “can usually come and go according to circumstantial factors, and has commonly but a complementary if not simply a complimentary function.” O. CRUZ, *Administration of the Temporal Goods of the Church*, ALD Publications, Dagupan City 2005, pp. 66-67. Furthermore, the word *consilium* has a different connotation than that of *concilium* although both are translated as council in English. The former means counsel, deliberation, consultation, while the latter refers only to an assembly or group. Cf. L. STELTEN, *Dictionary of Ecclesiastical Latin*, Hendrickson Publishers, Inc., Massachusetts 1995, p. 55.

In particular, Canon 492 prescribes its establishment in the diocese and the necessary requisites for its membership and tenure:

§1 In each diocese a finance committee is to be established, presided over by the diocesan Bishop or his delegate. It is to be composed of at least three of the faithful, expert in financial affairs and civil law, of outstanding integrity, and appointed by the Bishop.

§2 The members of the finance committee are appointed for five years but when this period has expired they may be appointed for further terms of five years.

§3 Persons related to the Bishop up to the fourth degree of consanguinity or affinity are excluded from the finance committee.

While Canon 537 requires its constitution in every parish:

In each parish there is to be a finance committee to help the parish priest in the administration of the goods of the parish, without prejudice to can. 532. It is ruled by the universal law and by the norms laid down by the diocesan Bishop, and it is comprised of members of Christ's faithful selected according to these norms.

The diocesan finance council functions as an oversight and consultative body on both ordinary and extraordinary administration. It is tasked to prepare each year a budget according to the directives of the diocesan bishop and account for its observance in the financial report made by the diocesan finance officer (cf. can. 493), as well as examine or audit the financial reports passed on to them by the diocesan bishop coming from administrators of juridic persons under his governance (cf. can. 1287 §1). Moreover, there are acts of administration that require either its *advice* or *consent*, without which would render the administrative act invalid (cf. can. 127). Thus, it doesn't have only a consultative vote but also a deliberative one in some of its functions. The preceptive advice of the council must be sought by the diocesan bishop in the following: appointment and removal of the diocesan finance officer (cf. can. 494); on imposing moderate taxation ordinarily to public juridical persons under him and extraordinarily on other physical and juridical persons

which would necessarily require wide consultation on what constitutes moderate taxation proportionate to their income (cf. can. 1263); on administrative acts of major importance (cf. can. 1277); on administration of non-autonomous pious foundations especially on prudent investment of its movable assets (cf. can. 1305); on diminishing the obligation of the pious wills of the faithful (cf. can. 1310) and on acts of extraordinary administration of juridic persons subject to him when its statutes are silent about it (cf. can. 1281 §2). The consent of the council is obligatory on acts of extraordinary administration set forth by the episcopal conference of the region (cf. can. 1277); in alienating ecclesiastical goods constituting the stable patrimony of the public juridic person beyond the minimum amount determined by the episcopal conference (cf. can. 1292 §1) and on administrative acts that would endanger the patrimonial condition of a juridic person (cf. can. 1295). In addition, the diocesan finance council is tasked to elect a temporary diocesan finance officer during *sede vacante* (cf. can. 423 §2).

With regard to the finance council of parishes and other public juridic persons as contemplated by Canon 1280, the current code is silent about its specific function. However, particular legislation may establish some similar functions as that of the diocesan body, establishing some required consultations or consents on their proper level of governance.<sup>351</sup> This should be done in a manner that recognizes the preeminent position of the parish priest as the administrator of the parish goods and the juridical representative of the public juridical person of the parish community (cf. can 532).<sup>352</sup>

According to Kevin McDonough, these detailed functions of the finance council reflect its two important purposes: expertise and openness. It is established to provide technical and expert advice on the proper and prudent fiscal management and to ensure their transparency that would facilitate accountability, credibility and open communication between the administrators and the other faithful through their representation. These two aspects should be balanced in constituting it. Thus, aside from expertise in law and finance specified by the code (cf. can 492 §1), its constitution should

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<sup>351</sup> K. McDONOUGH, "The Diocesan and Pastoral Finance Council" in K. McKenna, *et al.* (eds.) *Church Finance Handbook*, Canon Law Society of America, Washington D.C. 1999, p. 139.

<sup>352</sup> Cf. J. I. ARRIETA, *Governance Structures within the Catholic Church*, Wilson & Lafleur, Montréal 2000, p. 258.

also reflect the various constituencies of the particular diocese, parish or other juridic person.<sup>353</sup>

b) College of Consultors

Another structure of consultation and participation is the college of consultors. Like the diocesan finance council, it is a mandatory permanent consultative body of the diocesan bishop whose members have a five-year tenure for stability purposes, and remains to function even during *sede vacante* (cf. can. 502 §2). It is composed of priests, not less than six nor more than twelve in number, freely chosen by the bishop from among the members of the council of priests, and its functions are prescribed by the universal law (cf. can. 502 §1). These functions may be entrusted by the conference of bishops to the cathedral chapter in places where it is existing (cf. can. 502 §3) or in an apostolic vicariate and prefecture, this could be assumed by the council of the mission, unless otherwise established in law (cf. can. 502 §4).

Together with the diocesan finance council, its advice or consent is needed by the diocesan bishop on some decision-making process on financial matters, in order to act validly. For instance, its advice must be heard in the appointment and removal of the diocesan finance officer (cf. can. 494 §§1-2) and in financial administrative acts of major importance (cf. can. 1277). Its consent is necessary in acts of extraordinary administration (cf. can. 1277); in the alienation of diocesan goods whose value is between the minimum and maximum amount set forth by the episcopal conference (cf. can. 1292 §1); and on administrative acts that would endanger the patrimonial condition of a juridic person under the diocesan bishop (cf. can. 1295).<sup>354</sup> These consultative functions contemplated by the code are in the light of their broad pastoral experience as priests who have “hands-on experience” of the

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<sup>353</sup> K. McDONOUGH, “The Diocesan and Pastoral Finance Council” in K. McKenna, *et al.* (eds.) *Church Finance Handbook*, Canon Law Society of America, Washington D.C. 1999, p. 137.

<sup>354</sup> Cf. M. MARCHESI, “Commentary on Canon 502” in E. Caparros, *et al.* (eds.), *Exegetical Commentary on the Code of Canon Law, II/2*, Midwest Theological Forum, Woodridge; Wilson & Lafleur, Montreal 2004, pp. 1218-1220. Cf. also B. ANNE CUSACK, “Commentary on Canon 502” in J. Beal, *et al.* (eds.), *New Commentary on the Code of Canon Law* commissioned by The Canon Law Society of America, Paulist Press, Mahwah, N.J. 2000, pp. 661-662.

community of the faithful and thus complement the technical expertise provided by the finance council.<sup>355</sup>

c) Presbyteral Council

Another obligatory consultative body contemplated by the code is the presbyteral council or the council of priests. Canon 495 provides us with its nature and purpose: “In each diocese there is to be established a council of priests, that is a group of priests who represent the presbyterium and who are to be, as it were, the bishop’s senate. The council’s role is to assist the bishop, in accordance with the law, in the governance of the diocese, so that the pastoral welfare of that portion of the people of God entrusted to the bishop may be most effectively promoted.” In order to be a duly representative organ of the presbyterium, half of its members are to be elected, while some are *ex officio* members and some by episcopal appointment, so as to have a wide and diversified consultation and participation in various pastoral concerns.<sup>356</sup>

As the senate of the bishop, it is his prerogative to convene it, preside it and determine the subject of its discussion and can never act apart from him. It plays a consultative role on various aspects provided by the code especially on matters of serious pastoral concern determined by the bishop (cf. 500). It has a significant function on two financial concerns of the diocese: a) it must be heard when establishing norms regarding the allocation of the offerings of the faithful and for the support of the clergy fulfilling parochial functions (cf. can. 531) and b) it must be consulted on levying of an ordinary tax on juridical persons subject to the diocesan bishop, such as parishes, and for the levying of an extraordinary tax on other physical and juridical persons on grave necessity. Together with the diocesan finance council, they have to determine what is supposed to be moderate and proportionate tax to the income of the entities (cf. can. 1263). Although its other functions do not directly refer to financial management, most of the issues that require its consultation have notable financial impact. For instance, it must be consulted on: a) the establishment of new churches (cf. can. 1215 §2); b) the erection, suppression and substantial modification of parishes (cf.

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<sup>355</sup> Cf. T. GREEN, “The Players in the Church’s Temporal Goods World” in *The Jurist* 72/1 (2012), pp. 53-75, p. 65.

<sup>356</sup> Cf. T. GREEN, “The Players in the Church’s Temporal Goods World” in *The Jurist* 72/1 (2012), pp. 53-75, p. 63.

can. 515 §2); and c) the conversion of church buildings to secular purposes (cf. can. 1222 §2). The diocesan bishop is required to consult it on these concerns but he is not bound to follow its advice (cf. can. 127 §2).<sup>357</sup>

d) Pastoral Council

Another structure of consultation and participation is the pastoral council. Its establishment is not obligatory but facultative and highly recommended according to pastoral circumstances. According to Canon 511: “In each diocese, in so far as pastoral circumstances suggest, a pastoral council is to be established. Its function, under the authority of the Bishop, is to study and weigh those matters which concern the pastoral works in the diocese, and to propose practical conclusions concerning them.”

The pastoral council is basically a planning organization. It investigates, evaluates, and proposes practical conclusions regarding the pastoral activity in the diocese. It is composed of Catholics, members of the clergy, religious institutes and especially lay persons representing various regions, social conditions, professions, and apostolates in the diocese who are outstanding in faith prudence and integrity (cf. can. 512). As a consultative body, the diocesan bishop presides over the council, which he must convoke at least once a year, on pastoral matters determined by him. (cf. can. 514). Its members are appointed for a determinate period according to the statutes made by the bishop and it ceases to exist during *sede vacante* (cf. can. 513).<sup>358</sup>

Aside from the diocesan level, the establishment of pastoral council in the parish level is also highly encouraged. Canon 536 §1 provides that “if, after consulting the council of priests, the diocesan Bishop considers it opportune, a pastoral council is to be established in each parish. In this council, which is presided over by the parish priest Christ’s faithful, together with those who by virtue of their office are engaged in pastoral care in the parish, give their help in

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<sup>357</sup> Cf. T. GREEN, “The Players in the Church’s Temporal Goods World” in *The Jurist* 72/1 (2012), pp. 53-75, pp. 63-64. Cf. also M. MARCHESI, “Commentary on Canon 500” in E. Caparros, *et al* (eds.), *Exegetical Commentary on the Code of Canon Law, II/2*, Midwest Theological Forum, Woodridge; Wilson & Lafleur, Montreal 2004, pp. 1213-1214.

<sup>358</sup> J. PROVOST, (ed.) *Code, Community, Ministry: Selected Studies for the Parish Minister Introducing the Revised Code of Canon Law*, Canon Law Society of America, Washington D.C. 1983, p. 57.

fostering pastoral action.” The council is entitled to a consultative vote and is governed by the norms determined by the diocesan bishop (cf. can. 536 §2).

Like in the diocesan level, the parish pastoral council functions as the pastoral planning body of the parish, administering and coordinating its ministries, parish organizations and apostolates.<sup>359</sup> Through this pastoral planning, the parish community is able to set its goals and priorities in consonance with the pastoral directions of the bishop and ultimately to the mission of the universal Church. It includes defining objectives and developing policies, programs, projects, systems and procedures for achieving them, as well as evaluating and assessing their results.<sup>360</sup>

Finance-wise, the pastoral council both diocesan and parish level is least significant as it is focused more on the pastoral issues but nonetheless necessary. In some financial decisions, it would deem helpful and wise to consult the pastoral council.<sup>361</sup> This is due to the fact that pastoral planning sets the tone for the budget planning and resource allocation of both the diocese and the parish and the output pastoral plan serves as the basis for assessment and evaluation of implementation results. In short, the pastoral council, by virtue of its pastoral planning function, facilitates the collaboration of the different structures of consultation and participation for a better pastoral service and fulfillment of Church’s objectives.

Using these structures of consultation and participation to their full potential would ensure transparency and facilitate a better management of Church resources and ultimately enhance communion.

## **2. *Vigilance and Control of Superior***

Another consideration in the administration of ecclesiastical goods is that it must be carried out under the vigilance and regulation of the ordinary or superior. Thus, those who administer the temporal goods of the Church have an executive function only which they must carry out according to the

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<sup>359</sup> Ibid, p. 61.

<sup>360</sup> H. CORONEL and E. MERCADO, *Parish Councils: In the Service of the Church*, Reyes Publishing, Inc., Manila 2001, p. 25.

<sup>361</sup> Cf. *Apostolorum Successores*, 189b.

provisions of the law and the directives of legitimate superiors.<sup>362</sup> “Ecclesiastical properties are characterized by the principle of concentricity. This stems from the fact that they, as the goods of the Church, have a profound ecclesial unity in purpose.”<sup>363</sup> Although the Church recognizes that ownership of ecclesiastical goods belongs to the juridical person that has lawfully acquired them (can. 1256) and their management belongs to the one who has direct power of governance over the juridical person who owns them, the Code is quick to declare that this must be under the supreme authority of the Roman Pontiff (can. 1256) as supreme administrator and steward of all ecclesiastical goods (can. 1273). This is to ensure ecclesial unity in the achievement of Church purposes.<sup>364</sup> From the same viewpoint comes the rationale for supervision and regulation in the management of church temporalities: “Ordinaries must carefully *supervise* the administration of all the goods which belong to the public juridical persons subject to them, without prejudice to lawful titles which may give the Ordinary greater rights” (can. 1276 §1) and “taking into account rights, lawful customs and the circumstances, Ordinaries are to *regulate* the whole matter of the administration of ecclesiastical goods by issuing special instructions, within the limits of the universal and particular law” (can. 1276 §2). These provisions are in consonance with the mandate on bishops to defend Church unity, foster discipline, enjoin observance of ecclesiastical laws and ensure that abuses do not creep into ecclesiastical discipline including the administration of goods (cann. 392 §§1-2). Thus, Coccopalmerio describes vigilance or supervision as “to pay attention that

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<sup>362</sup> Cf. V. DE PAOLIS, “Temporal Goods of the Church in the New Code with Particular Reference to Institutes of Consecrated Life,” in *The Jurist* 43 (1983) 343-360, p. 352.

<sup>363</sup> “*I beni ecclesiastici sono caratterizzati dal principio della concentrità. Ciò deriva dal fatto che essi, in quanto beni della Chiesa, hanno una profonda unità nei fini ecclesiali.*” V. DE PAOLIS, *I beni temporali della Chiesa*, p. 83.

<sup>364</sup> According to Martin de Agar, “it is necessary to preserve a motive of unity in this division of Church property and therefore we resort to the same figure used in the secular: the distinction between eminent domain, that pertains to the Prince on all the property of his subjects, and useful or immediate domain that pertains to his subjects as owners. Therefore, it is affirmed that, in the Church, it belongs to the Roman Pontiff the *dominium eminens* on all church property and to the juridical person the title of useful domain (ownership by use). This distinction would merge the powers of the Pope on Church property and these would find their source of unity.” Although he admits that this doctrine is quite insufficient in explaining the exercise of authority over ecclesiastical goods as there are others exercising authority “especially the bishops - who do not act as mere vicars or delegates of the Pope, but by virtue of their proper and ordinary power.” Cf. J. MARTIN DE AGAR, *Beni Temporalis e Missione della Chiesa*, Ateneo Romano della Santa Croce, Roma 1991, p. 5.

‘abuses do not creep’ that is, that they fulfilled nothing against the norms established.”<sup>365</sup>

According to De Paolis, supervision, quoting Vromant, “involves the right of visiting and examining of accounts, the right of prescribing the prudent manner of administration in accordance with the canonical norms.”<sup>366</sup> It “implies the right of knowing by themselves or through others the quantity and valuation of goods, examining accounts about the safe ordering and faithful application of gifts, as well as prescribing that administration be orderly, prudent, etc.”<sup>367</sup> Its purpose is “to ensure that the general principles for administering Church’s goods (preservation, avoiding risk and immediate gain, adhering to the purposes, fulfillment of dispositions, etc.) are observed and, in addition and more immediately, compliance with universal, private and individual law on patrimonial management.”<sup>368</sup>

The faculty to regulate on the other hand aims at “organizing, through instructions, the administration of the goods within his jurisdiction. Attribution of this power assumes that the task of the ordinary is not merely passive or to correct negligence and abuse, but that it fulfills an active

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<sup>365</sup> “*Vigilare significa... porre attenzione che "non si insinuino abusi" cioè non si compia nulla contro le norme stabilite.*” F. COCCOPALMERIO, *La Parrocchia: Tra Concilio Vaticano II e Codice di Diritto Canonico*, Edizioni San Paolo, Milano, p. 113.

<sup>366</sup> “*Vigilantia secumfert: “1 ° ius visitandi et exigendi rationes; 2° ius praescribendi modum prudentem administrationis, sed tantummodo ad normam canonum”* G. VROMANT, *De bonis Ecclesiae temporalibus*, n. 183, p. 162; V. DE PAOLIS, *De Bonis Ecclesiae Temporalibus*, p. 76; Cf. also F. AZNAR GIL, *La Administracion de los Bienes Temporales de la Iglesia*, 1993, p. 332.

<sup>367</sup> “*Vigilantia importat ius cognoscendi per se vel per alios de quantitate et aestimatione bonorum, exigendi rationem circa tutam collocationem et fidelem applicationem donationum, necnon praescribendi ut administration sit ordinate, prudens, etc.*” G. VROMANT, *De bonis Ecclesiae temporalibus*, n. 184, p. 163; V. DE PAOLIS, *De Bonis Ecclesiae Temporalibus*, p. 76 Cf. also F. AZNAR GIL, *La Administracion de los Bienes Temporales de la Iglesia*, 1993, p. 332.

<sup>368</sup> Z. COMBALIA, “Commentary on Canon 1276” in E. Caparros, *et al* (eds.), *Exegetical Commentary on the Code of Canon Law, IV/1*, Midwest Theological Forum, Woodridge; Wilson & Lafleur, Montreal 2004, p. 94; “*La vigilancia tiene como fin no sólo el cuidado de que se observen los principios generales de la administracion de bienes en la Iglesia (conservacion, evitacion de riesgos y del lucro immoderado, afectacion a los fines, cumplimiento de voluntades, etc.) sino que mira además, y de modo más inmediato, al cumplimiento de las leyes universales, particulares y peculiares sobre la gestión patrimonial*” J. MARTIN DE AGAR, “Bienes temporales y mission de la Iglesia,” in *Manual de Derecho Canonico*, 2<sup>nd</sup> ed. EUNSA, Pamplona 1991, p. 708.

function – also appropriate to his status as mediate administrator – of orientation and direction over the immediate administrator.”<sup>369</sup>

The function of vigilance is clearly manifested by the obligation to render an account to the superior annually (c. 1287, 1), allowing the superior to check on the correctness of administration,<sup>370</sup> the necessity for *opinion* or *consent* of the members of the council/s prescribed by law as well as the need for *permit* or *license* on some acts of administration or alienation. The *approval* is instead an act of control following the act of administration which, like the permit, does not involve the responsibility of the person who releases it. If it is required for validity, the act that was eventually placed without it, remains ineffective until it is granted.<sup>371</sup>

Through vigilance and control of the superior, upward transparency in the administration of ecclesiastical goods is guaranteed and fraud, abuses and malpractice would be avoided.

### 3. Inventory

Church administrators have the primary obligation of taking good care of the ecclesiastical goods – preserving them, making them increase and applying their fruits to Church’s mission. Thus, the current code demands that they perform their duties with the diligence of a good householder (cf. can. 1284 §1) and asks them to take an oath to carry out their office well before the Ordinary or his delegate at the beginning of their tenure (cf. can. 1283, 1°). In order to ensure the proper care of goods, as well as check on the performance of the previous management and guarantee the security of the new administration,<sup>372</sup> identification of the Church assets is of prime necessity. Thus, Canon 1283, 2° requires an inventory of all church assets at the beginning of a new administration so that everything would be well accounted for. The canon further specifies the categories of the goods to be inventoried – immovable goods, moveable goods which are precious or of cultural value, and other goods. A description and an estimation of the value of each property must also be

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<sup>369</sup> Z. COMBALIA, “Commentary on Canon 1276” in *Exegetical Commentary on the Code of Canon Law, IV/1*, p. 94; Cf. J. P. SCHOUPE, *Elementi di Diritto Patrimoniale Canonico*, Dott. A. Giuffrè Editore, Milano 2008, p. 178.

<sup>370</sup> C. BEGUS, *Diritto Patrimoniale Canonico*, p. 190.

<sup>371</sup> V. DE PAOLIS, *I Beni Temporalis della Chiesa*, p. 84.

<sup>372</sup> Cf. F. R. AZNAR GIL, *La administración de los bienes temporales de la Iglesia*, 2 ed., Universidad Pontificia de Salamanca, Salamanca 1993, p. 363; Cf. Z. COMBALIA, “Commentary on Canon 1283” in E. Caparros, *et al* (eds.), *Exegetical Commentary on the Code of Canon Law, IV/1*, Midwest Theological Forum, Woodridge; Wilson & Lafleur, Montreal 2004, p. 110

provided.<sup>373</sup> The new inventory must be compared with the previous inventory to take note of the changes. These changes may include missing items, new acquisitions, enhancement of goods or their alienation or disposition.<sup>374</sup> Civil law requirements or limitations when applicable to church goods, like those of historical and cultural value, must be carefully noted and observed. Moreover, two copies of inventory are to be made: one copy of the inventory must be kept in the administration office while the other copy must be kept in the curial archive and should regularly be updated (cf. can. 1283, 3°). In this manner, the record of properties would always be available and transparent to the ordinary, to the succeeding administrators of the juridic person and to other stakeholders. It also ensures the donors that their donated goods are well taken care of, protected and appropriately used.<sup>375</sup>

In addition, in order to enhance control and facilitate a clearer inventory, Lawrence DiNardo suggests that ordinaries who exercise vigilance over administration of church goods of public juridic persons subject to them (cf. can. 1276 §1) should develop common format for inventories and inventory guidelines for all administrators.<sup>376</sup> They should see to it that inventories are well updated and include photographs, description and appraised value especially of immovable and movable goods which are precious or of some cultural value.<sup>377</sup> Particular law may also establish that an updated inventory be made annually to be submitted together with the annual financial report to the local ordinary (cf. cann. 1284 §2, 8°, 1287 §1) to ensure that they have been carried out and updated according to the provisions of the law.<sup>378</sup>

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<sup>373</sup> According to M. López Alarcón, some of the goods with cultural value are difficult to evaluate, in which case a description of the property would suffice. Cf. M. LÓPEZ ALARCÓN, “Commentary on 1283” in E. Caparros, *et al* (eds.), *Code of Canon Law Annotated*, 2<sup>nd</sup> ed., Midwest Theological Forum, Woodridge; Wilson & Lafleur, Montreal 2004, p. 990.

<sup>374</sup> Cf. J. RENKEN, *Church Property: A Commentary on Canon Law Governing Temporal Goods in the United States and Canada*, Society of St. Paul/Alba House, Ottawa 2009, p. 208.

<sup>375</sup> Cf. L. DiNARDO, “The Inventory of Property” in K. McKenna, *et al.* (eds.) *Church Finance Handbook*, Canon Law Society of America, Washington D.C. 1999, p. 154.

<sup>376</sup> For sample inventory format and guidelines, Cf. L. DiNARDO, “The Inventory of Property” in K. McKenna, *et al.* (eds.) *Church Finance Handbook*, Canon Law Society of America, Washington D.C. 1999, pp. 158-163.

<sup>377</sup> Cf. *Apostolorum Successores*, 189e. Cf. also J. RENKEN, *Church Property, A Commentary on Canon Law Governing Temporal Goods in the United States and Canada*, Society of St. Paul/Alba House, Ottawa 2009, p. 209.

<sup>378</sup> Cf. J. RENKEN, *Church Property*, p. 208.

#### 4. *Budget*

Another important aspect in financial management is budget preparation. According to *Black's Law Dictionary*, a “budget” is a plan for the coordination of resources and expenditures or the amount of money that is available for, required for, or assigned to a particular purpose.<sup>379</sup> Aside from being a tool for planning, it serves as a guide for financial operations – identifying priorities and responding to long and short-term needs as well as in eliminating debts (cf. can. 1284 §2, 5°).<sup>380</sup> It also functions as a control mechanism and a basis for performance evaluation in the pursuit of organizational goals. It also facilitates communication and coordination, and increases membership involvement and support because they know where the funds are going, and strengthens their trust on the leadership.<sup>381</sup> Thus, for the Church to have an efficient and effective management of her limited resources, careful budgeting is a necessity.

It is the task of the diocesan finance council to prepare annually the budget of income and expenditure for the forthcoming fiscal year of the diocese or its equivalent. However, the manner in which the budget is prepared is left to the discretion of the diocesan bishop (cf. can. 493). It should be based on the priorities of the diocese as a whole. The diocesan bishop should undertake a regular, if not annual review of diocesan needs and priorities and share his vision with all those involved in budget preparations. In many cases, the available resources for the upcoming fiscal year are calculated so as to set forth from the outset a benchmark for achieving a balance between income and expenses.<sup>382</sup>

Drawing up a budget for the governance of the entire diocese demands not only necessary accounting skills, but also a high degree of awareness of the priorities and the needs of the different sectors in the diocese. It should clearly present that the resources of the Church are used for the purposes laid down by the code (cf. can. 1254 §2). Consultation should therefore be a major element in the preparation of the diocesan budget, especially with those who head the various agencies and

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<sup>379</sup> Cf. H. BLACK, *Black's Law Dictionary*, 5<sup>th</sup> ed. West Publishing Company, St. Paul, Minnesota 1979, p. 176.

<sup>380</sup> Cf. J. RENKEN, *Church Property*, p. 218.

<sup>381</sup> Richard Vargo pointed out 10 reasons why budget making is important for churches. For a detailed discussion on these Cf. R. VARGO, *The Church Guide to Planning and Budgeting*, Church Law and Tax Report, Christian Ministry Resources, Matthews [NC] 1995, pp. 20-24.

<sup>382</sup> Cf. B. CUSACK, “The Internal Ordering of Particular Churches,” in J. Coriden, *et al.* (eds.), *New Commentary on the Code of Canon Law*, The Canon Law Society of America, Paulist Press, New York 2000, pp. 646-651, p. 649.

departments of the diocese. The manner of this consultation may vary from place to place, but it should not be omitted. In many dioceses, office or department budgets are submitted to an individual, frequently the Diocesan Finance Officer or the Moderator of the Curia, who makes adjustments to arrive at a preliminary balanced budget for presentation to the DFC for its final adjustments. In light of the facts gathered from this, the DFC should make recommendations with regard to the raising, allocation, and distribution of funds. The budget would include financial projections and plans to achieve these goals.<sup>383</sup> In this manner, priorities and programs of the diocesan bishop are made transparent as well as the resources allocated to fulfill them.

The same may be applied in the parishes and other public juridical persons. Although the code does not implicitly require it from administrators, it earnestly recommends that it be done. It is left however to the diocesan bishop to establish in particular law the manner to carry it out (cf. can. 1284 §3). Since budget preparation requires technical skills and consultation in terms of problems and priorities that need to be addressed in the parish, the pastors should be assisted by their finance council and their pastoral councils in drawing up the budget.

## 5. *Financial Reporting*

Financial reporting is the end-product of the accounting process. A financial report is issued to communicate information regarding the financial condition of a certain entity and serves as the basis for planning, control and decision-making.<sup>384</sup> Thus, it has to be clear, openly accessible, comprehensible, timely and honest in order that its message would be understood well.<sup>385</sup>

The current code envisions two kinds of financial report from administrators: 1) financial report to the superior ecclesiastical authority and

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<sup>383</sup> Cf. Archdiocese of Brisbane, Steering Committee, A Management Plan for the Archdiocese of Brisbane, Brisbane 1984, pp. 44-45, quoted in A. FARRELLY, "The Diocesan Finance Council: Functions and Duties according to the Code of Canon Law," in *Studia Canonica* 23 (1989), pp. 149-166, p. 154.

<sup>384</sup> Cf. R. VARGO, *The Church Guide to Financial Reporting*, Church Law and Tax Report, Christian Ministry Resources, Matthews [NC] 1995, pp. 5, 8.

<sup>385</sup> Richard Vargo pointed out several factors that need to be present in a financial report so the reader can understand the message it conveys, among which are: 1) reports should be accurate; 2) reports should be simple and clear; 3) information should be presented meaningfully; 4) the cost of report preparation should be considered; 6) reports should be timely. Cf. R. VARGO, *The Church Guide to Financial Reporting*, Church Law and Tax Report, Christian Ministry Resources, Matthews [NC] 1995, pp. 15-18.

2) financial report to the faithful. Canon 1287 §1 requires that all administrators of ecclesiastical goods subject to the authority of the diocesan bishop must render an account of their administration to the local Ordinary annually.<sup>386</sup> This he will forward to the diocesan finance council for examination. The finance council envisioned by the code for every juridical person in the church should assist the administrators in the preparation of this financial statement (cf. cann. 1280, 537).

In terms of administration of the diocese or its equivalent, it is the Diocesan Finance Officer who is responsible for the preparation of the annual financial report (cf. can. 494 §4) and usually with the help of professional auditors. After which, it should be submitted to the Diocesan Finance Council (DFC) for the examination and approval before being sent to the Diocesan Bishop for his financial considerations.<sup>387</sup> The DFC has to examine the report carefully in the light of both the finances and the mission of the diocese. As the chief financial advisers of the Diocesan Bishop, they should call to his attention any matter that seems to need more immediate attention, such as consistent overspending in a particular area of budget. They should also raise concerns for the long-term financial welfare of the diocese if deficit occurs or if other fund balances appear to be in question. The annual review will also be the occasion for the DFC to ensure that funds designated for restricted purposes have been allocated only to those purposes.<sup>388</sup>

On the other hand, Canon 1287 §2 requires all administrators to provide financial report to the faithful for all their donations to the Church. The manner of doing so is left to particular law.

Financial reporting is the most evident and all-embracing mechanism of transparency where the inventory, budgeting, planning, and the whole accounting process converge and reflected. If done well, especially that of

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<sup>386</sup> Canon 1287 §1 reiterates the general obligation of the administrators to “draw up an account of their administration at the end of each year” provided in Canon 1284 §2, 8° and affirms the authority which has the vigilance and control function over ecclesiastical goods pointed out by Canon 1276 – the Ordinary. Cf. Z. COMBALIA, “Commentary on Canon 1283” in E. Caparros, *et al* (eds.), *Exegetical Commentary on the Code of Canon Law, IV/1*, Midwest Theological Forum, Woodridge; Wilson & Lafleur, Montreal 2004, p. 110

<sup>387</sup> Cf. J. ALESANDRO, “The Finance Council and the Finance Officer,” in J. Coriden, *et al.* (eds.), *The Code of Canon Law: A Text and Commentary*, The Canon Law Society of America, Theological Publications in India, Bangalore 2001, pp. 398-413, p. 399.

<sup>388</sup> Cf. B. CUSACK, “The Internal Ordering of Particular Churches,” in J. Coriden, *et al.* (eds.), *New Commentary on the Code of Canon Law*, The Canon Law Society of America, Paulist Press, New York 2000, pp. 646-651, p. 649.

reporting to the faithful, it could reveal clearly the financial condition of the entities in the Church,<sup>389</sup> communicate their needs and accomplishments, and hold their administrators accountable for their administration.

## Conclusion

Transparency is a principle considered very important in today's human affairs. It is an ideal most sought-after in organizational management both in government and non-governmental sectors as well as in interpersonal and social relationships. In the framework of Church financial management, by virtue of the nature of the Church as *communio*, where goods are supposed to be "held in common" (Acts 4:32) and thus their administration is in the context of stewardship responsibility on behalf of the ecclesial community who owns them, transparency as an instrumental principle and an intrinsic value is rather indispensable.

Through transparency, administrators of Church finances are held accountable for their management, active participation and proper collaboration among the faithful is engendered by making clear the roles and duties of each one in the organizational structure, proper and open communication is facilitated between Church leaders and members of the community and even with those outside the Church, and accordingly trust and credibility is established both on the Church leaders and on the institution as a whole as it helps in showing clearly the serious commitment of the Church to diligently take care of her goods by employing professionalism and best standards in management in view solely of the furtherance of her proper mission. In this manner, the spirit of communion in the Church is fostered and strengthened and consequently motivates the faithful to support fully the Church's programs and objectives.

In the spirit of communion, transparency comes as a right of the faithful to be informed on the financial condition of the community and on the status of their donations to the Church. Correspondingly, transparency gives rise to the obligation of the administrators to inform them on these matters on account of their stewardship responsibility on ecclesiastical goods. However, effective and efficient exercise of this obligation and right comes only when transparency is imbibed as a virtue by the administrators and even by the other stakeholders in the Church, going beyond what is

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<sup>389</sup> Cf. CONGREGATION FOR BISHOPS, Directory for the Pastoral Ministry of Bishops *Apostolorum successores*, 189b, *Enchiridion Vaticanum* 22 (2003-2004), 1047-1275.

merely legal compliance, but rather authentically witnessing to Church's mission of proclaiming the truth and living faithfully what is expected of a Christian disciple - "to have a clear conscience before God and before men" (Acts 24:16).

The current code does not have an explicit discussion on transparency while the secular society may have already been advance in developing and observing this organizational principle, however, several mechanisms, norms and principles enshrined in the code guarantee its presence and observance in the administration of ecclesiastical goods which clearly manifest that it is highly esteemed in the Church more than that of any democratic and private institutions, on account of the Church's nature as *communion* and by virtue of her religious objective. It is up to the administrators to carry them out seriously and for Ordinaries who are tasked with vigilance and control to issue particular norms and specific instructions that would enhance the realization of this beneficial and indispensable principle and ensure that the best standards are observed in the administration of the temporal goods of the Church. Once transparency is diligently observed, proper management of ecclesiastical goods is not far behind. Moreover, once there is attentive and proper management of goods, the Church may be able to successfully carry out her mission of evangelization in the world with special care for the poor and needy, manifest truly her spirit of ecclesial communion and stand out as a credible institution worth supporting for.



## CHAPTER II

### THE ROOTS AND DEVELOPMENT OF CANON 1287 §2

The Church's use and administration of temporal goods is co-terminus with the Christian community's existence. Jesus and his disciples held a "common purse" (cf. Jn. 13:29) and they were accompanied by a group of women "and many others who provided for them out of their resources" (Lk. 8:3). Moreover, although Jesus clearly instructed his apostles when they were sent on a mission: "Do not carry gold or silver or copper for your belts; no sack for the journey, second tunic, or sandals, or walking stick" (Matthew 10:9), He himself further said: "the laborer deserves his keep" (Matthew 10:10). Therefore, those who work in the vineyard of the Lord deserve something for their upkeep and for them to continue their apostolate.<sup>390</sup> St. Paul campaigned for collection to be taken up in Galatia, Macedonia, Achaia and Corinth (cf. 1 Cor. 16:1-3; 2 Cor. 8:1-5; Rom. 15:25-27) for the distressed community of Jerusalem, reminding them to be generous for "he who sows sparingly will also reap sparingly, and he who sows bountifully will also reap bountifully [...] for God loves a cheerful giver" (2 Cor 9:6-7). Although these goods would seem to be in the view of some as contrary to the spiritual nature of the Church, they are meant to be instruments in achieving her supernatural purpose – the fulfillment of Church's salvific mission on earth. What is done or not done on these goods affect the life of a Christian and his everlasting destiny. Thus, Jesus tells his disciples: "Well done good and trustworthy servant; you have shown you are trustworthy in small things. I will trust you with greater" (Mt. 25:23)<sup>391</sup> and a reminder that, "from everyone to whom much has been given, much will be required; and from the one to whom much has been entrusted, even more will be demanded" (Lk 12:48).

With these thoughts in mind, the administration of temporal goods comes as a delicate and serious matter that merits major attention in the Church. Principles, systems and mechanisms need to be carefully

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<sup>390</sup> Cf. J. POKUSA, "Introduction to a Church Finance Handbook" in K. McKenna, et al (eds.), *Church Finance Handbook*, Canon Law Society of America, Washington, D.C. 1999, p. vii.

<sup>391</sup> Cf. R. OMBRES, "Faithful Stewardship: A Comparative Look at Church Property Law" IN J. Fox, (ed.), *Render Unto Caesar: Church Property in Roman Catholic and Anglican Canon Law*, Pontifical University of St. Thomas Aquinas, Rome 2000, p. 1.

established not only to ensure the proper and just administration of these material goods but also to guarantee both the fulfillment of the Church's salvific mission on earth and the authentic witnessing of Christian discipleship of each member of the Christian community that would affect eventually one's everlasting destiny. It is on this note that our study of transparency comes into the fore. In presenting the general concept of transparency and its application in the temporal administration of the Church in the previous chapter, transparency emerges as a principle and mechanism that warrants the realization in the Church of those aforementioned that need to be ensured. Thus, in order to understand and appreciate better this contention as well as the significance of transparency in the life of the Church, it is important to see how it developed in the long experience of the Christian community and how it came about as a universal legislation. Is transparency already a highly esteemed value in the Church since then or is it just a recent adaptation? Is it part of the management of Church resources considering the nature of her mission and the teachings of her Founder? How did it come about as a universal legislation in the 1983 Code specifically in Canon 1287 §2?

This chapter then intends to examine through significant historical developments regarding Church's temporal administration in order to understand the mind of the Church in managing her financial resources, see whether the principle of transparency is part of it, and trace the origin and development of its formulation and its eventual inclusion in the 1983 Code particularly in Canon 1287 §2. The chapter would then consist of two parts. The first part will endeavor to exhibit Christian practices, teachings, legislations and mechanisms that were introduced in the Church to ensure proper care of her goods down through the centuries of her existence, alluding to the nascent presence and development of transparency principle in the Church. The second part will endeavor to present the process of redaction of Canon 1287 §2 which eventually enshrined the transparency principle as a universal legislation in the Church in the 1983 Code. Admittedly, there are only a few available published sources that deal with the drafting of the said provision. However, the researcher had the opportunity to access the unpublished documents and acts of the proceedings of the Pontifical Commission for the Revision of the 1917 Code of Canon Law<sup>392</sup> regarding the redaction of Canon 1287 §2 which are kept in the archives of the present Pontifical Council for Legislative Texts in Rome. These texts proved valuable and indispensable in presenting the

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<sup>392</sup> It is famously known as PONTIFICIA COMMISSIO CODICI IURIS RECOGNOSCENDO.

rationale behind the making of this provision, its main objective and the process of its codification.

Going through the historical background of the drafting of this unique provision would help us appreciate its significance and importance in the management of the temporal goods of the Church especially in responding to the demands of the present time. At the same time, it would help us understand the spirit behind its mandate in order to have a just and proper application of it and consequently elicit active cooperation and co-responsibility from each member of the Christian community.

## **A. The Preceding Factors in the Emergence of Canon 1287 §2**

### ***1. Jesus and the Early Christian Community***

The administration of temporal goods in the Church was not always free from problems and abuses – it started even with Jesus’ own finance officer! “Judas had charge of the common purse and used to pilfer the money kept in it” (John 12:6).<sup>393</sup> Greed or the love of money is a great temptation for those administering the goods of the Church. Jesus himself forewarned his disciples: “No one can serve two masters. Either you will hate the one and love the other, or you will be devoted to the one and despise the other. You cannot serve both God and money” (Mt. 6:24) and “Avoid greed in all its forms. A man may be wealthy, but his possessions do not guarantee him life” (Lk. 12:15). We see another example of greed and love for money in the story of Ananias and Sapphira who tried to keep and hide some of the proceeds of the sale of their property instead of placing them “at the feet of the apostles” (Acts 5:1-11). Their crime was not misappropriation but lying. In his address to Ananias, St. Peter said: “Ananias, why has Satan filled your heart to lie to the Holy Spirit and to keep back part of the proceeds of the land? While it remained unsold, did it not remain your own? And after it was sold, was it not at your disposal? How is it that you have contrived this deed in your heart? You have not lied to men but to God” (Acts 5:3-4). And to his wife Sapphira, St. Peter retorted, “How is it that you have agreed together to tempt the Spirit of the Lord?” (Acts 5:9). These statements of St. Peter to the couple insinuate that truth is paramount in Christian discipleship and community life, be it in

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<sup>393</sup> Cf. G. NEDUNGATT, *Laity and Church Temporalities: Appraisal of a Tradition*, Dharmaram Publications, Bangalore 2000, p. 31. Also G. NEDUNGATT, “Temporal Goods of the Church” in *Vidyajyoti Journal of Theological Reflection*, 64 (2000), pp. 205-377, p. 208.

complex or simple matters such as material goods.<sup>394</sup> Thus, Jesus in his discourse with Nicodemus, pointed out that: “For everyone who does evil hates the light, and does not come to the light, lest his deeds should be exposed. But he who does what is *true* comes to the light, that it may be *clearly seen* that his deeds have been wrought in God” (John 3:20-21). It goes to say that truth and transparency are basic ethics of Christian discipleship which should serve as guiding principles in the life of every Christian disciple, much less of the leaders of the Christian communities and more so in dealing with temporal goods of the community. With truth and transparency consistently present in Christian life, the conflicts and temptations of greed in the management of Church resources would be avoided and/or remedied.

This teaching of Jesus about truth and transparency has been consistently the battle cry of the Apostles and those who came after them. St. Paul himself said: “So I always take pains to have a clear conscience toward God and toward men” (Acts 24:16). “We have renounced disgraceful, underhanded ways; we refuse to practice cunning or to tamper with God’s word, but by the open statement of the truth we would commend ourselves to every man’s conscience in the sight of God” (2 Cor. 4:2). “Therefore, putting away falsehood, let everyone speak the truth with his neighbor, for we are members of one another” (Eph. 4:25). St Ambrose, *On the Duties of the Clergy*, III, 10, said: “In everything, therefore, good faith is seemly, [...] Candor must be shown, the truth must be made known.”<sup>395</sup> And St. Basil, in his *Moralia*, Rule 24 reminded his community: “That we must not lie, but in all things tell the truth.”<sup>396</sup>

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<sup>394</sup> Cf. A. PERLASCA, *Il Concetto di Bene Ecclesiastico*, Editrice Pontificia Universita Gregoriana, Roma 1997, pp. 23-24.

<sup>395</sup> “In omnibus igitur decora est fides, [...] aperienda simplicitas, intimanda veritas est.” AMBROSE, *De Officiis Ministrorum*, III, 10, in J. P. MIGNE, *Patrologiae cursus completus, Series Latina* (=MPL), vol. XVI, Migne, Paris 1844, p. 164. English trans. from P. SCHAFF AND H. WACE, (eds.), *Nicene and Post-Nicene Fathers*, 2<sup>nd</sup> Series, vol. 10 (Ambrose: Selected Works and Letters), Hendrickson Publishers, Peabody, (MA) 2004, p. 78.

<sup>396</sup> “Quod non mendacium, sed verum in omnibus dicendum.” BASIL, *Moralia* Rule 24, J. P. MIGNE, *Patrologiae cursus completus, Series Graeca* (=MPG), vol. XXXI, Migne, Paris 1857, p. 743. English trans. from R. DEFERRARI, *et al.* (eds), SIS. M. M. WAGNER, (trans.), “St. Basil Ascetical Works” in *The Fathers of the Church: A New Translation*, vol. 9, The Catholic University of America Press, Washington D.C. 1962, p. 105. Then he quoted the Sacred Scriptures, i.e. Mt. 5:37: “Let what you say be simply ‘Yes’ or ‘No’; anything more than this comes from evil”; Eph. 4:25: “Therefore, putting away falsehood, let every one speak the truth with his neighbor, for we are members one of another” and Col. 3:9: “Do not lie to one another, seeing that you have put off the old

The temporal goods of the Church are offerings of the faithful who would like to share their goods in common to provide for the needs of the community. The Acts of the Apostles recounts this set up in the early church: "There was no needy person among them, for those who owned property or houses would sell them, bring the proceeds of the sale, and put them at the feet of the apostles, and they were distributed to each according to need" (Acts 4:34-35). They made their material goods freely available to the spiritual community to get rid of inequality and to provide for basic needs of the most vulnerable.<sup>397</sup> "The ideal pursued is not precisely that of dispossession and of voluntary poverty, but that of a charity that does not tolerate that there are brothers in misery."<sup>398</sup> Thus, at the onset of the primitive Church, the goods were intended primarily for the poor members of the community so they may be alleviated from poverty, as well as to provide for the needs of worship and that of the ministers. Moreover, another prevailing Christian ideal was that everything has to be shared in common. "The community of believers was of one heart and mind, and no one claimed that any of his possessions was his own, but they had everything in common" (Acts 4:32). The whole Church was a family under the providence of the same Father. Her members form a single body and each one is a member to each other, so that "if one part suffers, all the parts suffer with it; if one part is honored, all the parts share its joy" (1 Cor. 12:26). Thus, a profound link is established between communion or communication of goods and the communion of the faithful in Christ whose apex expression is in the sharing of the one bread and the one cup in the Eucharist (cf. 1 Cor. 10:17). "Thanks to the gift of the Spirit, each believer in Jesus-Messiah becomes a man or woman of communion, capable of living authentic relationships with everyone, communicating to all the relationship with the Son through transparency of life that shares what one is and what one has."<sup>399</sup> There was no mention of a transfer of ownership of the proceeds of the sales that were "placed at the foot of the Apostles" (cf.

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nature with its practices." Cf. *Ibid.* This signifies that truthfulness is an esteemed value necessary in the Christian community.

<sup>397</sup> Cf. A. PERLASCA, *Il Concetto di Bene Ecclesiastico*, p. 19.

<sup>398</sup> "L'ideale perseguito non è precisamente quello della spogliazione e della povertà, ma quello di una carità che non tollera che vi siano fratelli nell'indigenza." J. DUPONT, "La comunità dei beni nei primi tempi della Chiesa" in *Studi sugli Atti degli Apostoli*, Edizione Paoline, Roma 1975, p. 878. Also in A. PERLASCA, *Il Concetto di Bene Ecclesiastico*, p. 19.

<sup>399</sup> "Grazie al dono dello Spirito, ciascun credente in Gesù-Messia diventa uomo o donna di comunione, capace di vivere relazioni autentiche con tutti, comunicando a tutti il rapporto con il Figlio attraverso la trasparenza della vita che si fa condivisione di ciò che si è di ciò che si ha." A. PERLASCA, *Il Concetto di Bene Ecclesiastico*, pp.15-16.

Acts 4:34-35) to the Apostles themselves but they were entrusted to them to act as administrators that would distribute those goods according to the need of each community member. With this gesture, the Apostles then, were recognized not only as spiritual leaders of the community but also administrators of temporal goods which remained to be owned by the whole Christian community. This role will later be entrusted to the bishops.<sup>400</sup>

This communion of goods which is intimately connected and reflective of the community life of the saints was profoundly sacred that even the collection of these offerings are made during Sundays (cf. 1 Cor. 16:2) during the celebration of the Eucharist, the sacrament of unity and communion<sup>401</sup> and the administration of these goods is so delicate that it should be transparent so as not to create suspicion of taking advantage of the generosity of the community or using them for one's personal gain and thus scandal among the brethren may be avoided. Thus, St. Paul careful about this matter, established a system of collection, clear and agreeable to all: "And when I arrive, I shall send those whom you have approved with letters of recommendation to take your gracious gift to Jerusalem. If it seems fitting that I should go also, they will go with me" (1 Cor. 16:3-4). He even made it clear that: "We intend that no one should blame us about this liberal gift which we are administering, for we aim at what is honorable not only in the Lord's sight but also in the sight of men" (2 Cor. 8:20-21). It is very important according to St. Paul that "as servants of Christ and stewards of the mysteries of God [...] that they be found trustworthy" (1 Cor. 4:2). In this manner, communion may be preserved, faith is edified, scandal and suspicion may be avoided and the temporal goods may be properly directed and used for the objectives of the community, especially in assisting the poor. That is why, even during Apostolic times, one of the qualities required of bishops and deacons was freedom from greed and love of money. "A bishop must be irreproachable, married only once, temperate, self-controlled, decent, hospitable, able to teach, not a drunkard, not aggressive, but gentle, not contentious, not a lover of money" (1 Tim. 3:2-3). "Similarly, deacons must be dignified, not deceitful, not addicted to drink, not greedy for sordid gain, holding fast to the mystery of the faith with a clear conscience" (1 Tim. 3:8).<sup>402</sup>

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<sup>400</sup> A. PERLASCA, *Il Concetto di Bene Ecclesiastico*, pp. 20-21.

<sup>401</sup> Cf. V. DE PAOLIS, *I Beni Temporalis della Chiesa*, EDB, Bologna 2011, p. 31.

<sup>402</sup> Cf. G. NEDUNGATT, *Laity and Church Temporalities*, p. 32.

## 2. *The Early Local Legislations and Christian Practice*

Just as the bishops succeeded the apostles as spiritual leaders of Christian communities, so too, the burden of administration of the temporal goods fell on their shoulders.<sup>403</sup> It was an important and delicate obligation that even the second century document *Didache* provides us with the necessary criteria in the selection of bishops who would take care of the community and its goods as well: “Elect for yourselves therefore bishops and deacons worthy of the Lord, humble men and not lovers of money, honest and tested [...].”<sup>404</sup> Even the early Christian writing *Didascalia Apostolorum* (ca. 3<sup>rd</sup> cent. A.D.) reminds the bishops that they have to make use and manage well the Church goods entrusted to them as if they were their own and be ready always to give an account to God for their stewardship:

“... (You bishops) should make use of these things given you by God not as you would make use of those of someone else but as you would make use of your own, as good managers and stewards of God, who is ready to demand of you an account of those things he has entrusted to your stewardship. Therefore, let that which is sufficient be enough for you, food and clothing and whatever things are necessary, [...]. As good stewards of God, therefore, dispense well according to your mandate, those

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<sup>403</sup> St. Justin, who was martyred around 165 A. D., tells us that the collection made during Sunday Mass are placed under the custody of the bishop and are used to help the orphans and the widows, the sick, the imprisoned, those in distress and those away from home. Cf. JUSTIN, *Apologia Prima*, LXVII in J. P Migne, (ed.) *Patrologiae cursus completes Series Graeca* (=MPG), vol. VI, p. 430. The *Didascalia Apostolorum* explains that the administration of temporal goods has been entrusted to the bishop as well as part of his episcopal ministry: “As then you have undertaken the burden of all, so also you ought to receive from all the provision of (your) food and clothing and all other necessary things. And likewise from these gifts given to you by the people subject to you, nourish the deacons and widows and orphans and the needy and strangers. For it is fitting, bishop, that you undertake the care of all as a faithful steward.” Cf. *Didascalia*, II, 25, 8, in F. X. FUNK, *Didascalia et Constitutiones Apostolorum*, vol. I, F. Schöningh, Paderborn 1905, pp. 96, 97. English trans. from R. KEALY, *Diocesan Financial Support: It's History and Canonical Status* (Dissertation), Pontificia Universitas Gregoriana, Roma 1986, p. 47.

<sup>404</sup> *Didache* 15:1, “The Apostolic Fathers” in H. DRESSLER, *et al.*(eds), F. GLIMM, J. MARIQUE, AND G. WALSH, (trans.), *The Fathers of the Church: A New Translation*, vol. 1, The Catholic University of America Press, Washington D.C. 1947, p. 183. The *Didache* or Teaching of the Twelve Apostles is the most important document of the sub-apostolic period, and the oldest source of ecclesiastical law we have so far. It provides an excellent picture of Christian life in the second century. Cf. Johannes Quasten, “The Beginnings of Patristic Literature,” *Patrology*, vol. 1, Christian Classics, Inc., Westminster, Maryland 1986, p.30.

things which have been given to the Church, to orphans and widows and the afflicted and to strangers...”<sup>405</sup>

In fact, so extensive was the power granted to the bishops over Church goods that they are not subject to accountability to others apart from the voice of their conscience since they are considered responsible only to God:

“For you are commanded to give, but he to dispense. And you shall require no account of the bishop nor watch him as to how he dispenses and discharges his stewardship, or when or where he gives or to whom, or whether he gives well or ill or fairly; for the Lord God who entrusted this stewardship to his hands and held him worthy to be a priest of such a high office, will demand an account of him.”<sup>406</sup>

Although the bishops have the full discretion as to the administration of Church goods, it was made clear however that the goods are not their own, and are not allowed to alienate them:

“Let the bishop have the care of ecclesiastical revenues, and administer them as in the presence of God. But it is not lawful for him to appropriate any part of them to himself, or to give the things of God to his own kindred. But if they be poor, let him support them as poor; but let him not, under such pretences, alienate the revenues of the Church.”<sup>407</sup>

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<sup>405</sup> “... (episcopi), non ut alienis, sed sicut propriis his quae a Deo dantur utentes, moderatores sicut bonos dispensatores Dei, qui incipiet rationem ab ea quae in vobis est dispensatione exigere. Satis ergo vobis sint, quae sufficiunt, victus et vestitus et quae omnino necessaria sunt, [...]. Ut boni ergo dispensatores Dei ea, quae dantur ac conferuntur ecclesiae, iuxta mandatum bene administrate pupillis et viduis et afflictis et peregrinis...” *Didascalia* II, 24, 4 – 25, 1; 25, 2, in F. X. Funk, *Didascalia et Constitutiones Apostolorum*, vol. I, pp. 92, 93. English trans. from R. KEALY, *Diocesan Financial Support: It's History and Canonical Status* (Dissertation), Pontificia Universitas Gregoriana, Roma 1986, p. 48.

<sup>406</sup> “(T)ibi enim praeceptum est dare, illi autem dispensare. Neque rationem petes ab episcopo neque observabis eum, quomodo regat ac perficiat dispensationem, vel quando det aut cui aut ubi, aut an bene aut male, aut convenienter det; nam rationem ab eo petet Dominus Deus, qui dedit in manus eius hanc dispensationem eumque dignatus est sacerdotio tanti loci.” *Didascalia* II, 35, 3-4, in F. X. Funk, *Didascalia et Constitutiones Apostolorum*, vol. I, pp. 120, 121. English trans. from ROBERT KEALY, *Diocesan Financial Support: It's History and Canonical Status* (Dissertation), Pontificia Universitas Gregoriana, Roma 1986, p. 48.

<sup>407</sup> “Omnium rerum ecclesiasticarum curam habeat episcopus, easque administret velut Deo inspiciente; non autem ei liceat quidquam ex iis vindicare vel propinquis suis

Moreover, while maintaining the principle of one common patrimony or *massa bonorum* for the Church, over which the bishop had discretionary power to administer and distribute, the funds, following the ancient tradition, are divided into four parts, *i.e.* for the bishop, the clergy, the maintenance of the churches and the poor<sup>408</sup>, although there were some Churches that observe a different arrangement.<sup>409</sup> Later, the division became fixed into law.<sup>410</sup>

As the centuries passed and as the persecutions abated, the Church patrimony increased significantly. Votive offerings, tithes, and collections from the faithful were no longer limited to movable goods – money, food and other basic needs, but more so, immovable properties like lands and buildings are also being offered to the Church. They came from generous donations of emperors, wealthy converts and the growing number of the faithful.<sup>411</sup> Such favorable situation and the supreme power of the bishops paved the way to abuse and greed in the use of these goods for themselves or their relatives, as well as suspicious claims and complaints from among the faithful with respect to their management. Measures have to be taken to ensure the preservation of the Church goods and to curb the abuses, and to

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donare, quae Dei sunt; quodsi pauperes sint, velut pauperibus suppeditet, nec vero praetextu eorum vendat, quae sunt ecclesiae.” *Canones Apostolorum*, Can. 38, F.X. FUNK, *Didascalia et Constitutiones Apostolorum*, vol. I, p. 575. Cf. also, J. D. MANSI, *Sacrorum Conciliorum Nova et Amplissima Collectio* (= Mansi), vol. I, Akademische Druck-U. Verlagsanstalt, Graz 1960, pp. 55-56. English trans. from A. ROBERTS AND J. DONALDSON, *Ante-Nicene Fathers: The Writings of the Fathers Down to A.D. 325*, vol. 7, Hendrickson Publishers, Inc., Peabody, (MA) 1994, p. 502.

<sup>408</sup> Cf. R. KEALY, *Diocesan Financial Support: It's History and Canonical Status*, p. 63; A. PERLASCA, *Il Concetto di Bene Ecclesiastico*, p. 40.

<sup>409</sup> For example in Spain, the *massa bonorum* was divided into 3 parts. The Council of Bracara, for instance, provides that the funds would be divided among the bishop, the clergy and the maintenance of the churches. It would be the bishop who would provide for the poor from his own portion. Cf. COUNCIL OF BRACARA II (572 A.D.), can. 7 (Mansi, IX, 778).

<sup>410</sup> The first reference to universal legislation of quadripartite division can be seen in the letter of Pope Simplicius (463-483 A.D.) disciplining a certain bishop Gaudentius and ordering him to repay three-fourths of the revenue he had received for the past three years and distribute this equally to the clergy, the poor and the maintenance of the churches “in accord with the established rule” of quadripartite division, one for each of these three and one for the bishop. Cf. SIMPLICIUS, *Epistola III*, (MPL, LVIII, 37-38); Cf. also Mansi, VII, 973-974. Pope Gelasius in a letter of 494 addressed to bishops of Lucania reiterated the same quadripartite division of offerings and stipulated that it be applied also to the stable assets of the Church. Cf. GELASIUS, *Epistola IX*, (MPL, LIX, 56). Cf. also R. KEALY, *Diocesan Financial Support...*, p. 64; A. PERLASCA, *Il Concetto di Bene Ecclesiastico*, p. 41.

<sup>411</sup> Cf. J. POKUSA, “Introduction to a Church Finance Handbook”, p. ix.

maintain the integrity of the Church. Thus, the early local synods established that although they would be administered by the bishops, they were to be assisted by presbyters and deacons. According to *Canones Apostolorum* which is a compilation of the legislations of early synods, Canon 41:

“We ordain that the bishop have authority over the goods of the Church: for if he is to be entrusted with the precious souls of men, much more are temporal possessions to be entrusted to him. He is, therefore, to administer them all of his own authority, and supply those who need, through the presbyters and deacons, in the fear of God, and with all reverence. He may also, if need be, take what is required for his own necessary wants and for the brethren to whom he has to show hospitality, so that he may not be in any want. For the law of God has ordained that they who wait at the altar should be nourished of the altar. Neither does any soldier bear arms against an enemy at his own cost.”<sup>412</sup>

The overriding message of this canon is to ensure that temporal goods of the Church would be in safe hands through the collaborative effort of the bishop and his clergy and lessen the burden of the bishop. However, a much earlier local synod legislation clearly established this collaborative effort of the bishop and his clergy as a system of ensuring transparency in the temporal administration. The Particular Synod of Antioch (341 A. D.) decreed that although the bishop ought to administer the goods of the Church, he should manifest what are the things of the Church and what are not, with the knowledge of his presbyters and deacons:

“It is right that what belongs to the Church be preserved with all care for the Church, with a good conscience and faith in God, the inspector and judge of all. And these things ought to be administered under the judgment and authority of the bishop, who is entrusted with the whole people and with the

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<sup>412</sup> “Praecipimus, ut episcopus potestatem habeat rerum ecclesiasticarum. Si enim animae hominum pretiosae ei credendae sunt, multo magis eum oportet de pecuniis mandare, ita ut ex eius potestate omnia dispensentur indigentibus per presbyteros et diaconos atque suppeditentur cum timore Dei et omni sollicitudine, sed ipse quoque percipiat, quae opus sunt, si tamen indiguerit, ad necessarios suos usus et fratrum, qui hospitio suscipiuntur, ut nullo modo inopiam patiantur. Lex enim Dei constituit, ut, qui altari adsistunt, ex altari vivant, quandoquidem neque miles suis stipendiis arma fert contra hostes.” *Canones Apostolorum*, Can. 41, F.X. FUNK, *Didascalia et Constitutiones Apostolorum*, vol. I, p. 577. English trans. from G. NEDUNGATT, *Laity and Church Temporalities*, p. 160.

souls of the congregation. But it should be manifest what is church property, with the knowledge of the presbyters and deacons about him; so that these may know assuredly what things belong to the Church, and that nothing be concealed from them, in order that, when the bishop may happen to depart this life, the property belonging to the Church being well known, may not be embezzled nor lost, and in order that the private property of the bishop may not be disturbed on a pretence that it is part of the ecclesiastical goods. For it is just and well-pleasing to God and man that the private property of the bishop be bequeathed to whomsoever he will, but that for the Church be kept whatever belongs to the Church; so that neither the Church may suffer loss, nor the bishop be injured under the pretext of the Church's interest, nor those who belong to him fall into lawsuits, and himself, after his death be brought under reproach.”<sup>413</sup>

The rationale of this canon is to preserve with diligent care the goods of the Church so that she can continue to fulfill her objectives especially the care for the poor. A transparent distinction between the goods of the Church and the personal things of the bishop is necessary by justice and also to avoid conflict in the future, abuse of authority and temptations of embezzlement. Furthermore, it ensures the good reputation of both the bishop and the Church.<sup>414</sup> This clearly shows that as early as the fourth century, the Church saw transparency as a powerful means to ensure proper administration of the temporal goods of the Church, and preserving the

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<sup>413</sup> “Recte habet, ut ea quae sunt ecclesiae, ecclesiae ferventur cum omni bona conscientia, et fide in omnium praesidem et iudicem Deum: quae etiam administrari convenit cum iudicio, et potestate episcopi, cui est omnis populus creditus, et eorum animae quae in ecclesiam conveniunt. Sint autem manifesta quae ad ecclesiam pertinent cum cognitione presbyterorum et diaconorum, qui sunt circa eum, ut sciant et non ignorent quae sunt propria ecclesiae, ut nihil ipsos lateat: ut si contingat episcopum e vita migrare, iis manifestis existentibus quae ad ecclesiam pertinent, ne ea intercidant et pereant: nec quae sunt propria episcopi, praetextu rerum ecclesiasticarum vexentur. Est enim iustum, et apud Deum et homines acceptum, ut episcopus propria quibus velit relinquat. Quae sunt autem ecclesiae, ipsi ferventur, et nec ecclesia damnum aliquod sustineat, nec episcopus ecclesiae praetextu proscribatur, vel qui ad eum attinent, in negotia incidant cum eo, quod et ipsum post mortem malis omnibus prosequantur.” *Canones Synodi Antiochiae* (341 A. D.), Can. 24, (Mansi, II, 1318). English trans. from P. SCHAFF AND H. WACE, (eds.), *Nicene and Post-Nicene Fathers*, 2<sup>nd</sup> Series, vol. 14 (The Seven Ecumenical Councils), Hendrickson Publishers, Peabody, (MA) 2004, p. 120.

<sup>414</sup> Cf. D. SALACHAS, “The Temporal Goods of the Church in the Light of Oriental Canon Law of the First Centuries” in J. Fox, OP, (ed.), *Render Unto Caesar: Church Property in Roman Catholic and Anglican Canon Law*, Pontifical Univ. of St. Thomas Aquinas, Rome 2000, p. 25.

integrity and good reputation of both the administrators and the community of the faithful.

The *Canones Apostolorum* bolstered the idea by decreeing that upon the election of the bishop, he is to provide an inventory of his property so that his goods might be distinguished from that of the Church. This clear distinction is necessary to safeguard the rights and the goods of both the Church and the bishop and in order that the bishop's supreme power might not lead to abuse and self-enrichment in favor of his children and his other relatives, as well as to avoid especially at his death, gossip and legal cases between his relatives and other persons<sup>415</sup>:

“Let the private goods of the bishop, if he have any such, and those of the Lord, be clearly distinguished, that the bishop may have the power of leaving his own goods, when he dies, to whom he will, and how he will, and that the bishop's own property may not be lost under pretence of its being the property of the Church: for it may be that he has a wife, or children, or relations, or servants; and it is just before God and man, that neither should the Church suffer any loss through ignorance of the bishop's own property, nor the bishop or his relations be injured under pretext of the Church: nor that those who belong to him should be involved in contests, and cast reproaches upon his death.”<sup>416</sup>

Moreover, norms requiring necessary disclosure or permission in terms of alienation of goods also emerged. The Particular Synod of Carthage (419 A.D.) decreed that alienation of Church goods should be avoided but in case of necessity, the Metropolitan or his neighboring bishops must be informed and consulted beforehand of the planned action in order to assist him in deliberating the case at hand or at least to stand as his witnesses in

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<sup>415</sup> Cf. D. SALACHAS, “The Temporal Goods of the Church...” pp. 27-28.

<sup>416</sup> “Manifestae sint res propriae episcopi, si tamen proprias habet, et manifestae res dominicae, ut potestatem suarum habeat episcopus moriens, ut, sicut vult ac quibus vult, relinquat, neque occasione rerum ecclesiasticarum interdicant res episcopi, qui nonnunquam uxorem et filios habet vel propinquos vel famulos; iustum enim hoc est *apud Deum et homines*, ut neque ecclesia detrimentum patiatur ex ignoratione rerum episcopi, neque episcopus vel eius propinqui praetextu ecclesiae proscribantur, neque in causas incidant, qui ad eum pertinent, atque eius mors infamiae subiaceat.” *Canones Apostolorum*, Can. 40, F.X. FUNK, *Didascalia et Constitutiones Apostolorum*, vol. I, p. 577. English trans. by H. PERCIVAL (1899), *The Apostolic Canons*, The St. Pachomius Orthodox Library, 1998 at <http://www.voskrese.info/spl/aposcannon.html> [Accessed 06.01.2015]. Cf. also D. SALACHAS, “The Temporal Goods of the Church...” pp. 27-28.

his decisions.<sup>417</sup> Furthermore, the synod prohibits also the presbyters to sell ecclesiastical properties without the knowledge of the bishop, or the bishop to alienate them without the knowledge of his presbyters.<sup>418</sup>

On the other hand, in order to prevent suspicion and mismanagement, the same particular Synod of Antioch established a system of accountability for bishops or their detractors. A bishop will have to render an account of his administration to the provincial synod whenever there is a suspicion of misappropriation of funds of the Church to his private use or to that of his family and kinsmen. The detractors spreading false accusations and affecting the objectives of the Church will also be answerable to the same synod:

“Let the bishop have power over the funds of the Church, so as to dispense them with all piety and in the fear of God to all who need. And if there be occasion, let him take what he requires for his own necessary uses and those of his brethren sojourning with him, so that they may in no way lack, according to the divine Apostle, who says, “Having food and raiment, let us therewith be content.” And if he shall not be content with these, but shall apply the funds to his own private uses, and not manage the revenues of the Church, or the rent of the farms, with the consent of the presbyters and deacons, but shall give

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<sup>417</sup> Cf. PARTICULAR SYNOD OF CARTHAGE (419 A. D.), Canon 26: “Likewise it seemed good that no one should sell anything belonging to the Church: that if there was no revenue, and other great necessity urged thereto, this might be brought before the Metropolitan of the province that he might deliberate with the appointed number of bishops whether this should be done; that if such urgent necessity lay upon any church that it could not take counsel beforehand, at least let it call together the neighbouring bishops as witnesses, taking care to refer all the necessities of his church to the council; and that if he shall not do this, he shall be held responsible toward God, and as a seller in the eye of the council, and he shall have lost thereby his honor.” English trans. from P. SCHAFF AND H. WACE, (eds.), *Nicene and Post-Nicene Fathers*, 2<sup>nd</sup> Series, vol. 14 (The Seven Ecumenical Councils), Hendrickson Publishers, Peabody, (MA) 2004, p. 455. Cf. also D. SALACHAS, “The Temporal Goods of the Church in the Light of Oriental Canon Law of the First Centuries” in J. FOX, OP, (ed.), *Render Unto Caesar: Church Property in Roman Catholic and Anglican Canon Law*, Pontifical Univ. of St. Thomas Aquinas, Rome 2000, pp. 28-29.

<sup>418</sup> Cf. PARTICULAR SYNOD OF CARTHAGE (419 A. D.), Canon 33: “It also seemed good that presbyters should not sell the ecclesiastical property where they are settled without their bishop’s knowledge; and it is not lawful for bishops to sell the goods of the Church without the council or their presbyters being aware of it. Nor should be bishop without necessity usurp the property of the maternal (*matricis*) Church [nor should a presbyter usurp the property in his own care (*tituli*)].” English trans. from D. SALACHAS, “The Temporal Goods of the Church in the Light of Oriental Canon Law of the First Centuries” in J. FOX, OP, (ed.), *Render Unto Caesar: Church Property in Roman Catholic and Anglican Canon Law*, Pontifical Univ. of St. Thomas Aquinas, Rome 2000, p. 29.

the authority to his own domestics and kinsmen, or brothers, or sons, so that the accounts of the Church are secretly injured, he himself shall submit to an investigation by the synod of the province. But if, on the other hand, the bishop or his presbyters shall be defamed as appropriating to themselves what belongs to the Church, (whether from lands or any other ecclesiastical resources), so that the poor are oppressed, and accusation and infamy are brought upon the account and on those who so administer it, let them also be subject to correction, the holy synod determining what is right.”<sup>419</sup>

St. Jerome also reveals an early liturgical practice that directly resembles transparency to the faithful in terms of the material goods received. From him, we learn that the deacon during Sunday liturgy publicly recites the names of those who gave donations or pledges and the amount of their contribution. In his *Commentariorum in Ezechielem*, VI, 28 (MPL, XXV, 175), he rebukes the dishonest people who give donations coming from their ill-gotten wealth in order to gain the praise and applause of the community as their names and amount of donation are publicly acknowledged, while their own consciences torture them:<sup>420</sup>

Publiceque diaconus in ecclesiis recitet offerentium nomina:  
tantum offert illa, tantum ille pollicitus est, placentque sibi ad  
plausam populi, torquente eos conscientia.<sup>421</sup>

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<sup>419</sup> “Episcopus habeat rerum ecclesiae potestatem, ut eas in omnes egentes dispenset cum multa cautione et Dei timore; ipse autem eorum, quae opus est, (s)fit particeps ad usus necessarios, et fratrum qui apud eum hospitio excipiuntur, ut ipsi nullo modo priventur secundum divinum apostolum, qui dicit: “Habentes autem alimenta et quibus tegamur, iis contenti erimus.” Sin autem iis non (s)fit contentus, et res in proprios usus convertat, et ecclesiae reditus, vel agrorum fructus non cum presbyterorum vel diaconorum sententia administret, sed suis cognatis, vel fratribus, vel filiis praebeat facultates, ut per haec rationes ecclesiae latenter laedantur, is det synodo provinciae rationem. Sin autem etiam alias insimuletur episcopus, vel qui sunt cum eo presbyteri, quod quae pertinent ad ecclesiam, vel ex agris, vel ex quacumque alia causa ecclesiastica, ad seipsos referant, ut pauperes quidam opprimantur, et invidia ac infamia verbo inuratur, et iis qui sic administrant: ii quoque correctionem assequantur, sancta synodo id quod decet examinante.” *Canones Synodi Antiochiae* (341 A. D.), can. 25, (Mansi, II, 1319). English trans. from P. SCHAFF AND H. WACE, (eds.), *Nicene and Post-Nicene Fathers*, 2<sup>nd</sup> Series, vol. 14 (The Seven Ecumenical Councils), Hendrickson Publishers, Peabody, (MA) 2004, p. 121.

<sup>420</sup> Cf. R. KEALY, *Diocesan Financial Support: It's History and Canonical Status* (Dissertation), Pontificia Universitas Gregoriana, Roma 1986, p. 62-63.

<sup>421</sup> JEROME, *Commentariorum in Ezechielem*, VI, 18, 209 (MPL, XXV, 175).

Although the liturgical practice expresses a sincere desire on the part of the administrators of Church goods to be transparent to the Christian community about the offerings received, it was tarnished and became an avenue for some rich members of the community to flaunt their large contributions and an opportunity for those who donate from their ill-gotten wealth to cover their sins and pacify their consciences. Thus, St. Jerome reviled this practice of public announcement of offerings and their donors in the liturgy which was regularly done even during ordinary time in those days. Pope Innocent I, in his *Letter* to Decentius, Bishop of Gubbio, no. 5, condemned the practice, declaring that the offerings of the faithful are offered to God and not public, neither the recitation be made public by the deacon, but they are to be commended to the silent prayer of the priest so that the sacred mysteries would proceed without distractions. The reason for which is that nothing is hidden from God and it is necessary first to commend the offerings than the names of those who offered them.<sup>422</sup> This precept was reiterated by the Council of Frankfurt (794 A.D.) decreeing that the names are not to be recited before the offering is to be offered.<sup>423</sup>

A sixth century synod in Armenia, in providing order and discipline for the Christian practice of *agape*<sup>424</sup>, where the Christian community

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<sup>422</sup> Cf. INNOCENT I, *Epistola XXV*, Cap. II, n. 5 (MPL, XX, 553-554): “De nominibus vero [...] recitandis, antequam precem sacerdos faciat, atque eorum oblationes, quorum nomina recitanda sunt, sua oratione commendet, quam superfluum sit, et ipse pro tua prudentia recognoscis, ut cujus hostiam necdum Deo offeras, ejus ante nomen insinues, quamvis illi incognitum sit nihil. Prius ergo oblationes sunt commendandae ac tunc eorum nomina, quorum sunt, edicenda; ut inter sacra mysteria nominentur, non inter alia, quae ante praemittimus ut ipsis mysteriis viam futuris precibus aperiamus.” Cf also Footnote b, *Commentariorum in Ezechielem*, VI, 28, 209 (MPL, XXV, 175): “Quam hic Hieronymus suggillat consuetudinem, recitandi offerentium nomina, etiam per id fere temporis. Innocentius I, epistol., ad Decentium num. 5, improbavit, edicens ut fidelium oblationes Deo, non populo, nec publica, diaconi recitatione, sed tacita sacerdotis oratione commendentur.” Cf. also L. JOHNSON, *Worship in the Early Church: An Anthology of Historical Sources*, vol. 3, A Pueblo Book, Liturgical Press, Collegeville, Minnesota 2009, pp. 99-103, n. 2785.

<sup>423</sup> Cf. CANONES CONCILII FRANCOFORDIENSIS, can. 51, (Mansi, XIII, 909): “ut nomina ante oblationem non recitentur.” Cf. also Footnote b, *Commentariorum in Ezechielem*, VI, 28, 209 (MPL, XXV, 175): “Ejus praeceptum Francofordiense concilium (794 A.D.) instauravit, editio decreto, *de non recitandis nominibus antequam oblatio offeratur*.”

<sup>424</sup> The Greek term *agapē* means love. In the history of early Christian practice, it refers to the so-called “love-feast” which is related to the Eucharist but quite distinct from it. It is a special religious meal celebrated to alleviate the needs of the poor, the widows and the orphans. The celebration consists of recited prayers, distribution and eating of food in moderation, reading of Scriptures and singing of hymns. However, by the end of the patristic age, the practice of *agape* had fallen into disuse. Cf. E. FERGUSON, *et al.* (eds.)

provides for the needs of the poor, reveals also in one of its canons the desire to make transparency a principle in its execution. The Synod of Dovin (527 A.D.) canon 23 states that, “the *agape* destined for the poor may not be given away by priest at their pleasure, but must be divided *immediately* among the poor *in the presence of the givers*.”<sup>425</sup> This provision signifies the need for transparency in the administration of temporal goods of the Church and especially in acknowledging the donors of offerings and the proper appropriation of these goods to the purposes for which they were offered.

### 3. *The Office of Oeconomus in the Councils of Carthage IV and Chalcedon*

As the Church holdings increased and often were protected with special privileges granted by the Emperors, and with the Churches becoming recognized as corporate persons capable of acquiring properties, some conflicts and abuses emerged in the disposition of properties. Several avaricious monks and clerics enriched themselves by persuading wealthy widows, orphans and devoted faithful to bestow overly generous bequests to the Church, which often were detrimental to the rightful heirs. As a result, civil and ecclesiastical norms were enacted to curb such abuses, and the administration of church property was carried out in terms of classical Roman property law.<sup>426</sup>

With the spread of the Church and the consequent increase in her temporal responsibilities, it became necessary for bishops to appoint people specifically to the ministry of administration of temporal goods. Thus, the office of *oeconomus* or finance officer came to develop. The Fourth Council of Carthage (398 A.D.) required that the bishop not concern himself personally with the care and maintenance of widows, orphans, and

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*Encyclopedia of Early Christianity*, 2nd ed., Garland Publishing, Inc., New York & London 1997, pp. 24-25.

<sup>425</sup> Synod of Dovin (527 A.D.) Can. 23: “Les agapes destinées aux pauvres ne doivent pas être distribuées par le prêtre selon qu’il lui plaira; mais elles doivent être immédiatement distribuées aux pauvres en présence des donateurs.” K. J. VON HEFELE, *et al.* (eds.), *Histoire des conciles d’après les documents originaux*, vol. 2.2, Letouzey et Ané, Paris 1908 [1907-1952], pp. 1077-1080, p. 1079. English trans. from L. JOHNSON, *Worship in the Early Church: An Anthology of Historical Sources*, vol. 3, A Pueblo Book, Liturgical Press, Collegeville, Minnesota 2009, p. 198.

<sup>426</sup> Cf. J. POKUSA, “Introduction to a Church Finance Handbook” in K. MCKENNA, *et al.* (eds.), *Church Finance Handbook*, Canon Law Society of America, Washington, D.C. 1999, pp. ix-x; R. KEALY, *Diocesan Financial Support: It’s History and Canonical Status* (Dissertation), Pontificia Universitas Gregoriana, Roma 1986, pp. 54-55.

strangers. Rather he was to commit these responsibilities to his archpriest or archdeacon.<sup>427</sup>

Another purpose of the establishment of the ministry of *oeconomus* was to protect the Church goods from embezzlement, provide a system of transparency in the bishop's administration so as to protect the bishop from any suspicion of financial abuse and avoid scandal in the community. The Ecumenical Council of Chalcedon (451 A.D.) made this very clear. Aware of the mismanagement committed by several bishops who singlehandedly managed Church goods without the help of an *oeconomus*, the Council issued a general decree making it compulsory for every diocese to have an *oeconomus* coming from its own clergy to take care of the administration of Church property<sup>428</sup>:

“According to our information, in some churches the bishops manage church property without administrators. So it has been decided that every church having a bishop is also to have an administrator, belonging to its own clergy, to administer the goods of the church according to the mind of the bishop concerned, so that that church's administration may not remain clandestine with the risk of church's property getting dispersed and the episcopate exposed to reproach. If he does not comply with this, he is to be subject to divine canons.”<sup>429</sup>

Being an important office, the Council decreed that the *oeconomus* was to continue in office during the vacancy of the bishopric and to look after the property of the Church and protect it for the new bishop.<sup>430</sup> The *oeconomus* being an agent and appointee of the bishop, is accountable to him for his administration. The bishop still has the right and obligation of vigilance and supervision over the management of Church goods and his finance administrator is still dependent on him in terms of acts of extraordinary administration. These powers and duties of the bishop were codified in the Roman law of the sixth century.<sup>431</sup>

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<sup>427</sup> Cf. COUNCIL OF CARTHAGE IV (398 A.D.), can. 17, (Mansi, III, 952).

<sup>428</sup> Cf. R. KEALY, *Diocesan Financial Support*, pp. 78-79.

<sup>429</sup> “Quoniam in quibusdam Ecclesiis, sicut reperimus, sine oeconomis res ecclesiastica tractatur, placuit omnem Ecclesiam Episcopum habentem oeconomum habere de suo Clero dispensantem ecclesiasticas res cum voluntate sui Episcopi, ne sine testimonio sit dispensatio Ecclesiae et ex hoc dispergantur eiusdem Ecclesiae res, et detractio infligatur sacerdotio. Si vero hoc non fecerit, subiacere eum sacris canonibus.” COUNCIL OF CHALCEDON (451), can. 26 (Mansi, VI, 1230). English trans. from N. TANNER, (ed.), *Decrees of the Ecumenical Councils*, vol. 1, Sheed and Ward, London 1990, p. 99.

<sup>430</sup> Cf. COUNCIL OF CHALCEDON (451), can. 25 (Mansi, VI, 1230).

<sup>431</sup> Cf. R. KEALY, *Diocesan Financial Support*, pp. 79-80

#### 4. *The Middle Ages and the Reformation*

As Christianity spread considerably across Europe, rural churches or the so-called parishes were established. With the increasing number of rural churches and the difficulty of distance and communication, it became a practical necessity for the bishop to entrust the temporal welfare of the churches to resident clerics.<sup>432</sup> This started the decentralization of the administration of temporal goods from the hands of the bishop. With the advent of feudalism and in cases in which the other remote villages were unable to be catered to by the bishop and his clergy, the landlords began to found private oratories and churches, entrusting them to their own men and asking the bishop to ordain them. However, they needed the bishop's consent before building the churches and oratories and the altar must be consecrated by him. The bishop would not give his consent unless sufficient provision is assured for the priest. These brought about the benefice system.<sup>433</sup>

The benefice system was originally an effort of the bishop to provide sustenance for the parochial clergy and the needs of the rural parishes. The bishop distributed church lands and bestowed perpetual right of usufruct, or income from the property to the recipient clergy; but they could not alienate them and with their death, these lands are supposed to revert to the bishop.<sup>434</sup> The recipient became both the beneficiary and the administrator of the property. However, with the landlords granting benefices to parishes, later on, the parishes became independent and possessed the properties. Slowly, the bishops lost control over parish properties. They were even later forbidden to take any revenue from parochial churches unless the episcopal church was incapable of meeting its own expenses.<sup>435</sup> The revenue should remain in the local church for the support of the clergy and upkeep of the edifice. Thus, pastors became administrators of the parish properties - a

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<sup>432</sup> Cf. J. J. COMYNS, "Papal and Episcopal Administration of Church Property: An Historical Synopsis and Commentary", *Canon Law Studies*, vol. 147 (1942), pp. 1-56, p. 27.

<sup>433</sup> Cf. S. WOOD, *The Proprietary Church in the Medieval West*, Oxford University Press, Oxford (UK) 2006, pp. 66-91; A. SHANTHAPPA, *Diocesan Finance Council in the 1983 Code of Canon Law with Special Reference to the Administration of Temporal Goods in the Diocese of Ahmedabad*, (Dissertation), Pontificia Università Lateranense, Roma 2013, p. 15.

<sup>434</sup> Cf. D. HERLIHY, "Church Property" in W. McDonald, *et al.* (eds.), *New Catholic Encyclopedia*, vol. 3, The Catholic University of America, Washington, D.C. 1967, p. 851.

<sup>435</sup> Cf. J. COMYNS, "Papal and Episcopal Administration of Church Property: An Historical Synopsis and Commentary", *Canon Law Studies*, vol. 147 (1942), p. 28; Cf. also A. SHANTHAPPA, *Diocesan Finance Council in the 1983 Code of Canon Law*, p. 16.

practice which is still observed until today. The Council of Trosle (909 A.D.) clearly manifests this:

“Quia vero facultatum et dotum ad ecclesias pertinentium dispositio secundum canonum antiquam constitutionem, ad episcoporum solummodo ordinationem, et ad presbyterorum dispositionem pertineat, Toletanum manifestat concilium, dicens: “Multi contra canonum constituta(s) sic ecclesias, quas aedificaverint, postulant consecrari, ut dotem, quam eisdem ecclesiis contulerint, censeant ad episcopi ordinationem non pertinere. Quod factum, et in praeteritum displicet, et in futuro prohibetur: sed omnia, juxta constitutionem antiquam, ad episcopi ordinationem, et potestatem pertineant.” Quod si quaeritur, quae dicat omnia, proculdubio, decimas, primitias fructuum, et oblationes eorum, et ea quae parochiis in terris, vincis, mancipiis, atque pecuniis, seu quibuslibet rebus, quaecumque fideles obtulerint: quae omnia sub immunitate a tributis fiscalibus, et omni dominorum exactione libera, sub potestate et dispositione, ut diximus, episcoporum, ac regimine et dispensatione presbyterorum manere debent inconcussa.”<sup>436</sup>

The establishment of the benefice system led to the decentralization of administration and dismemberment of the common patrimony of the diocese as rights of the benefice-holder to the benefice is seen as private and absolute, although this was not the original intent at its inception. This eventually led to the loss of the sense of the moral obligation to use the assets of the Church for the common ends of the Church. Consequently, the office of priest and bishop became secularized.<sup>437</sup> In order to avert this deterioration and to maintain the vigilance and supervisory powers of the bishop, proper and transparent administration of parish goods had to be ensured. The Councils of Hervaie (868 A.D.), Mainz (847 A.D.) and Tribur (895 A.D.) demanded that the resident pastor had to submit to the bishop an annual account of his financial administration, and in matters of extraordinary administration, like building of a new oratory, the plan must be submitted for approval of the diocesan bishop.<sup>438</sup>

<sup>436</sup> COUNCIL OF TROSLE (909 A.D.), can. 6. (Mansi, XVIII, 280).

<sup>437</sup> In its inception, the title to a benefice carries with it a corresponding obligation to be fulfilled. Insofar as the benefice-holder did not fulfill his duties, he cannot be entitled to the fruits of the benefice. Secondly, the benefice-holder has the moral obligation to apply those revenue which is superfluous to what he needs to the needs of the Church and the poor. Cf. R. KEALY, *Diocesan Financial Support*, p. 108.

<sup>438</sup> Cf. J. COMYNS, “Papal and Episcopal Administration of Church Property: An Historical Synopsis and Commentary”, *Canon Law Studies*, vol. 147 (1942), p. 31; Cf. also A. SHANTHAPPA, *Diocesan Finance Council in the 1983 Code of Canon Law*, p. 17.

During this time there also emerged various charitable works which used to be traditionally financed by the bishop but were now taken over by monastic communities and lay initiatives. Charitable institutions, hospitals, orphanages and centers of learning were established by dedicated lay faithful and religious orders. Soon these initiatives flourished significantly but they rather became independent from the control of episcopal authority.<sup>439</sup>

Another serious threat to church temporal administration came with the lay investiture and with the introduction of proprietary church system where laymen founders of churches exercised quasi-episcopal authority, supervised and managed parish properties, appoint priests to serve in them and collect fees for the spiritual services performed.<sup>440</sup> Simony or buying of ecclesiastical offices was also rampant. This despoiled the Church of her income and possessions which were diverted to private ends rather than to the proper ends of the Church and created a great damage to the Church's reputation and integrity for a long time.<sup>441</sup>

Reforms were later introduced and the bishop's central authority over all tithes and gifts was reaffirmed. Laymen who had acquired ecclesiastical property were asked to return these properties to the Church otherwise they would be guilty of sacrilege and incur excommunication. Lay control of ecclesiastical office and its fruits were forbidden. Abbots were also forbidden to retain tithes without the consent of the local bishop.<sup>442</sup> The First and Second Lateran Councils reiterated these sanctions against lay control, making their implementation universal in scope.<sup>443</sup>

Moreover, legislations were also passed to protect the Church goods from the abuses and mismanagement of episcopal authority. One of which is the decree of the First Council of Lyons (1245A.D.) to render an account of administration to others besides the ordinary superior to whom they ought to be accountable to:

“Likewise archbishops and bishops are to take care each year to make known to their chapters with due fidelity the state of

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<sup>439</sup> Cf. J. POKUSA, “Introduction to a Church Finance Handbook”, p. xii. Cf. also R. KEALY, *Diocesan Financial Support*, p. 127.

<sup>440</sup> Cf. D. HERLIHY, “Church Property” in W. McDonald, *et al.* (eds.), *New Catholic Encyclopedia*, vol. 3, The Catholic University of America, Washington, D.C. 1967, p. 851.

<sup>441</sup> Cf. R. KEALY, *Diocesan Financial Support*, p. 112.

<sup>442</sup> Cf. COUNCIL OF ROME (1078), cc. 6, 8 (Mansi, XX, 510).

<sup>443</sup> Cf. LATERAN COUNCIL I (1123), c. 4 (Mansi, XXI, 282) and LATERAN COUNCIL II (1139), c. 10 (Mansi, XXI, 528). Cf. also R. KEALY, *Diocesan Financial Support*, pp. 116-117.

administration of the goods belonging to their households, and bishops to their metropolitans, and metropolitans to the legates of the apostolic see, or to others to whom the visitation of their churches has been assigned by the same see.”<sup>444</sup>

This decree purports the idea of transparency in the administration of goods. It is reminiscent of the earlier legislation of the particular Synod of Antioch (341 A.D.) requiring bishops to be transparent and manifest what are the things of the Church and what are not to his presbyters and deacons, concealing nothing from them.<sup>445</sup> However this time, the transparency legislation is amplified in scope as it has to be a rendering of account of the administration rather than just declaration of properties, intended for universal observance rather than just of particular observance in a certain ecclesiastical territory as it is a decree of an ecumenical council, and viewed as a remedy measure against the abuses in financial management of that period.

The issuance of this general decree was brought about by the problem of usury, neglect and mismanagement of debts and properties of churches by prelates who administer them. These have heavily despoiled many local churches at that time<sup>446</sup>. The decree paved the way also to the laying down of the legislation to have an inventory of all the goods under the care of one’s administration<sup>447</sup>, at the beginning of the assumption of

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<sup>444</sup> “Archiepiscopi vero et episcopi statum administrationis bonorum, ad mensam propriam pertinentium, similiter singulis annis capitulis suis, et nihilominus episcopi metropolitani et metropolitani legatis apostolicae sedis vel aliis quibus fuerit ab eadem sede suarum ecclesiarum visitatione delegata, insinuare debita fidelitate procurent.” FIRST COUNCIL OF LYONS (1245) Constitutions, II, 1, “On Usury” in N. TANNER, (ed.), *Decrees of the Ecumenical Councils*, vol. 2, Sheed & Ward and Georgetown University Press, Michigan 1990, p. 294.

<sup>445</sup> *Canones Synodi Antiochiae* (341 A. D.), can. 24, (Mansi, II, 1318).

<sup>446</sup> “The abyss of usury has almost destroyed many churches, and some prelates are found to be very careless and remiss in the payment of debts, especially those contracted by their predecessors, too ready to contract heavier debts and mortgage the property of the church, slothful in guarding what has been acquired, and preferring to win praise for themselves by making some small innovation than to guard their possessions, recover what has been thrown away, restore what is lost and repair damage. For this reason, so that they may not be able for the future to excuse themselves for an inefficient administration and to throw the blame on their predecessors and others, we lay down the following rules with the approval of the present council”. FIRST COUNCIL OF LYONS (1245) Constitutions, II, 1. *On Usury* in N. TANNER, S.J., (ed.), *Decrees of the Ecumenical Councils*, vol. 2, Sheed & Ward & Georgetown University Press, Michigan 1990, p. 293.

<sup>447</sup> “Bishops, abbots, deans and others who exercise a lawful and common administration, within one month after they have assumed office, having first informed their immediate superior, so that he may be present either in person or through some

office and the keeping of written accounts of administration for record purposes<sup>448</sup>.

Another remedy measure for abuse can be seen in the Council of Vienne (1311-1312), wherein a much-needed reform has to be carried out concerning the administration of hospices, leper-houses, almshouses and hospitals, which at that time suffered greatly due to exploitation and neglect of those administering them.<sup>449</sup> The Council declared that:

“Those who are entrusted with the government or administration of such places shall also take an oath, after the manner of guardians, and make inventories of the property belonging to the place, and give an account each year of their administration to the ordinaries or *others to whom these places are subject, or their representatives*. If anyone attempts to act otherwise, we decree that the appointment, provision or arrangement is null and void.”<sup>450</sup>

This noted the fact that there are institutions and properties whose administration is not under the local ordinaries, and are enjoying the

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suitable and faithful ecclesiastical person, in the presence of the chapter or convent especially summoned for this purpose, must see that an inventory is made of the goods that belong to the administration they have taken up”. FIRST COUNCIL OF LYONS (1245) Constitutions, II, 1. *On Usury* in N. TANNER, S.J., (ed.), *Decrees of the Ecumenical Councils*, vol. 2, Sheed & Ward & Georgetown University Press, Michigan 1990, p. 294.

<sup>448</sup> “Written accounts are always to be kept in the treasury of the church for a record, so that in the accounts a careful comparison can be made between future years and the present and past; and the superior may learn from this the care or negligence of the administration”. FIRST COUNCIL OF LYONS (1245) Constitutions, II, 1. in N. TANNER, SJ, (ed.), *Decrees of the Ecumenical Councils*, vol. 2, Sheed & Ward & Georgetown University Press, Michigan 1990, p. 294.

<sup>449</sup> “It happens now and then that those in charge of hospices, leper-houses, almshouses or hospitals disregard the care of such places and fail to loosen the hold of those who have usurped the goods, possessions and rights of these places. They indeed permit them to slip and be lost completely and the buildings to fall into ruin... criminally turning the revenues to their own use...” COUNCIL OF VIENNE (1311-1312), decree [17] in N. TANNER, S.J., (ed.), *Decrees of the Ecumenical Councils*, vol. 1, Sheed & Ward & Georgetown University Press, Michigan 1990, pp. 374-375.

<sup>450</sup> “Illi etiam quibus dictorum locorum gubernatio seu administratio committetur, ad instar tutorum et curatorum iuramentum praestare, ac de locorum ipsorum bonis inventaria conficere, et ordinariis seu aliis, quibus subsunt loca huiusmodi, vel deputandis ab eis, annis singulis de administratione sua teneatur reddere rationem. Quod si secus a quoquam fuerit attentatum, collationem provisionem seu ordinationem ipsam carere decernimus omni robore firmitatis.” COUNCIL OF VIENNE (1311-1312), decree [17] in N. TANNER, S.J., (ed.), *Decrees of the Ecumenical Councils*, vol. 1, Sheed & Ward & Georgetown University Press, Michigan 1990, p. 375.

privilege of exemption but nonetheless are subject to the Apostolic See.<sup>451</sup> However, due to their autonomy in management and remoteness to the “checks and balances” of the Apostolic See, they were prone to abuse and neglect, thus resulting to severe damages to both the institutions and their proper purposes. Hence, the aforementioned provision was decreed, putting them into the proximate supervision of the local ordinaries.

Another effect of the reform movement was the renewed interest in canon law. In an effort to rediscover the authentic tradition of the Church, various collections of Church laws were compiled by scholars. One of the earliest and most influential was the work of Burchard, the Bishop of Worms from 1000-1025.<sup>452</sup> Burchard’s works include both local and universal legislations and a record of various practices regarding the administration of parochial finances.<sup>453</sup> He upheld the quadripartite division of Church revenues, *i.e.* for the maintenance of churches, the poor, the bishop and the clergy. He warned the priests that they are just stewards of the goods of the Church,<sup>454</sup> and maintained that benefice-holders have the original obligation of ensuring the maintenance of the churches and the care of the poor, assisting other churches needing restoration and returning the double tithe to the damaged institution entitled to it.<sup>455</sup>

Another significant development came with the publication of the Decree of Gratian (c. 1140). Gratian’s work endeavored to compile and harmonize the major extant conciliar, papal and canonical provisions regarding the whole of Church discipline. Gratian upheld the principle of episcopal jurisdiction over the entire diocese, putting back all the temporal

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<sup>451</sup> “... we decree, with the approval of the sacred council, that they to whom the duty belongs by right or by statute laid down at the foundation of these places, or by lawful custom, or by privilege of the apostolic see, should strive to reform these places... If they are remiss in this, we enjoin on the local ordinaries, even if the institutions enjoy the privilege of exemption, to fulfill each and all of the foregoing, either directly or through others, and to compel the non-exempt rectors by their authority and the exempt and otherwise privileged rectors by the authority of the apostolic see”. COUNCIL OF VIENNE (1311-1312), decree [17] in N. TANNER, S.J., (ed.), *Decrees of the Ecumenical Councils*, vol. 1, Sheed & Ward & Georgetown University Press, Michigan 1990, p. 375.

This paved the way to a later shift of emphasis in the Council of Trent that the obligation of rendering an annual account of administration to others besides the diocesan bishop, out of custom, privilege or statutes, should now as well include the rendering of account to the diocesan bishop.

<sup>452</sup> Cf. R. KEALY, *Diocesan Financial Support*, p. 114.

<sup>453</sup> BURCHARD, *Libri Decretorum*, Lib. 1, can. 210; Lib. III, cc. 136, 146 (MPL, CXL, 610, 700, 702).

<sup>454</sup> BURCHARD, *Libri Decretorum*, Lib. III, c. 138 (MPL, CXL, 701).

<sup>455</sup> BURCHARD, *Libri Decretorum*, Lib. III, c. 30 (MPL, CXL, 677-678). Cf. also R. KEALY, *Diocesan Financial Support*, p. 115.

goods of the diocese under the central administrative authority of the diocesan bishop, and espoused the traditional ends of Church property, i.e. *clerus, caritas, cultus*.<sup>456</sup> He maintained that the particular ends to which the Church goods are directed must be tempered by an overriding regard for the common good.<sup>457</sup> And aware of the great harm done to the Church by unscrupulous lay persons who had acquired power over churches or their revenues, Gratian upheld that lay people were forbidden to receive the oblations of the church because this right belonged only to the clergy by virtue of the exercise of their sacred office.<sup>458</sup>

Gratian's monumental work was followed later by the *Liber Extra* or the Decretals of Gregory IX, which was an authoritative and comprehensive collection of Church laws compiled by St. Raymond of Peñafort and were promulgated by Pope Gregory IX in order to have a universal effect for the Church. It shared Gratian's idea of the proper ends of the ecclesiastical goods and gave legislative force to the belief that these goods form the common patrimony of the Church and are supposed to serve the common proper ends of the Church.<sup>459</sup>

### 5. *The Council of Trent (1545-1563)*

The definitive reform in the administration of ecclesiastical goods came with the Council of Trent. The Council fathers recognized that many of the ills of the Church were caused by the abuses associated with the benefice system. However, they did not see its abolition as the solution, but rather its reformation. The Council tried to restore the original and proper understanding of the purposes of Church goods, which was adulterated by avarice and selfishness. They emphasized the bishop's administrative authority, supervision and control over all temporal goods of the diocese and even to subordinated properties.

In one of its canons on reform, the Council reiterated what was previously prescribed by the Council of Vienne (1311-1312) on account of the neglect and abuses done by the administrators<sup>460</sup> of ecclesiastical

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<sup>456</sup> Cf. R. KEALY, *Diocesan Financial Support*, p. 120. Cf. *Decretum Gratiani*, cc. 27-31, C. XII, q. II in A. FRIEDBERG, (ed.) *Corpus Iuris Canonici*. vol. I, Akademische Druck-U. Verlagsanstalt, Graz 1879, pp. 696-698.

<sup>457</sup> Cf. R. KEALY, *Diocesan Financial Support*, p. 124.

<sup>458</sup> *Decretum Gratiani*, c. 13, C. X, q. I in A. FRIEDBERG, (ed.) *Corpus Iuris Canonici*. vol. I, p. 616. Cf. also R. Kealy, *Diocesan Financial Support*, p. 125.

<sup>459</sup> Cf. R. KEALY, *Diocesan Financial Support*, p. 147.

<sup>460</sup> Cf. COUNCIL OF VIENNE (1311-1312), decree [17] in N. TANNER, S.J., (ed.), *Decrees of the Ecumenical Councils*, vol. 1, Sheed & Ward & Georgetown University Press, Michigan 1990, p. 375.

institutions, *i.e.*, the right of the diocesan bishops to supervision and regulation of other ecclesiastical institutions not subject to his authority due to privilege of exemption:

“According to the provisions of the sacred canons<sup>461</sup> they (diocesan bishops) are, in virtue of their office, to examine and regulate almshouses, charitable lending houses and all pious establishments of whatever name, even if the running of such establishments is in the hands of laity and they are protected by a privilege of exemption, and all premises founded for the worship of God, or the salvation of souls, or to support the poor, And all this notwithstanding even immemorial custom, privilege or statute.”<sup>462</sup>

From such given arrangement, the Council of Trent extended further the authority of the diocesan bishops, decreeing that they be included in those to whom the administrators of ecclesiastical institutions or properties have the obligation to render an account every year concerning their administration, to wit:

“Both ecclesiastical and lay administrators of the fabric of any church, even a cathedral, or of a hospice, confraternity, almshouse, charitable lending house or other pious establishments of any kind, are bound to give an account of their administration annually to the bishop of the diocese, all customs and privileges of any kind to the contrary being hereby withdrawn, unless it happens that the statutes of institution of such a church or premise expressly provide otherwise. *But if provision is made by custom and privilege or local statute that the account is to be submitted to others assigned for the purpose, then the diocesan bishop is to be added to their*

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<sup>461</sup> This refers to the canons of the Council of Vienne, decree [17], Cf. N. TANNER, S.J., (ed.), *Decrees of the Ecumenical Councils*, vol. 1, Sheed & Ward & Georgetown University Press, Michigan 1990, p. 740.

<sup>462</sup> “Eleemosynas, montes pietatis sive charitatis et pia loca omnia, quomodocumque nuncupentur, etiam si praedictorum locorum cura ad laicos pertineat atque eadem pia loca exemptionis privilegio sint munita, ac omnia, quae ad Dei cultum aut animarum salutem seu pauperes sustentandos instituta sunt: ipsi ex officio suo iuxta sacrorum canonum statuta cognoscant et exsequantur. Non obstantibus quacumque consuetudine, etiam immemorabili, privilegio aut statuto.” COUNCIL OF TRENT (1545-1563), Sessio XXII de ref. c. 8 in N. TANNER, S.J., (ed.), *Decrees of the Ecumenical Councils*, vol. 1, Sheed & Ward & Georgetown University Press, Michigan 1990, p. 740.

*number*, and any releases conducted otherwise will not be valid for the said administrators.”<sup>463</sup>

This gave the diocesan bishop an extensive power of supervision which covers all those under his pastoral care and all those within his territory, emphasizing the central administrative power of the bishop. It was a reaction to the prevalent Medieval thought of dismemberment of the common patrimony of the Church with the private and absolute administration of the different ecclesiastical properties and benefices on the hands of individual managers – a concept which was engulfed with abuses and gravely damaged the Church’s integrity as well as the management of her goods. Thus, the shift of the direction of the obligation of accountability of administration, making it wider in extent and centralizing it to episcopal jurisdiction, *i.e.* rendering account to others besides the ordinary to whom they are directly subject to and to include the diocesan bishop as well, to whom they are territorially under his charge.

Later, this provision of the Council of Trent was invoked by Pope Pius VII in his brief *Non Sine Magno* (24 Aug. 1822) addressed to Archbishop Ambrose Maréchal of Baltimore and his suffragan bishops regarding the trusteeism controversy that rocked the Catholic community in Philadelphia and the whole United States of America, where the lay faithful relying on the statute enacted by the state government that churches are to be recognized as corporations with board of trustees who shall have power to make rules and orders for managing the temporal affairs of their churches, defied their bishops and demanded exclusive right to the administration of the goods of their churches.<sup>464</sup> The Pope said:

“Itaque memorare debent aeditui, bona quae ad divinum cultum, nec non ad Ecclesiae eiusque ministrorum sustentationem oblata sunt, in Ecclesiae potestatem transire;

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<sup>463</sup> “Administratores tam ecclesiastici quam laici, fabricate cuiusvis ecclesiae, etiam cathedralis, hospitalis, confraternitatis, eleemosynae, montis pietatis et quorumcumque piorum locorum singulis annis teneantur reddere rationem administrationis ordinario, consuetudinibus et privilegiis quibuscumque in contrarium sublatis, nisi secus forte in institutione et ordinatione talis ecclesiae seu fabricate expresse cautum esset. Quodsi ex consuetudine aut privilegio aut ex constitutione aliqua loci aliis ad id deputatis ratio reddenda esset, tunc cum iis adhibeatur etiam ordinaries, et aliter factae liberationis dictis administratoribus minime suffragentur.” COUNCIL OF TRENT (1545-1563), Session XXII de ref. c. 9 in N. TANNER, S.J., (ed.), *Decrees of the Ecumenical Councils*, vol. 1, Sheed & Ward & Georgetown University Press, Michigan 1990, p. 740.

<sup>464</sup> For an interesting and thorough discussion on trusteeism, see P. CAREY, *People, Priests, and Prelates: Ecclesiastical Democracy and the Tensions of Trusteeism*, University of Notre Dame Press, Notre Dame, Indiana 1987.

sicut autem Episcopi ex ordinatione divina sunt qui praesunt Ecclesiae, ita ipsi non possunt ab eorumdem bonorum cura, dispositione ac vigilantia excludi. Quare Sacra Tridentina Synodus expresse mandavit, *administratores fabricae cuiusvis ecclesiae, etiam cathedralis, et quorumcumque piorum locorum singulis annis ad reddendam Ordinario rationem administrationis teneri*, addens (Sess. 22 Cap. 9, *De Reform.*) quod, *etiamsi ex praecipua aliqua loci constitutione administrationis ratio reddenda sit aliis ad id deputatis, tamen cum iis adhibendus etiam sit Ordinarius*. Quare si aeditui concordi animo cum Episcopo temporalia Ecclesiae administraverint, omnia pacifice et secundum ordinem fient.”<sup>465</sup>

## 6. The 1917 Code

The Church’s patrimonial laws reached its stability with the codification of the 1917 Code of Canon Law. It set Church’s administration more securely within the developing capitalism of the western world, although many of its structures like the benefice, still reflected the feudal prejudice and property mentality.<sup>466</sup> It defined ownership rights of the Church – the right to acquire, retain, administer temporal goods (Canon 1495), and the proper destination of those goods, the supreme administrative authority of the Pope on all ecclesiastical goods (Canon 1518), and the administrative powers of the diocesan bishop (Canon 1519). Although the bishop is considered administrator of the temporal goods of the diocese, he was not the administrator of subordinate moral persons, such as parishes. In fact, the code does not categorically describe him as an administrator, as it did for the Pope (cf. Can. 1518), but the emphasis made by the code on his administrative role was on the function of supervision and vigilance over these goods. And in exercising his supervisory and regulatory powers, the 1917 Code provided him with the council of administration and the cathedral chapter to help him in the temporal administration by way of

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<sup>465</sup> Pius VII, Littera Apostolica *Non sine magno*, (24 aug. 1822) in P. Gasparri, “Romani Pontifices,” *Codicis Iuris Canonici Fontes*, vol. 2, n. 480, Typis Polyglottis Vaticanis, Citta del Vaticano 1928 [1929-1939], pp. 725-727. It was also cited by the Sacred Congregation of Councils, i.e., S.C.C., *Caurien.*, mense apr. 1595 and S.C.C. *Liparen*, 9 maii, 6 iun., 11 iul. 1750. Cf. Ibid., “Curia Romana,” vol. 5, nn. 2283, 3608, 3610, p. 182 and pp. 1033-1035 respectively. These documents and circumstances provide us with an overview why such provision of the Council of Trent found its way into the 1917 Code as Canon 1525 §2.

<sup>466</sup> Cf. A. SHANTHAPPA, *Diocesan Finance Council in the 1983 Code of Canon Law*, 27.

consultation on more important acts of administration.<sup>467</sup> The Code, also recognized the diocesan consultors, an institution that had developed in the United States of America, as a replacement for cathedral chapter in dioceses which do not have such practice, and ascribed to them the same faculties granted by the code to the cathedral chapter (Cann. 423, 427).

With the emphasis on the supervisory and regulatory role of the bishop as administrator of the goods of the diocese, the accountability obligation must be centralized to the figure of the bishop, even of those entities which originally are not accountable to him. Thus, we can find the stipulation of Canon 1525 §2 stating:

“If, because of particular law, these are supposed *to render the accounting to others*, then the *local Ordinary* or his *delegate also should be admitted to read them*, [in order that] these same administrators be freed of obligations in the matter.”<sup>468</sup>

This canon was more or less literally taken from Canon 9 of Session XXII of the Council of Trent. This step of the Council of Trent, which has been carried over by the 1917 Code, of putting emphasis on the figure of the bishop<sup>469</sup> as center of accountability obligation in his diocese, is an attempt to preserve the traditional image of common patrimony and to facilitate the proper directing of these ecclesiastical goods to the proper ends intended by the Church, through the guidance and direction of the shepherds – the diocesan bishops.

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<sup>467</sup> Cf. R. KEALY, *Diocesan Financial Support*, p. 214.

<sup>468</sup> CIC 1917 Canon 1525 §2, E. PETERS (curator), *The 1917 Pio-Benedictine Code of Canon Law in English Translation with Extensive Scholarly Status*, Ignatius Press, San Francisco, USA, 2001, p. 510; CANON LAW DIGEST IX:911. The original Latin text is: “Si ex peculiari iure aliis ad id designatis ratio reddenda sit, tunc etiam Ordinarius loci vel eius delegatus cum his admittatur, ea lege ut aliter factae liberationes ipsis administratoribus minime suffragentur.” *Codex Iuris Canonici*, Pii X Pontificis Maximi iussu digestus Benedicti Papae XV auctoritate promulgatus, in AAS 9/2 (1917), 5-456.

<sup>469</sup> Although in the 1917 Code, the term local Ordinary may refer to those with ordinary power in the both proper and vicarious in a certain territory, *i.e.* residential bishops or their equivalent, and their vicars (cf. CIC 1917, Can. 198, §§1-2), the emphasis of Canon 1525 §2 is primarily on the figure of the bishop as the one with the main responsibility over the governance of a certain ecclesiastical circumscription.

## 7. *The Vatican II Council on Administration of Temporal Goods*

The coming of the Second Vatican Council brought a different perspective and direction to the Church, much less to her understanding of administration of temporal goods. Foremost among its influences is the emphasis on the nature of the Church as People of God, that is a communion of the faithful who by baptism are incorporated into Christ and thereby made sharers in the priestly, prophetic and kingly functions of Christ, each according to his or her own state of life and abilities,<sup>470</sup> and in which there is no inequality arising from race or nationality, social condition, sex or color for all are one in Christ,<sup>471</sup> but “through the common sharing of gifts and through the common effort to attain fullness in unity, the whole and each of the parts receive increase”<sup>472</sup> and “carry out for their own part the mission of the whole Christian people in the Church and in the world.”<sup>473</sup> This concept of the Church as communion presents the ecclesiastical goods as something belonging to the whole people of God, and as such, those who were entrusted with their administration have no greater claim on them except for the diligent care expected of good stewards of such goods. On this fundamental concept, the entire Church’s mindset and legislation on temporal goods of the Church is set forth.<sup>474</sup>

Secondly, the Council put forward what is supposed to be the basic relationship that should exist between the Church and the temporal order. It underlined that the mission of the Church is neither social, nor economic or political but rather religious in nature and the influence that she can offer to modern society lies on the effective living of faith and love and not on any external power exercised by purely human means.<sup>475</sup> According to the Council, “Christ founded his Church as the sacrament of salvation”<sup>476</sup> for “he wills that all men be saved and come to the knowledge of the truth”.<sup>477</sup> However, “since the Church is established in the world and is in the nature of sacrament – a sign and instrument of communion with God and of unity among all men”<sup>478</sup>, there is a need to use temporal resources to carry out her

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<sup>470</sup> Cf. *Lumen Gentium*, 31.

<sup>471</sup> Cf. *Lumen Gentium*, 32.

<sup>472</sup> *Lumen Gentium*, 13.

<sup>473</sup> *Lumen Gentium*, 31.

<sup>474</sup> Cf. S. AMATU, *The Role of the Finance Council in the Administration of A Diocese in the Light of the 1983 Code of Canon Law [cc. 492 and 537]*, (Thesis), Pontificia Università Lateranense, Roma 1990, p. 55.

<sup>475</sup> Cf. *Gaudium et Spes*, 42.

<sup>476</sup> *Ad Gentes Divinitus*, 5.

<sup>477</sup> 1 Tim. 2:4.

<sup>478</sup> *Lumen Gentium*, 1.

aim.<sup>479</sup> This she will do without seeking earthly glory, but by her own example proclaim humility and sacrifice<sup>480</sup> “so that she may reveal in the world faithfully the mystery of the Lord.”<sup>481</sup> Following then the example of the apostles who relied heavily on God’s providence and used the temporal goods as mere instruments for their apostolate, so should their successors be in proclaiming the Gospel message, using only those ways and means compatible to it.<sup>482</sup> Thus, in fulfilling her mission, the Church should not be motivated by any earthly ambition<sup>483</sup> but should use only the earthly goods insofar as her mission requires them. Temporal goods are mere instruments in the hands of the Church and should remain as such.<sup>484</sup> With these in mind, the Council Fathers admonished the priests on the proper attitude in the administration of temporal goods and defined their proper ends in the Church:

“Priests as men whose “portion and inheritance” (Num. 18:20) is the Lord ought to use temporal goods only for those purposes to which the teaching of Christ and the direction of the Church allow them to be devoted.

Priests are to manage ecclesiastical property, properly so called, according to the nature of the case and the norm of ecclesiastical laws and with the help, as far as possible, of skilled laymen. They are to apply this property always to those purposes for the achievement of which the Church is allowed to own temporal goods. These are: the organization of divine worship, the provision of decent support for the clergy, and the exercise of works of the apostolate and of charity, especially for the benefit of those in need.”<sup>485</sup>

Another radical change brought about by the Council is the active participation of the laity in the life and mission of the Church. The Council acknowledged the gifts and expertise of the laity and encouraged their active involvement in the Church community, especially in areas of their competence such as financial management. Thus, they were asked to assist their pastors in the administration of the temporal goods of the Church:

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<sup>479</sup> Cf. *Lumen Gentium*, 8.

<sup>480</sup> Cf. *Ibid.*

<sup>481</sup> *Ibid.*

<sup>482</sup> Cf. *Gaudium et Spes*, 76.

<sup>483</sup> Cf. *Gaudium et Spes*, 3.

<sup>484</sup> Cf. S. AMATU, *The Role of the Finance Council in the Administration of A Diocese...*, p. 56.

<sup>485</sup> *Prebyterorum Ordinis*, 17.

“Participators in the function of Christ, priest, prophet and king, the laity have an active part of their own in the life and action of the Church. Their action within the Church communities is so necessary that without it the apostolate of the pastors will frequently be unable to obtain its full effect. [...] Nourished by their active participation in the liturgical life of their community, they engage zealously in its apostolic works, [...] by their expert assistance they increase the efficacy of the care of souls as well as of the administration of the goods of the Church.”<sup>486</sup>

“By reason of knowledge, competence or pre-eminence which they have the laity are empowered – indeed sometimes obliged – to manifest their opinion on those which pertain to the good of the Church. If the occasion should arise this should be done through the institutions established by the Church for that purpose and always with truth, courage and prudence and with reverence and charity towards those who, by reason of their office, represent the person of Christ.”<sup>487</sup>

Furthermore, the Council declared that the Church had to bear witness to the virtue of poverty.<sup>488</sup> “Just as Christ carried out the work of redemption in poverty and oppression, so the Church is called to follow the same path if she is to communicate the fruits of salvation to men.”<sup>489</sup> It called on priests and religious to embrace evangelical poverty and shun away all forms of avarice and using ecclesiastical office as source of profit.<sup>490</sup> The Council called then for the reformation or abolition of the benefice system (a system which resembles a sole-administration of ecclesiastical goods), weighed on the thrust of sharing of goods and centralization of finances, calling for the establishment of common fund for the social security of priests, where richer dioceses can help the poor ones<sup>491</sup> and gave emphasis on the concern for the poor and needy.<sup>492</sup>

From the abovementioned considerations made by the Vatican II Council, we can see the direction that the Church wanted to take in the next succeeding years and the much-needed thorough reorganization of her

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<sup>486</sup> VATICAN II COUNCIL, Decree on the Apostolate of Lay People, *Apostolicam Actuositatem*, (18 Nov. 1965) in AAS 58 (1966) 837-864, n. 10.

<sup>487</sup> *Lumen Gentium*, 37.

<sup>488</sup> Cf. S. AMATU, *The Role of the Finance Council in the Administration of A Diocese...*, p. 59.

<sup>489</sup> *Lumen Gentium*, 8.

<sup>490</sup> *Presbyterorum Ordinis*, 17.

<sup>491</sup> Cf. *Presbyterorum Ordinis*, 21.

<sup>492</sup> Cf. *Presbyterorum Ordinis*, 20.

manner of administration of her temporal goods in order to adapt to the mind of the Council. A New Code then is needed to articulate these principles in legal terms. In particular, these same considerations provide us with the reasons why transparency, found its way into the patrimonial law of the Church, despite not being explicitly mentioned in the Code, and is a much needed value-system in the recent years in order for the Church to be faithful to the spirit of Vatican II and to her mission in the world. We shall now turn our attention to the current code and trace how this transparency or specifically rendering account to the faithful provided by Canon 1287 §2 came about.

## **B. The Redaction of Canon 1287 §2**

### ***1. The Making of the 1983 Code***

The plan of revising the 1917 Pio-Benedictine Code came with the pontificate of Pope John XXIII. It was part of the three-point plan he announced on January 25, 1959 just after few months he was made pope, *i.e.*, a) to hold a synod for the Diocese of Rome; b) convoke an Ecumenical Council, and c) revise the Code of Canon Law. He indicated that these three are meant to address the needs of the present time and that the ecumenical council and synod should provide the necessary direction for the reform of the Code of Canon Law.<sup>493</sup> Accordingly, he established the Pontifical Commission for the Revision of the Code of Canon Law on March 28, 1963.<sup>494</sup> Initially, forty cardinals were appointed as members of the

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<sup>493</sup> Cf. JOHN XXIII, alloc. *Questa festiva* (25 ian 1959), AAS 51 (1959) 65-69, esp. 68-69. The tripartite plan was reiterated a few months later in John XXIII, enc. *Ad Petri cathedram* (29 iun 1959), AAS 51 (497-531), at 498, Eng. trans., *The Pope Speaks* 5 (1959) 359-383, at 359, or in C. CARLEN, (ed.), *The Papal Encyclicals*, in 5 vols., (Plerian Press, 1990) V: 5-20, at 5; Also at [http://www.canonlaw.info/canonlaw\\_LegisHistory.htm](http://www.canonlaw.info/canonlaw_LegisHistory.htm), (Accessed 15.05.2014).

<sup>494</sup> “At this point the Pontifical Commission for the Authentic Interpretation of the Code of Canon Law, established on the May 27, 1917 ceased to exist. Then, on July 11, 1967, Paul VI constituted a Pontifical Commission for the Interpretation of the Decrees of the Second Vatican Council. The competency of the Commission for the Revision of the Code of Canon Law was “di preparare, alla luce soprattutto dei decreti del Concilio Ecumenico Vaticano II, la riforma del Codex Iuris Canonici (promulgato il 27 maggio 1917). Cf. Secretariat of State, Circular Letter, 25 March 1968. With the *Motu Proprio Recognito iuris canonici codice* of January 2, 1984, John Paul II instituted anew the Pontifical Commission for the Authentic Interpretation of the Code of Canon Law whose competency it would be to interpret *per modum legis* the canons of the 1983 Code and the universal laws of the Latin Church. With this, the previous two Commissions for the

Commission, but the number increased to seventy-four towards the end of the revision in order to have a much wider participation in such an important matter that would affect the universal Church.<sup>495</sup> When the group met in November 12, 1963, after some discussion, it decided to suspend its activity until the conclusion of the Vatican Council II, which was still going on at that time.<sup>496</sup>

On April 17 1964 Pope Paul VI established a body of consultors composed of 70 members and another 125 were added after the Vatican II Council. These experts were, like members of the Commission, each appointed for a term of five years renewable. On May 6, 1965, the Pontifical Commission gathered together to decide the procedures to be observed, the division of labor and the constitution of sub-commissions. The consultors were initially divided into ten *coetus studiorum* (study group) to prepare the draft legislation of what would become the 1983 Code of Canon Law. One of these ten *coetus studiorum* was assigned to revise the law on temporal goods.<sup>497</sup> A deliberate decision was made in 1967 to place the Church's legislation on temporal goods into a separate section of the revised law.<sup>498</sup>

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Revision of the Code and the Interpretation of the Decrees of Vatican II ceased to exist. On June 28, 1988, the Commission was re-named the Pontifical Council for the Interpretation of Legislative Texts and given a wider competency (cf. *Pastor Bonus*, 154-158)". A. MCCORMACK, *The Term "Privilege": A Textual Study of its Meaning and Use in the 1983 Code of Canon Law*, Editrice Pontificia Università Gregoriana, Rome 1997, p. 49.

<sup>495</sup> "In order to greater emphasize participation of the entire Church in the final phase of the work, the Supreme Pontiff decided to name new members to the Commission now numbered 74". E. CAPARROS-M. THÉRIAULT-J. THORN, *et al.* (eds.), *Code of Canon Law: Annotated*, 2<sup>nd</sup> ed., Wilson & Lafleur Limitée, Montreal/Midwest Theological Forum, Woodridge 2004, p. 27. Also, A. MCCORMACK, *The Term "Privilege": A Textual Study of its Meaning and Use in the 1983 Code of Canon Law*, Editrice Pontificia Università Gregoriana, Rome 1997, p. 49.

<sup>496</sup> Cf. *Communicationes*, 1 (1969), p. 36. Cf. also J. RENKEN, *Church Property: A Commentary on Canon Law Governing Temporal Goods in the United States and Canada*, St. Paul Publication/Alba House, New York 2009, p. 3

<sup>497</sup> Cf. *Communicationes*, 1 (1969), p. 44. Cf. also, A. MCCORMACK, *The Term "Privilege": A Textual Study of its Meaning and Use in the 1983 Code of Canon Law*, Editrice Pontificia Università Gregoriana, Rome 1997, p. 50. Cf. also J. Renken, *Church Property: A Commentary on Canon Law Governing Temporal Goods in the United States and Canada*, St. Paul Publication/Alba House, New York 2009, p. 3

<sup>498</sup> The central *coetus* of consultors of the Pontifical Commission for the Revision of the Code of Canon Law had met April 3-7, 1967 and voted on the question, "Whether it is favorable that legislation on temporal goods (or, patrimonial law) of the Church be placed in a separate part?" The ten consultors were unanimously in favor. Cf. *Communicationes*, 1 (1969), pp. 107-108.

On May 28, 1968, the plenary Pontifical Commission met and voted in favor of placing the legislation on temporal goods (or, patrimonial law) into a separate part of the revised code. The result was 33 *placet* and 7 *placet iuxta modum*. Cf. *Communicationes*, 1

On April 3 - 8, 1967, the Pontifical Commission developed ten “Guiding Principles” intended to give direction on the work of the various *coetus studiorum* charged with drafting the revised Code of Canon Law.<sup>499</sup> These were approved and endorsed by the first Synod of Bishops celebrated on Sept. 30 - Oct. 4, 1967. One of the 10 Guiding Principles that would guide the revision of the Code was the principle of subsidiarity which is particularly significant in matters of temporal goods of the Church considering the diversity of circumstances and laws in different regions, nations and particular circumscriptions.<sup>500</sup>

## **2. *The Drafting of the Book V on the Temporal Goods of the Church in the 1983 Code***

The *coetus studiorum* on the temporal goods of the Church began their work in earnest in January 1967 eagerly determined to update the administration of the temporal goods of the Church in order to adapt to the principles and mechanics of contemporary economics compatible with the purposes which these goods should serve the Church. The study group considered first the principles taken especially from the documents of Vatican II, on the revision of each canon, carefully deliberating what to change, or what to add, or what to suppress on the canons concerned. They practically followed most of the existing canonical order, although the titles were not always followed. In the end, the approved scheme had a different order and under new titles.<sup>501</sup>

At the beginning, the initial members of the *coetus studiorum* were 14, namely: Rev. Dr. Hercules Crovella (who was the *Relator* of the group), Consultor to the Sacred Congregation for Clerics; Most Rev. Narciso

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(1969), pp. 111-113. Also, J. RENKEN, *Church Property: A Commentary on Canon Law Governing Temporal Goods in the United States and Canada*, St. Paul Publication/Alba House, New York 2009, p. 3

<sup>499</sup> Cf. *Communicationes*, 1 (1969), pp. 36-38. Cf. PONTIFICIA COMMISSIO CODICI IURIS CANONICI RECOGNOSCENDO, “Principia quae Codicis iuris canonici recognitionem dirigant” in *Communicationes*, 1 (1969), pp. 77-85.

<sup>500</sup> The principle of subsidiarity underscores the importance of particular law especially on temporal goods: “The importance of these particular laws is to me more accurately described in the new Code of Canon Law especially in temporal administration, since the governance of temporal goods must be ordered for the most part according to the laws of each nation”. *Communicationes* 1 (1969), p. 81. The 1967 SYNOD OF BISHOPS voted in favor of subsidiarity – 128 *placet*, 58 *placet iuxta modum*, 1 *non placet*. Cf. *Communicationes*, 1 (1969) pp. 99-100. Cf. also J. RENKEN, *Church Property: A Commentary on Canon Law Governing Temporal Goods in the United States and Canada*, St. Paul Publication/Alba House, New York 2009, p. 5

<sup>501</sup> Cf. *Communicationes*, 5 (1973) pp. 94-103.

Jubany Arnau, Bishop of Gerona, Spain; Most Rev. Walenty Wójcik, Auxiliary Bishop of Sandomierz, Poland; Very Rev. Dr. Vincenzo Fagiolo, Prelate-Auditor of the Sacred Roman Rota; Rev. Drs. Lawrence McReavy, Professor in Canon Law at Ushaw College, England; Thomas Garcia Barberena, Rector, Pontifical University of Salamanca, Spain; Jan Pasztor, Episcopal Vicar General, Czechoslovakia; Frederick McManus; Professor in Canon Law at the Catholic University of America, U.S.A.; Very Rev. Fr. Atanasij Welykyj, O.S.B.M., Superior General of the Basilian Order of St. Josaphat; Fr. Ulric Beste, O.S.B., Professor Emeritus at the Pontifical College of St. Anselm, Rome; Daniel Faltin, O.F.M. Conv., Prelate-Auditor, Sacred Roman Rota, Alfons Stickler, S.D.B., Professor in Canon Law at the Pontifical Salesian College, Rome. Dr. Mario Petroncelli, Professor of Law in Neapolitan University, Naples; and Dr. Eugen Isele, Professor in Law at University of Freiburg, Germany.<sup>502</sup> However, these changed through time. Later, Most Rev. Maximino Romero de Lema, Secretary of the Congregation for Clergy and Dr. Willibald Plöchl, Professor of Canon Law at the University of Vienna, Austria were added to the group, while Crovella, Beste, Welykyj and Jubany were appointed to other assignments.<sup>503</sup>

### 3. *The Revision of the Section “De Bonis Ecclesiae Administrandis” (Cann. 1518-1528)*

On June 17, 1967, the Pontifical Commission for the Revision of the Code of Canon Law decided, in its letter addressed to the members of the *coetus studiorum*,<sup>504</sup> to tackle the revision of *De bonis Ecclesiae administrandis* (cann. 1518-1528) in Session III in November 1967, and requested that the “*votum*” of each consultor be submitted beforehand. The Chapter “*De bonis Ecclesiae administrandis*” and its provisions were deliberated at length from Session III (Nov. 20-24, 1967) until Session VI (Jan. 20-25, 1969). Canon 1525 §2 of the 1917 Code which later on became Canon 1287 §2 in the 1983 Code was discussed in Session IV (Feb. 19-24,

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<sup>502</sup> Cf. *Communicationes*, 1 (1969), p. 33 and for their designations and addresses cf. *Ibid.*, pp. 15-28.

<sup>503</sup> Cf. *Communicationes* 5 (1973) pp. 193.

<sup>504</sup> Cf. PONTIFICIA COMMISSIO CODICI IURIS CANONICI RECOGNOSCENDO, Archivio del Coetus “De Iure Patrimoniali Ecclesiae” (X/168), *Lettera Circolare Prot. N. 928/67 del 17 Giugno 1967 ai Consultori del Coetus “De Bonis Ecclesiae Temporalibus” di Richiesta dei Voti “De Bonis Ecclesiae Administrandis” per la III Sessione di Studio* [unpublished].

1968).<sup>505</sup> Most of the deliberations on the revision of this canon are not yet published to this time. Thus, in order to present a clear development of its codification for a better appreciation of it, a research into the unpublished files regarding the Code revision that can be found in the archives of the current Pontifical Council for Legislative Texts in Rome was done to substantiate those that were already published by the said Council, and with their due permission, we made use of them here in this work.

#### 4. The “*Votum*” of Consultors on Canon 1525 §2

Among the 12 Consultors, members of the *coetus studiorum* at that time who were invited to give their *votum* on “*De bonis Ecclesiae administrandis* (cann. 1518-1528), only 6 of them submitted their opinions on Canon 1525 §2.<sup>506</sup> Some noted that it should remain as is<sup>507</sup> while others had made some corrections to the text.

Alfons Stickler proposed the following revisions to the original Canon 1525 §2 of the 1917 Code:

“Si ex *peculiari* iure aliis ad id designatis ratio reddenda sit, tunc etiam *Ordinarius loci vel eius delegatus* cum *his* admittatur, ea lege ut aliter factae liberationes ipsis administratoribus minime suffragentur”.

to:

“Si ex iure *particulari* aliis ad id designatis ratio reddenda sit, tunc etiam *auctoritas competens ecclesiastica per se vel per delegatos* cum *illis* admittatur ea lege ut aliter factae liberationes ipsis administratoribus minime suffragentur<sup>508</sup>”

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<sup>505</sup> Cf. *Communicationes*, 36 (2004), pp. 218-219; 277-333; *Communicationes*, 37 (2005), pp. 116-138; 186-202.

<sup>506</sup> Cf. PONTIFICIA COMMISSIO CODICI IURIS CANONICI RECOGNOSCENDO, *Acta et Documenta Coetus Studii “De Iure Patrimoniali Ecclesiae”*, vol. I, Sectio C, Sessio III (20-24 novembris 1967), “Vota Consultorum”, (Archive) [unpublished].

<sup>507</sup> Two of the six consultors who submitted their *votum* ahead of time wanted the provision of Canon 1525 §2 to remain as it is: “L. McReavy (7 July 1967) – Canon 1525 §2: Prout Stat; J. Pasztor (22 Sept. 1967) – Canon 1521-1528: possunt manere.” PONTIFICIA COMMISSIO CODICI IURIS CANONICI RECOGNOSCENDO, *Acta et Documenta Coetus Studii “De Iure Patrimoniali Ecclesiae”*, vol. I, Sectio C, Sessio III (20-24 novembris 1967), “Votum Consultoris L. McReavy”, p. 11 and “Votum Consultoris J. Pasztor”, p. 5, (Archive) [unpublished].

<sup>508</sup> PONTIFICIA COMMISSIO CODICI IURIS CANONICI RECOGNOSCENDO, *Acta et Documenta Coetus Studii “De Iure Patrimoniali Ecclesiae”*, vol. I, Sectio C, Sessio III (20-24 novembris 1967), “Votum Consultoris A. Stickler”, p. 4, (Archive) [unpublished]. Cf.

While Atanasij Welykyj, OSBM, proposed the following changes:

“Si ex *particulari* iure aliis ad id designatis ratio reddenda sit, tunc etiam Ordinarius *proprius* vel eius delegatus cum his admittatur, ea lege ut aliter factae liberationes ipsis administratoribus minime suffragentur<sup>509</sup>”.

Both suggested to use *particulari* rather than *peculiari*, in line with the mind of Can. 273, §2 of the Code of Oriental Churches. Welykyj suggested further to change the term “ordinary of the place” to “proper ordinary.” He reasoned that the canon should be extended also to religious administrators, thus replacing “*loci*” with “*proprius*”, in keeping in mind with the view of the Council that in order to promote mutual collaboration in terms of concurring administration between a religious institute and a particular Church, there has to be a suitable written agreement between the local ordinary and the competent superior of said religious institute as reflected in the Apostolic Letter given Motu Proprio, *Ecclesiae Sanctae*, 30, 1 & 33, 1-2<sup>510</sup>. Accordingly, he hints that such norm seems appropriate to be prescribed in the revised Code.<sup>511</sup>

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also PONTIFICIA COMMISSIO CODICI IURIS CANONICI RECOGNOSCENDO, *Acta et Documenta Coetus Studii “De Iure Patrimoniali Ecclesiae”*, vol. II, Sectio A, Sessio IV (19-24 februarii 1968), “Relatio quam, supra vota Consultorum, apparavit Ill.mus ac Rev.mus Dominus H. Crovella, Relator in eodem coetu, Prot. N. 1275/68”, p. 4, (Archive) [unpublished].

<sup>509</sup> PONTIFICIA COMMISSIO CODICI IURIS CANONICI RECOGNOSCENDO, *Acta et Documenta Coetus Studii “De Iure Patrimoniali Ecclesiae”*, vol. II, Sectio A, Sessio IV (19-24 februarii 1968), “Votum Consultoris A. Welykyj, O.S.B.M.”, p. 3, (Archive) [unpublished].

<sup>510</sup> “Whenever a work of the apostolate is entrusted to any religious institute by a local ordinary, in accordance with the prescriptions of law, a written agreement shall be made between the local ordinary and the competent superior of the institute which will, amongst other things, set down precisely, all that concerns the work to be done, the members of the institute assigned to it and the finances.” PAUL VI, Apostolic Letter written *Motu Proprio*, on the Implementation of the decrees Christus Dominus, Presbyterorum Ordinis and Perfectae Caritatis, *Ecclesia Sanctae*, 30, 1. AAS 58 (1966), pp. 757-787. “The local ordinary may by his own authority, with the consent of the competent superior, entrust a parish to a religious institute [...] in either case it should be effected by means of a written agreement...”, *Ecclesiae Sanctae*, 33, 1. “The local ordinary may also, with the approval of his superior, appoint a religious as parish priest of a parish which is not entrusted to a religious institute. This is to be done by special appropriate agreement...”, *Ecclesiae Sanctae*, 33, 2. English trans. from A. FLANNERY, O.P. (ed.), *Vatican Council II: The Conciliar and Post Conciliar Documents*, William B. Eerdmans Publishing Co., Michigan, U.S.A. 1984, pp. 606-607.

<sup>511</sup> “mutato verbo “*peculiari*” in “*particulari*”, ad mentem can. 273, §2 Codicis orientalis; mutata dictio “*Ordinarius loci*” in “*Ordinarius proprius*”.[...] Ratio: Canon

However, the most significant proposal and revision which totally shifted the direction of rendering accounts came from Frederick McManus of the Catholic University of America which states:

“At the present time, reports concerning financial matters should be made not only to the local Ordinary, but to the respective members of the community, to the members of the parish in the case of the parochial property, to the members of the diocese in the case of diocesan property, etc.”<sup>512</sup>

This proposition became the basis of what is prescribed now in Canon 1287 §2. It turned out to be totally different from Canon 1525 §2 of the 1917 Code which served as the reference precept for revision at that time. It brought the emphasis back to the obligation of administrators to render account to others besides the ordinary, and this time, not only to those they are subject to but to the Christian community as a whole.

Moreover, Walenty Wójcik’s of Poland suggested that written accounts are to be shown also to benefactors who ask for them.<sup>513</sup>

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*extendendus est etiam ad administratores religiosos, omissione verbi “loci” et additione “proprii”, ad mentem concilii administrationes concurrentiales invigilande sunt ope oportunis conventionibus (cfr. “Ecclesiae sanctae” ad decretum “Christus Dominus”, nmr. 30, 1; 33, 1-2). Proinde opportunum videtur ut haec norma statuatur etiam in Codici iuris recogniti.”* PONTIFICIA COMMISSIO CODICI IURIS CANONICI RECOGNOSCENDO, *Acta et Documenta Coetus Studii “De Iure Patrimoniali Ecclesiae*, vol. II, Sectio A, Sessio IV (19-24 februarii 1968), “Votum Consultoris A. Welykyj, O.S.B.M.”, pp. 3-4, (Archive) [unpublished].

<sup>512</sup> PONTIFICIA COMMISSIO CODICI IURIS CANONICI RECOGNOSCENDO, *Acta et Documenta Coetus Studii “De Iure Patrimoniali Ecclesiae*, vol. I, Sectio C, “Sessio III (20-24 novembris 1967), “Votum Consultoris F. McManus”, p. 2, (Archive) [unpublished]. Cf. also PONTIFICIA COMMISSIO CODICI IURIS CANONICI RECOGNOSCENDO, *Acta et Documenta Coetus Studii “De Iure Patrimoniali Ecclesiae”*, vol. II, Sectio A, Sessio IV (19-24 februarii 1968), “Relatio quam, supra vota Consultorum, apparavit Ill.mus ac Rev.mus Dominus H. Crovella, Relator in eodem coetu, Prot. N. 1275/68”, p. 4, (Archive) [unpublished].

<sup>513</sup> “*In c.1525 §1 addatur: Haec rationes in scriptis etiam benefactoribus ad eorum requisitionem ostendatur*” (translated into English by the author), PONTIFICIA COMMISSIO CODICI IURIS CANONICI RECOGNOSCENDO, Archivio del Coetus “*De Iure Patrimoniali Ecclesiae*” (X/168), *I Voti dei Consultori “De bonis Ecclesia administrandis” per la III Sessione di Studio*, “Votum Consultoris Walenty Wójcik” p. 2, [unpublished]. Cf. also PONTIFICIA COMMISSIO CODICI IURIS CANONICI RECOGNOSCENDO, *Acta et Documenta Coetus Studii “De Iure Patrimoniali Ecclesiae”*, vol. II, Sectio A, Sessio IV (19-24 februarii 1968), “Relatio quam, supra vota Consultorum, apparavit Ill.mus ac Rev.mus Dominus H. Crovella, Relator in eodem coetu, Prot. N. 1275/68”, p. 4, (Archive) [unpublished].

Although Wojcik's suggestion was intended for c.1525 §1, as was indicated in the *votum* he submitted, nonetheless, it supports significantly the direction of reporting of accounts that McManus wanted to convey.

### **5. *The Proceedings of the Fourth Session - 5<sup>th</sup> and 6<sup>th</sup> Meetings***<sup>514</sup>

The Fourth Session of the *coetus studiorum* “*De bonis Ecclesiae Temporalibus*” was held on February 19-24, 1968 with 12 members present.

The following matters were the topic of deliberation: (1) Whether they are in favor or not of the formulae of canons 1518, 1519, 1519b, 1520, 1521, 1521b, 1522, 1523 provided by the *Relator*, as expressed according to the wishes of the Consultors in the preceding Session, or they should be revised; (2) Whether they are in favor or not that the formula of canon 1524 provided by Fr. Jarlot, S.J., be reduced; and (3) On the revision of canons 1525-1534.

Canon 1525 §2 in particular, which concerns rendering account to others besides the Ordinary, was discussed in their 5<sup>th</sup> and 6<sup>th</sup> Meeting held on the eve of February 21, 1968 and in the morning of February 22, 1968 respectively.

During the 5<sup>th</sup> Meeting, Crovella who was the *Relator* at that time proposed to the committee to suppress Canon 1525 §2 if the provision in Canon 1525 §1, *i.e.* administrators are to render annual account of their administration to the local Ordinary, admits no exceptions, because it seems to be just a redundant provision of §1. Bidagor wanted first the committee to establish the persons to whom the rendering of account must be given. Wojcik pointed the fact that the Church of today lives from the offerings of the faithful and they too, would like to know how these were spent, insinuating that reporting to the faithful must also be done. McManus who was responsible for the *votum* that introduced the idea of rendering account to the faithful, shared that in the USA, annual financial report is often provided to the community. This was affirmed by Pasztor stating that in Czechoslovakia, they also have a practice of providing accounting of expenses. Isele also revealed that this holds true also in Switzerland for the reason of the widespread “*patronato popolare*”. After hearing these interventions, Barberena opined that there seems a need to render account to

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<sup>514</sup> For the whole narrative of *Coetus Studii* “*De Bonis Ecclesiae Temporalibus*” Session IV cf. *Communicationes* 36 (2004) pp. 306-333; in particular pp. 321-322 for Adunatio V & VI. The author also used in this chapter the discussions found in the PONTIFICIA COMMISSIO CODICI IURIS CANONICI RECOGNOSCENDO, Archivio del Coetus “*De Iure Patrimoniali Ecclesiae*” (X/172), *Minuta della Relatio Stilata da don Voto, Attuario “De Iure Patrimoniale Ecclesiae”*, Sessione 4, pp. 23-27, [unpublished].

the faithful even at least of those goods that they have given. Thus, he proposed the following revised formula for Canon 1252 §2<sup>515</sup>:

“De bonis a fidelibus oblatis rationes eis etiam, iuxta modum iure particulari statuendum, reddantur.”<sup>516</sup>

This proposed formula for Canon 1252 §2 came in a totally different light and as a totally different provision. From the original emphasis in the 1917 Code and in the Council of Trent to include the local Ordinary or his representative in those persons to whom administrators ought to render an account for their administration into directing now the obligation of rendering account to the faithful on account of those goods they have given.

Some members of the *coetus studiorum* wanted the rendering of account to others to be left to the particular law<sup>517</sup>, while others wanted the matter to be part of the common law, yet restricted only to the offerings coming from the faithful.

A discussion arose whether such accounting to the faithful should be recommended or prescribed (commended or commanded) and, if it is to be prescribed, whether it must be absolutely prescribed or with some moderation. A suggestion arose from Fagiolo to mitigate the provision by adding the words “*quantum fieri potest*” at the beginning of the proposed formula. Stickler and McManus agreed to this. However, Bidagor noted that if “*moderatio*” is made, the precept would be much weakened. Welykyj

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<sup>515</sup> Cf. PONTIFICIA COMMISSIO CODICI IURIS CANONICI RECOGNOSCENDO, Archivio del Coetus “De Iure Patrimoniali Ecclesiae” (X/172), *Minuta della Relatio Stilata da don Voto, Attuario “De Iure Patrimoniale Ecclesiae”*, Sessione 4, p. 23, [unpublished]. From this discussion we can see that the rendering of accounts to the faithful has been in practice in some regions already although it has not been universally legislated probably as a response to the growing prominence of transparency in the different fields of society.

<sup>516</sup> PONTIFICIA COMMISSIO CODICI IURIS CANONICI RECOGNOSCENDO, Archivio del Coetus “De Iure Patrimoniali Ecclesiae” (X/172), *Minuta della Relatio Stilata da don Voto, Attuario “De Iure Patrimoniale Ecclesiae”*, Sessione 4, p. 23, [unpublished]. English translation by the author: “Concerning the goods offered by the faithful, accounts to them are also to be rendered, according to the manner to be established by particular law.”

<sup>517</sup> In the proceedings of the Pontifical Commission published in *Communicationes*, no names were provided on the interventions of individual members of the *coetus studiorum*, for example in this particular case only “*Rev.mi Relator et secundus Consultor*” were provided, Cf. *Communicationes* 36 (2004), p. 321. However, in the official Report of the Pontifical Commission found in their *Acta et Documenta* they were all indicated, and in this particular case, they were Hercules Crovella & Atanasij Welykyj respectively. Although no reason was provided for their particular suggestion. Cf. PONTIFICIA COMMISSIO CODICI IURIS CANONICI RECOGNOSCENDO, *Acta et Documenta Coetus Studii “De Iure Patrimoniali Ecclesiae”*, vol. II, Sectio B, Sessio IV (19-24 februarii 1968), “*Relatio Conclusiva IV<sup>ae</sup> Sessionis*”, pp. 31-32, (Archive) [unpublished].

cautioned the body that such discussion on the manner of doing it is already entering a field that competes with particular law. But McManus insisted that the common law must at least recommend to make these financial reports.<sup>518</sup> Eight Consultors wanted a subdued/mitigated preceptive formula while three Consultors wanted an absolute preceptive formula.<sup>519</sup> They tasked the 6<sup>th</sup> Consultor<sup>520</sup> to present a reduced formula on the next meeting.

The next day, during the 6<sup>th</sup> Meeting, the 6<sup>th</sup> Consultor provided the formula for canon 1525 §2 to the Consultors, to wit:

“De bonis quae a fidelibus Ecclesiae offeruntur administratores, nisi gravis obstet causa, rationes eisdem fidelibus reddere debent iuxta modum iure particulari statuendum<sup>521</sup>”.

Furthermore, the 6<sup>th</sup> Consultor indicated that if they prefer a more mitigated formula, than “*nisi gravis obstet causa*” (unless a grave cause prevents it); other Consultors may choose other forms, such as, “*nisi iusta causa aliud suadeat*” (unless a just cause suggests otherwise), or “*in quantum fieri possit*” (as much as possible), or “*in quantum commode fieri possit*” (as convenient as possible) as well as “*si opus sit*” (if necessary).<sup>522</sup>

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<sup>518</sup> Cf. PONTIFICIA COMMISSIO CODICI IURIS CANONICI RECOGNOSCENDO, Archivio del Coetus “De Iure Patrimoniali Ecclesiae” (X/172), *Minuta della Relatio Stilata da don Voto, Attuario “De Iure Patrimoniale Ecclesiae”*, Sessione 4, pp. 23-24, [unpublished].

<sup>519</sup> The votation can be found in *Communicationes* 36 (2004) pp. 321-322 and also in PONTIFICIA COMMISSIO CODICI IURIS CANONICI RECOGNOSCENDO, Archivio del Coetus “De Iure Patrimoniali Ecclesiae” (X/172), *Minuta della Relatio Stilata da don Voto, Attuario “De Iure Patrimoniale Ecclesiae”*, Sessione 4, p. 24, [unpublished].

<sup>520</sup> According to the official Report of the Pontifical Commission, the 6<sup>th</sup> Consultor referred to Rev. Thomas Garcia Barberena. Cf. PONTIFICIA COMMISSIO CODICI IURIS CANONICI RECOGNOSCENDO, *Acta et Documenta Coetus Studii “De Iure Patrimoniali Ecclesiae”*, vol. II, Sectio B, Sessio IV (19-24 februarii 1968), “Relatio Conclusiva IV<sup>ae</sup> Sessionis”, p. 32, (Archive) [unpublished].

<sup>521</sup> “Concerning the goods which are offered by the faithful to the Church, administrators, unless a grave reason prevents it, must render accounts to the same faithful in a manner to be established by particular law.” (Translation into English by the author). Cf. *Communicationes* 36 (2004), p. 322.

<sup>522</sup> Translations into English were made by the author. The *Minuta della Relatio Stilata da don Voto, Attuario “De Iure Patrimoniale Ecclesiae”* (4<sup>th</sup> Session), provides us with the details of the discussion on the suggested forms of mitigation: “Crovella: *iusta causa*: così McReavy, Welykyj, Beste, Fagiolo; Wojcik: *gravis causa*: così pure Barberena, McManus, Isele; Faltin: *si opus sit*; Stickler: *quantum fieri possit*. Cf. PONTIFICIA COMMISSIO CODICI IURIS CANONICI RECOGNOSCENDO, Archivio del Coetus “De Iure Patrimoniali Ecclesiae” (X/172), *Minuta della Relatio Stilata da don Voto, Attuario “De Iure Patrimoniale Ecclesiae”*, Sessione 4, p. 27, [unpublished].

Majority of the Consultors favored the formula “*nisi iusta causa aliud suadeat*” (unless a just cause suggests otherwise).<sup>523</sup> Hence, the approved revised provision of Canon 1525, §2 which appeared in the 1977 Schema<sup>524</sup> as Canon 31 §2, is written thus:

“De bonis, quae a fidelibus Ecclesiae offeruntur, administratores, nisi iusta causa aliud suadeat, rationes eisdem fidelibus reddere debent iuxta modum iure particulari statuendum.”

Other concerns on the proposed revised provision were also discussed. Faltin and Welykyj asked for clarification whether the rendering of account would cover only the offerings of the faithful or would include also the goods of the entities coming from other sources. The response was that the text is clear: it deals with the rendering of account of the offerings received from the faithful and not from other proceeds. Isele also suggested that it would be better to establish the destination of these offerings because at times the offerings are more than that of all the other proceeds.

## **6. General Consultation on the *Schema Canonum Libri V “De Iure Patrimoniali Ecclesiae”***

A general consultative process was made after completing the *Schema Canonum Libri V “De iure patrimoniali Ecclesiae”*. Copies of which were sent, with papal permission, to episcopal conferences, offices of the Roman Curia, the Unions of Superiors General, various catholic universities and faculties. The observations, propositions and suggestions received from these different consultative bodies were classified and synthesized for the next deliberations of the *coetus studiorum*.<sup>525</sup>

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<sup>523</sup> The votation went as follow: “Placet – 6; abstinens – 1; non placet – 5.” PONTIFICIA COMMISSIO CODICI IURIS CANONICI RECOGNOSCENDO, Archivio del Coetus “De Iure Patrimoniali Ecclesiae” (X/172), *Minuta della Relatio Stilata da don Voto, Attuario “De Iure Patrimoniale Ecclesiae”*, Sessione 4, p. 27, [unpublished].

<sup>524</sup> The Pontifical Commission published the *Schema Canonum Libri V De Iure Patrimoniali Ecclesiae* on November 15, 1977 containing the first draft of the Book Five of the Code of Canon Law and was sent to various consultative organs for comments and suggestions. Cf. PONTIFICIA COMMISSIO CODICI IURIS CANONICI RECOGNOSCENDO, *Schema Canonum Libri V De Iure Patrimoniali Ecclesiae*, Typis Polyglottis Vaticanis, Vatican City State 1977. This text can also be found in *Communicationes*, 37 (2005), pp. 284-303.

<sup>525</sup> These observations, propositions and suggestions on *Schema Canonum Libri V De Iure Patrimoniali Ecclesiae* received from various consultative organs can be found in the unpublished documents of PONTIFICIA COMMISSIO CODICI IURIS CANONICI RECOGNOSCENDO, Archivio del Coetus “De Iure Patrimoniali Ecclesiae” (X/172), *Consultazione Generale del 1977: Copie delle Osservazioni allo Schema “De Iure*

Among the many various organs of consultation that were consulted, only 12 made their comments and suggestions on Canon 31 §2 of the 1977 *Schema*, some of which are worthy to be noted here for a better understanding of the development of the said provision.

a) Removal of the word “*eisdem*”.

The University of Munich<sup>526</sup> noted that “*eisdem*” specified too much the provision and therefore should be removed.<sup>527</sup> The German Bishops’ Conference reasoned further, that the provision should not be established as a claim for each donor to receive an exact accounting on the use of his/her offering, hence, the need to scrap the said term<sup>528</sup>.

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*Patrimoniali Ecclesiae*” (Gli originali dei documenti sono conservati nella posizione S. 21), [unpublished] and some also in PONTIFICIA COMMISSIO CODICI IURIS CANONICI RECOGNOSCENDO, *Acta et Documenta Coetus Studii “De Iure Patrimoniali Ecclesiae”*, Series Altera, vol. 1, Sectio B, “Synthesis animadversionum quas organa consultationis fecerunt/Osservazioni degli Organi di Consultazione sullo Schema Canonum Libri V “De Iure Patrimoniali Ecclesiae”, pp. 47-48, (Archive) [unpublished].

<sup>526</sup> The observations and suggestions of the University of Munich were penned by Winfried Schulz. Cf. PONTIFICIA COMMISSIO CODICI IURIS CANONICI RECOGNOSCENDO, Archivio del Coetus “De Iure Patrimoniali Ecclesiae” (X/172), “Universität di Monaco – Der entwurf des Vermögensrechtes” in *Consultazione Generale del 1977: Copie delle Osservazioni allo Schema “De Iure Patrimoniali Ecclesiae”* [unpublished].

<sup>527</sup> “Das allzu spezifizierende “*eisdem*” in can. 31 §2 ist zu tilgen” *Universität di Monaco – Der entwurf des Vermögensrechtes* in PONTIFICIA COMMISSIO CODICI IURIS CANONICI RECOGNOSCENDO, Archivio del Coetus “De Iure Patrimoniali Ecclesiae” (X/171), *Consultazione Generale del 1977: Copie delle Osservazioni allo Schema “De Iure Patrimoniali Ecclesiae”*, p. 13, [unpublished].

<sup>528</sup> “Canon 31 §2 - In Zeile 2 ist das Wort “*eisdem*” zu streichen. Begründung: zu §2: Es soll nicht ein Anspruch begründet werden, daß jeder Spender genau Rechenschaft über die Verwendung seiner Gaben erhält”. *Stellungnahme der Deutschen Bischofskonferenz zu dem “Schema Canonum Libri V: De Iure Patrimoniali Ecclesiae”* in PONTIFICIA COMMISSIO CODICI IURIS CANONICI RECOGNOSCENDO, Archivio del Coetus “De Iure Patrimoniali Ecclesiae” (X/171), *Consultazione Generale del 1977: Copie delle Osservazioni allo Schema “De Iure Patrimoniali Ecclesiae”*, p. 10, [unpublished]. Cf. also PONTIFICIA COMMISSIO CODICI IURIS CANONICI RECOGNOSCENDO, *Acta et Documenta Coetus Studii “De Iure Patrimoniali Ecclesiae”*, Series Altera, vol. I, Sectio B, “Synthesis animadversionum quas organa consultationis fecerunt/Osservazioni degli Organi di Consultazione sullo Schema Canonum Libri V “De Iure Patrimoniali Ecclesiae”, p. 47.

b) Removal of “unless a just cause urges otherwise”.

The Bishop of the Diocese of Richmond suggested that the said phrase be removed from the text of the canon.<sup>529</sup>

c) On Transparency

The University of Munich noted that in Canon 3, §2, care must be taken that it will not only be about the voluntary offerings of the faithful, as the verb “*offeruntur*” suggests, but it should rather be clear as a norm that deals with Transparency in the administration of ecclesiastical goods.<sup>530</sup>

d) Negative Views

1) Can be used in the opposite sense

The University of Santo Tomas, Manila and the Episcopal Conference of the Philippines have a negative view on the provision. They stated that if the mind or intention of the legislation is to establish a juridical obligation of rendering accounts in public regarding the goods offered by the faithful, there seems to be no sufficient reason for its establishment because it could be used in the

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<sup>529</sup> “*Si sopprima “nisi iusta causa aliud suadeat” (Vescovo, Diocesi di Richmond)”, PONTIFICIA COMMISSIO CODICI IURIS CANONICI RECOGNOSCENDO, Acta et Documenta Coetus Studii “De Iure Patrimoniali Ecclesiae”, Series Altera, vol. I, Sectio B, “Synthesis animadversionum quas organa consultationis fecerunt/Osservazioni degli Organi di Consultazione sullo Schema Canonum Libri V “De Iure Patrimoniali Ecclesiae”, p. 47.*

<sup>530</sup> “*In can. 31 §2 ist darauf zu achten, daß nicht nur auf die freiwilligen Abgaben der Gläubigen abgestellt wird, wie es das Verb “offeruntur” nahelegt, sondern es sollte deutlich werden, daß es bei dieser Norm um die Transparenz kirchlicher Vermögensverwaltung geht”. Università di Monaco – Der entwurf des Vermögensrechtes in PONTIFICIA COMMISSIO CODICI IURIS CANONICI RECOGNOSCENDO, Archivio del Coetus “De Iure Patrimoniali Ecclesiae” (X/171), Consultazione Generale del 1977: Osservazioni allo Schema “De Iure Patrimoniali Ecclesiae”, p. 13, [unpublished]. Cf. also PONTIFICIA COMMISSIO CODICI IURIS CANONICI RECOGNOSCENDO, Acta et Documenta Coetus Studii “De Iure Patrimoniali Ecclesiae”, Series Altera, vol. I, Sectio B, “Synthesis animadversionum quas organa consultationis fecerunt/Osservazioni degli Organi di Consultazione sullo Schema Canonum Libri V “De Iure Patrimoniali Ecclesiae”, p. 47, (Archive) [unpublished].*

opposite sense depending on the diversity of places, persons and circumstances.<sup>531</sup>

## 2) May lessen the public nature of the Church

The Episcopal Conference of Mexico noted that one must be very careful with such legislation, because it can be a remnant of the old Patrimonial Law of a private nature, which may lessen the public nature of the Church. With communitarian ecclesiology as foundation, the personal interest of the donor already disappears. Once the offering is made, it should be subject already to the organizational and administrative principles of the goods of the Church.

Furthermore, if this requires an information of obligatory nature, it should be made to the particular community as a community and not precisely to the particular person.<sup>532</sup>

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<sup>531</sup> “*Ad can. 31 §2: Si mens vel intentio sit statuendi iuridicam obligationem, ut rationes reddantur in publicum de bonis quae a fidelibus offeruntur, nobis non videtur sufficientem rationem existere ut talis obligatio statuatur, cum haec redditio rationum possit in oppositum sensum operari, secundum diversitatem locorum, personarum, circumstantiarum.*” Università di San Tommaso, Filippine in PONTIFICIA COMMISSIO CODICI IURIS CANONICI RECOGNOSCENDO, Archivio del Coetus “*De Iure Patrimoniali Ecclesiae*” (X/171), *Consultazione Generale del 1977: Osservazioni allo Schema “De iure patrimoniali Ecclesiae”*, pp. 10-11, [unpublished]. Cf. also PONTIFICIA COMMISSIO CODICI IURIS CANONICI RECOGNOSCENDO, *Acta et Documenta Coetus Studii “De Iure Patrimoniali Ecclesiae”*, Series Altera, vol. 1, Sectio B, “*Synthesis animadversionum quas organa consultationis fecerunt/Osservazioni degli Organi di Consultazione sullo Schema Canonum Libri V “De Iure Patrimoniali Ecclesiae”*”, p. 47, (Archive) [unpublished].

“*Ad canonum 31 §2: Si mens seu intention sit statuendi iuridicam obligationem, ut rationes reddantur in publicum de bonis quae a fidelibus offeruntur, non videtur sufficientem rationem existere ut talis obligatio statuatur, cum haec redditio rationum possit in oppositum sensum operari secundum diversitatem locorum, personarum, circumstantiarum...*” Conferenza Episcopale Filippine in PONTIFICIA COMMISSIO CODICI IURIS CANONICI RECOGNOSCENDO, Archivio del Coetus “*De Iure Patrimoniali Ecclesiae*” (X/171), *Consultazione Generale del 1977: Osservazioni allo Schema “De Iure Patrimoniali Ecclesiae”*, p. 13, [unpublished]. Cf. also PONTIFICIA COMMISSIO CODICI IURIS CANONICI RECOGNOSCENDO, *Acta et Documenta Coetus Studii “De Iure Patrimoniali Ecclesiae”*, Series Altera, vol. I, Sectio B, “*Synthesis animadversionum quas organa consultationis fecerunt/Osservazioni degli Organi di Consultazione sullo Schema Canonum Libri V “De Iure Patrimoniali Ecclesiae”*”, p. 47, (Archive) [unpublished].

<sup>532</sup> “*Canon 31 par. 2 - Se debe tener mucho cuidado con esta disposición, porque puede resultar un resabio del Derecho Patrimonial antiguo de carácter privado, lo cual podría disminuir el carácter público de la Iglesia. En realidad en el canon del nuevo*

### 3) “Decet” rather than “debent”

The University of Santo Tomas, Manila and the Episcopal Conference of the Philippines proposed the use of “decet” instead of “debent” in order to convey that the said provision need not be a juridical obligation, but is rather encouraged.<sup>533</sup>

### 4) Some Questions Arising from the Provision

The Episcopal Conference of Belgium posed several questions regarding the provision, to wit: Which goods are referred to? Do these include ancient donations? Is this about Church offerings in general? Does the norm cover all offerings, even those which are transmitted to the Apostolic See? Who estimates the just cause?<sup>534</sup>

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*esquema viene presentada una división entre la Iglesia-administración y el fiel donante. Sin embargo, teniendo como fundamento una ecclesiología comunitaria (según la cual la obligación que se adquiere con respecto a la Iglesia, está radicada en la persona del creyente, como miembro de la Iglesia), ya el interés personal del donante desaparece. Una vez hecha la donación, ésta debe sujetarse a los principios organizativos y administrativos de los bienes de la Iglesia. Y si se exige una información de carácter obligatorio, ésta debe hacerse a la comunidad particular en cuanto comunidad, y no precisamente a la persona particular”. Conferenza Episcopale Messicana, Observaciones al Schema Canonum Libri V De iure patrimoniale Ecclesiae in PONTIFICIA COMMISSIO CODICI IURIS CANONICI RECOGNOSCENDO, Archivio del Coetus “De Iure Patrimoniali Ecclesiae” (X/171), Consultazione Generale del 1977: Osservazioni allo Schema “De Iure Patrimoniali Ecclesiae”, p. 19, [unpublished].*

<sup>533</sup> “Ideo proponimus hanc formulam: “De bonis, quae a fidelibus Ecclesiae offeruntur, **decet** administratores, nisi iusta causa aliud suadeat, rationes eisdem fidelibus reddere, iuxta modum iure particulari statuendum”. PONTIFICIA COMMISSIO CODICI IURIS CANONICI RECOGNOSCENDO, Archivio del Coetus “De Iure Patrimoniali Ecclesiae” (X/171), Consultazione Generale del 1977: Osservazioni allo Schema “De Iure Patrimoniali Ecclesiae”, “Università di San Tommaso, Filippine” (p. 11) and “Conferenza Episcopale Filippine” (p. 13), [unpublished]. Cf. also PONTIFICIA COMMISSIO CODICI IURIS CANONICI RECOGNOSCENDO, *Acta et Documenta Coetus Studii “De Iure Patrimoniali Ecclesiae”*, Series Altera, vol. I, Sectio B, “Synthesis animadversionum quas organa consultationis fecerunt/Osservazioni degli Organi di Consultazione sullo Schema Canonum Libri V “De Iure Patrimoniali Ecclesiae”, p. 48, (Archive) [unpublished]

<sup>534</sup> “Canon 31, 2: de ratione fidelibus reddenda: *Ulteriores determinationes necessariae videntur: Quatenam bona? Etiam a saeculis donate? – Ecclesia oblate: in genere? Ita ut norma de omnibus oblationibus valeat, etiam v.g. de illis quae Apostolicae Sedis transmittuntur? – quis justam causam aestimabit?*” Conferentia Episcoporum Belgii, Observationes ad Schemata pro Codici I.C. Recognoscendo Proposita ad Schema Libri V: De Iure Patrimoniali Ecclesiae in PONTIFICIA COMMISSIO CODICI IURIS CANONICI

The Catholic University of Louvain queried if the word “Ecclesiae” in the provision means “personae canonicae publicae” (public canonical person).<sup>535</sup>

## 7. *The Revision of 1977 Schema*

After gathering all the observations and comments of the various consultative organs on the 1977 Schema on Book V, the *coetus studiorum* gathered again for two Sessions<sup>536</sup>, in order to evaluate and deliberate the general and particular remarks made, and put in place the necessary revisions for the next draft.

Canon 31 §2 was tackled in Session II, on November 13, 1979 Meeting.<sup>537</sup> Gathered from the different observations and comments from various consultative organs, the following significant matters were discussed:

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RECOGNOSCENDO, Archivio del Coetus “De Iure Patrimoniali Ecclesiae” (X/171), *Consultazione Generale del 1977: Osservazioni allo Schema “De Iure Patrimoniali Ecclesiae”*, p. 5, [unpublished]. Cf. also PONTIFICIA COMMISSIO CODICI IURIS CANONICI RECOGNOSCENDO, *Acta et Documenta Coetus Studii “De Iure Patrimoniali Ecclesiae”*, Series Altera, vol. I, Sectio B, “Synthesis animadversionum quas organa consultationis fecerunt/Osservazioni degli Organi di Consultazione sullo Schema Canonum Libri V “De Iure Patrimoniali Ecclesiae”, p. 47, (Archive) [unpublished].

<sup>535</sup> “Canon 31 §2 – “Ecclesiae” = personae canonicae publicae?” Universite Catholique de Louvain, “De Iure Patrimoniali” in PONTIFICIA COMMISSIO CODICI IURIS CANONICI RECOGNOSCENDO, Archivio del Coetus “De Iure Patrimoniali Ecclesiae” (X/171), *Consultazione Generale del 1977: Osservazioni allo Schema “De Iure Patrimoniali Ecclesiae”*, p. 2, [unpublished]. Cf. also PONTIFICIA COMMISSIO CODICI IURIS CANONICI RECOGNOSCENDO, *Acta et Documenta Coetus Studii “De Iure Patrimoniali Ecclesiae”*, Series Altera, vol. I, Sectio B, “Synthesis animadversionum quas organa consultationis fecerunt/Osservazioni degli Organi di Consultazione sullo Schema Canonum Libri V “De Iure Patrimoniali Ecclesiae”, p. 47, (Archive) [unpublished].

<sup>536</sup> The first Session of the *coetus studiorum* was on June 17-23, 1979 and the second Session was on November 12-16, 1979. Cf. *Communicationes* 12 (1980) pp. 388-414.

<sup>537</sup> The whole proceedings of Session II can be found in PONTIFICIA COMMISSIO CODICI IURIS CANONICI RECOGNOSCENDO, “Relatio “De bonis Ecclesiae temporalibus”, Sessio II<sup>a</sup> (diebus 12-16 Novembris 1979 habita): Adunatio diei 13 Novembris 1979” in *Acta et Documenta Coetus Studii De Iure Patrimoniali Ecclesiae*, Series Altera, vol. 1, Sectio C, pp. 7-8, (Archive) [unpublished]. Also in *Communicationes* 12 (1980), pp. 420-421.

a) All or Some ecclesiastical goods

Some proposed that the obligation of rendering account in Canon 31 §2 should be extended to all ecclesiastical goods. However, the Consultors do not consider it opportune, even though they admit that the arguments can be made where the circumstances suggest it praiseworthy. Moreover, the consultors think that the favorable circumstances can be difficult to establish in fact, but when rendering the account is only for the faithful believers, wherein such people are faithful to the Church and found them well taught about the purposes on account of which the Church possesses temporal goods, it can be permitted.<sup>538</sup>

b) Removal of “*eisdem*”

It was suggested that the word "eisdem" be removed from the text. Everyone agreed on this.<sup>539</sup>

c) “*Decent*” or “*Debent*”

Some suggested that the word to be used is "*decent*," which means "appropriate, proper or suitable" instead of "*debent*," which means "ought to, must or should". But the consultors wished to keep the word "*debent*" in the canon because it is already sufficiently guarded against by the clause "*nisi iusta causa aliud suadeat*" (unless a just cause suggests otherwise)<sup>540</sup>.

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<sup>538</sup> “Nonnulli proposuerunt ut obligatio reddendi §2, extendatur ad omnia bona ecclesiastica. Consultores non opportunum id censent, etsi admittant quod laudabiliter rationes reddi possunt ubi circumstantiae id suadeant; putant tamen Consultores circumstantias favorabiles difficulter de facto haberi posse, nisi quando rationes reddantur fidelibus uti fidelibus, quando scilicet tales fideles cum Ecclesia sentiant et bene edocti sint de finibus ob quos Ecclesiae licet bona temporalia possidere”. *Communicationes* 12 (1980), p. 421.

<sup>539</sup> “Suggestum est ut e §2 expungatur verbum "eisdem" (omnibus placet)". *Communicationes* 12 (1980), p. 421.

<sup>540</sup> Nonnulli proposuerunt ut in §2 dicatur "*decent*" loco "*debent*". At Consultores retinere volunt verbum "*debent*" quia sufficienter in canone cavetur per clausulam "*nisi iusta causa aliud suadeat*". *Communicationes* 12 (1980), p. 421.

No major changes were introduced to the text except the removal of the word “eisdem”. Thus, the text which appeared in the 1980 Schema was:

“De bonis, quae a fidelibus Ecclesiae offeruntur, administratores, nisi iusta causa aliud suadeat, rationes fidelibus reddere debent iuxta modum iure particulari statuendum”.

Thus, upon consolidation of all the proposed canons made by other *coetus studiorum*, it became Canon 1238 §2 in the 1980 Schema. The consolidated draft was sent to each of the 74 cardinal and episcopal members of the Code Commission for their evaluation and further comments in June of that year.<sup>541</sup>

### 8. *The Final Proposed Revisions*

The members of the Code Commission were asked to put into writing their comments and proposed amendments in preparation for the final plenary session. These written observations and propositions of the members were carefully put together to form a comprehensive written report<sup>542</sup> that would serve as basis for the discussion during the plenary session. Meanwhile, in order to obtain a greater representation from different geographical and cultural areas and the importance of collaboration, the Pope added new members to the Code Commission on April of 1981<sup>543</sup>.

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<sup>541</sup> The first integrated draft was published on June 29, 1980 reserved for the members of the Code Commission for their further study and observation, as indicated by its title: PONTIFICIA COMMISSIO CODICI IURIS CANONICI RECOGNOSCENDO, *Codex Iuris Canonici (Schema Patribus Commissionis reservatum)* with a subtitle *Schema Codicis iuris canonici iuxta animadversiones S.R.E. Cardinalium, Episcoporum Conferentiarum, Dicasteriorum Curiae Romanae, Universitatem Facultatumque ecclesiasticarum necnon Superiorum Institutorum vitae consecratae recognitum*, Libreria Editrice Vaticana, Vatican City 1980, commonly known as 1980 Schema. Cf. aforementioned document.

<sup>542</sup> This written report was published on July 16, 1981 as PONTIFICIA COMMISSIO CODICI IURIS CANONICI RECOGNOSCENDO, *Relatio complectens synthesim animadversionum ab Em.mis atque Exc.mis patribus commissionis ad novissimum schema codicis iuris canonici exhibitarum, cum responsionibus a secretaria et consultoribus datis (Patribus Commissionis stricte reservata)*, Typis Polyglottis Vaticanis, Vatican City 1981. Cf. also *Communicationes* 14 (1982), pp. 116-230; *Communicationes* 15 (1983), pp. 57-109, 170-253; *Communicationes* 16 (1984), pp. 27-99. In particular, *Communicationes* 16 (1984), pp. 27-37.

<sup>543</sup> Cf. John Paul II, “*Allocutio ad Plenariam*”, in *Communicationes* 13 (1981), p. 257. The names of all the members summoned to the 5<sup>th</sup> Plenary Assembly of the Code Commission were published in *Communicationes* 13 (1981), pp. 259-261. Cf. also A.

The proposed revision for Canon 1238 §2 came from Cardinal Pietro Palazzini<sup>544</sup>, Prefect of the Congregation for the Causes of Saints. He suggested that in place of “*nisi iusta causa aliud suadeat* (unless a just cause suggests otherwise), it should be “*iuxta locorum consuetudines, servato modo iure particulari statuto, rationes fidelibus reddere debet (vel reddantur)*” (according to the local customs, to be observed in the manner established in particular law, must render accounts to the faithful, [or may be rendered to]).<sup>545</sup>

Hence, the proposed text of Canon 1238 §2 is to be read thus:

“*De bonis, quae a fidelibus Ecclesiae offeruntur, administratores rationes fidelibus reddant iuxta normas iure particulari statuendas, ita ut non tantum modus sed ipsa redditio rationis relinquatur determinationi iuris particularis*”<sup>546</sup>.

However, when the “*Schema novissimum*” of the Code, “*iuxta placita Patrum Commissionis emendatum*” came out in 1982, and Canon 1238 §2 finally became Canon 1287 §2, the additional phrase proposed to the text of the canon found in the 1981 *Relatio*, i.e. “*ita ut non tantum*

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MARZOA-J. MIRAS-R. OCAÑA, et al., (eds.), *Exegetical Commentary on the Code of Canon Law*, vol. I, Wilson & Lafleur, Montreal, Canada/Midwest Theological Forum, Chicago, Illinois 2004, p. 158.

<sup>544</sup> Cf. *Communicationes* 13 (1981), p. 261.

<sup>545</sup> “*Loco "nisi iusta causa aliud suadeat" dicatur: "iuxta locorum consuetudines, servato modo iure particulari statuto, rationes fidelibus reddere debet (vel reddantur)"* (translations into English by the author). PONTIFICIA COMMISSIO CODICI IURIS CANONICI RECOGNOSCENDO, Archivio del 5<sup>a</sup> Plenaria degli Em.mi Padri (A<sup>3</sup> PL 5/69), “CARD. PALAZZINI” in *Plenarie dei Cardinali Membri della Commissione: Osservazioni allo Schema del C.I.C. emendato 37/81*, p. 20, [unpublished]. Also in PONTIFICIA COMMISSIO CODICI IURIS CANONICI RECOGNOSCENDO, *Relatio complectens synthesim animadversionum ab Em.mis atque Exc.mis patribus commissionis ad novissimum schema codicis iuris canonici exhibitarum, cum responsionibus a secretaria et consultoribus datis (Patribus Commissionis stricte reservata)*, Typis Polyglottis Vaticanis, Vatican City 1981, p. 287. Cf. also *Communicationes* 16 (1984), p. 34.

<sup>546</sup> “Concerning the goods, which are offered by the faithful to the Church, administrators shall render account to the faithful according to the norms to be determined by particular law, in such a way that not only the mode of rendition, but the rendition of account itself is left to the determination of the particular law”. (trans. by the author) Cf. PONTIFICIA COMMISSIO CODICI IURIS CANONICI RECOGNOSCENDO, *Relatio complectens synthesim animadversionum ab Em.mis atque Exc.mis patribus commissionis ad novissimum schema codicis iuris canonici exhibitarum, cum responsionibus a secretaria et consultoribus datis (Patribus Commissionis stricte reservata)*, Typis Polyglottis Vaticanis, Vatican City 1981, p. 287. Cf. also *Communicationes* 16 (1984), p. 34.

*modus sed ipsa redditio rationis relinquatur determinationi iuris particularis*” was totally scrapped. The only revisions that remained were the words “*reddant*” (may/shall render to), “*normas*” (norms), and “*statuendas*” (to be established).<sup>547</sup>

Thus, Canon 1287 §2 is stated as:

“De bonis, quae a fidelibus Ecclesiae offeruntur, administratores rationes fidelibus *reddant* iuxta *normas* iure particulari *statuendas*.”

### 9. Canon 1287 §2 in 1983 Code

On October 28, 1981, after 8 days of Plenary Assembly, the Code Commission unanimously approved to present the final draft of the Code to the Supreme Pontiff after the necessary corrections have been made<sup>548</sup>. The revised *Schema* of the Code was presented to Pope John Paul II on April 22, 1982, and was given a final review by a small group of selected experts and some bishops *coram Sanctissimo*.<sup>549</sup>

Canon 1287 §2 in particular, did not have any further revision from the small group of experts. They retained what was provided in the “*Schema novissimum*” of 1982. Thus, in the final text of the canons, it read:

“De bonis, quae a fidelibus Ecclesiae offeruntur, administratores rationes fidelibus *reddant* iuxta *normas* iure particulari *statuendas*.”

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<sup>547</sup> The acts on the proceedings did not mention any reason for the removal of the said phrase. Cf. PONTIFICIA COMMISSIO CODICI IURIS CANONICI RECOGNOSCENDO, *Codex Iuris Canonici: Schema novissimum iuxta placita Patrum Commissionis emendatum atque Summo Pontifici Praesentatum*, Typis Polyglottis Vaticanis, Vatican City 1982).

<sup>548</sup> Cf. PONTIFICIUM CONSILIUM DE LEGUM TEXTIBUS INTERPRETANDIS, *Acta et Documenta Pontificia Commissio C.I.C. Recognoscendo: Congregatio Plenaria (diebus 20-29 Octobris 1981 habita)* Typis Polyglottis Vaticanis, Vatican City State 1991, p. 592. Cf. also *Communicationes* 13 (1981) pp 268-269. Cf. also E. CAPARROS-M. THÉRIAULT-J. THORN, *et al.* (eds.), *Code of Canon Law Annotated*, p. 27. Cf. also A. MARZOA-J. MIRAS-R. OCAÑA, *et al.*, (eds.), *Exegetical Commentary of the Code of Canon Law*, vol. I, p. 160.

<sup>549</sup> Cf. A. MCCORMACK, *The Term “Privilege”: A Textual Study of its Meaning and Use in the 1983 Code of Canon Law*, Editrice Pontificia Università Gregoriana, Rome 1997, p. 53. Cf. also A. MARZOA-J. MIRAS-R. OCAÑA, *et al.*, (eds.), *Exegetical Commentary of the Code of Canon Law*, vol. I, p. 162. Cf. also E. CAPARROS-M. THÉRIAULT-J. THORN, *Code of Canon Law Annotated*, p. 27.

On January 25, 1983, the Code of Canon Law was promulgated, twenty four years after Pope John XXIII declared his wish for its revision. And on November 27, 1983, the First Sunday of Advent, the New Code of Canon Law went into effect for the Latin Church<sup>550</sup>

## Conclusion

The chronological development that have been presented significantly show that from the very beginning, the Church has always been careful with her use of temporal goods. Although she acknowledges that these goods play a vital role in the fulfillment of her mission in the world, she is also aware of the adverse effects these could bring to the faith community, to those who administer them and eventually to the objectives of the Church, once they are not handled with care. Thus, Jesus and the Apostles as well as the early Church fathers were not wanting in warning against the danger and the temptations surrounding the use of temporal goods and have laid down ideal traits for those who would be administering them, *i.e.* that they be found trustworthy, and not lovers of money. This is due to the fact that the goods offered by the faithful are owned by the community and are meant to address the needs of the Church, especially of her poor members, and that the ministers are only stewards so that these goods would properly achieve their purposes. Thus, the community of the faithful, trusting on the good, honest and diligent stewardship of their ministers, entrust the goods to them, hoping that they will be properly and efficiently directed to the appropriate purposes of the Church.

Down through the centuries, the Church besieged with various problems and difficulties including the different forms of excesses and abuses in financial affairs, strived to place necessary measures and mechanisms to provide proper management to these goods. Transparency is one of them. Although not well explicitated nor universally legislated, yet our simple chronological exposition reveals that transparency is already a highly esteemed value in the Church since the time of the apostles, not only as a principle for temporal administration but as a fundamental ethic of Christian discipleship – truthfulness. As a principle in administration it is much more expected of those who administer the goods of the community, being “stewards of God’s manifold grace” (1 Peter 4:10). Transparency

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<sup>550</sup> Cf. JOHN PAUL II, Apostolic Constitution *Sacrae disciplinae leges*, AAS 75/II (1983) p. xiv. Cf. also The Code of Canon Law in English translation, London, Collins, 1983, pp. xix-xxiv. Cf. also *Code of Canon Law Annotated*, 2<sup>nd</sup> ed., pp. 2-11.

comes as an assurance of justice – giving what is due to the community. It is seen as a standard measure to preserve the moral integrity, trust and credibility of the administrators as well as a means to avoid scandal and suspicion among the community members, bearing in mind that the goods are owned by the community. Later on, it became a remedy measure to avert abuse and misuse of temporal goods and a safeguard that ensures the rightful appropriation of temporal goods for the proper purposes of the Church. Such mechanisms like inventory policy prior to the ordination of a bishop, the bishop's declaration of his properties and those of the Church before his priests and deacons, the provision of providing information and consultation with the metropolitan and with other neighboring bishops prior to alienation, the requirement on the clergy to ask permission from the bishop on matters of alienation as well as the need for the bishop to inform his clergy on plans of alienation, the obligation of accountability to the provincial synod when suspicion on administration arises, and that of the pastors to their diocesan bishops, and the practice of public announcement of the offerings and the name of their donors during mass, clearly show the prevailing importance of the principle of transparency in the proper management of ecclesiastical goods.

The 1983 Code of Canon Law does not have the word transparency in it, but as a principle in financial administration, it found its way in Canon 1287 §2, that is, rendering an account to the faithful for all the goods they have offered. Its formulation and insertion in the present code is unique and unprecedented. In fact, the emphasis and the meaning of its canon of origin in the 1917 Code, *i.e.* Canon 1525 §2 was totally overhauled. The former emphasized the centrality of administrative accountability to the local Ordinary (that is, even if administrators are bound to render accounting to others, they are to include also rendering an account to the local Ordinary), however, in the current provision, the emphasis shifted to the obligation of accountability of administrators to the community of the faithful (the accountability obligation to the local Ordinary being provided already by Canon 1287 §1). This is very much reflective of the concept of the Church as communion and evocative of the attitude and practice of the primitive Church in dealing with temporal goods. Moreover, the proceedings show that the rendering of account to the faithful, despite the fact that it is not mandated by the 1917 Code, is already been in practice for sometime in several local Churches. This perhaps must have been brought by the growing prominence of transparency as an organizational principle in the different sectors of civil society at that time, which the Church must also adopt to be attuned to the call of the times. Thi facilitated the coming to life

of Canon 1287 §2 as a universal legislation which is responsible for transparency in the temporal administration of the Church.

The emergence of Canon 1287 §2 as a universal legislation in the Church is the best summary articulation of the tenets of Vatican II Council – *i.e.*, the concept of the Church as communion; the call to witness to poverty and attitude of detachment from material goods especially among the clergy in order to highlight the mission of the Church which is religious in nature; and the active participation of the lay faithful in the Church affairs particularly in temporal matters which is usually their competence. Consequently, transparency comes as an indispensable principle in living out the thrust of the Vatican II Council for the world today.

Transparency is a guarantee that justice is present in the Church's temporal affairs, *i.e.*, that what is due to the community is rendered well and rightly by their administrators and vice-versa. Although this principle has been clouded several times in the history of the Church, it still finds its way back to the life of the Church, for it embodies justice and truth which are indispensable in the life of every Christian. Thanks to those who drafted the Book V of the 1983 Code, it is now laid down as a universal law in the Church in Canon 1287 §2. With the principle of transparency at hand, proper accountability is not far behind. By making transparency as the overriding thrust for financial management, the aforementioned Vatican II tenets would be easily realized, the observance of Church's legislations on temporal goods would come handy, the efficient and rightful administration of goods is ensured and the Church's purposes for these goods, *i.e.* for the regulation of divine worship, the decent support for the clergy and other ministers, and the exercise of apostolic and charitable works especially for the needy, would be faithfully accomplished.

Considering then its significance as a principle coherent to the mind of the Vatican II and the spirit of the 1983 Code, it is all the more important that this value system be diligently and seriously observed universally in the Church. In this manner, the Church may be able to elicit active cooperation and co-responsibility from each member of the Christian community, adapt well to the current international standards of economic and financial operations, and show herself as a credible institution, faithful to her mission in this world and responsive to the demands of the times.

## **CHAPTER III**

### **EXEGETICAL ANALYSIS OF CANON 1287 §2**

After presenting the concept of transparency and its application in the administration of ecclesiastical goods and tracing its development in the Church's history of management of resources particularly in its codification in Canon 1287 §2 of the 1983 Code in the previous chapters of this study, this chapter will now look into the nature and significance of this specific provision that reflects well the presence of transparency principle in the Church in her financial management policies.

To achieve this aim, we shall analyze exegetically in this chapter what Canon 1287 §2 consists of in relation to transparency. What does it mandate as a universal canonical norm? Who are bound by this provision and to whom are they bound? What kind of transparency obligation does it require? What things are covered by this obligation? By what means and in what manner should the disclosure of financial information be done? Although there are only a few canonists who made their juridical opinion on this matter, and only a few sources can be found on this particular canon, the researcher tried to deduce from these sources the necessary elements in order to come out with a clear presentation of the said provision.

In this manner, we may be able to present a better knowledge and understanding of the canonical mandate and spirit of the said precept in relation to the obligation of transparency, and curb in a way the excesses in varied public opinions on the question of transparency in the Church, which often lead to extreme circumspections, parameters and conflicts. Moreover, a clearer grasp of its canonical provision and its faithful implementation will result to a better management of material resources of the Church and can do much in avoiding conflicts in administration.

#### **A. The Juridical Nature of Canon 1287 §2**

Canon 1287 §2 which is the subject of our study is situated in Book V of the 1983 Code that deals with the temporal goods of the Church, particularly in the section on the Administration of Goods [cc 1273-1289]. It is one of the two provisions of Canon 1287 articulating the canonical obligation of financial administrative accountability, *i.e.* §1 referring to the duty of administrators to render account to the local Ordinary while §2

refers to the administrators' obligation to render account to the faith community. It is stated thus:

Administrators are to render accounts to the faithful concerning the goods which the faithful have given to the Church, in accordance with the norms to be laid down by particular law.<sup>551</sup>

Compared with Canon 1287 §1, Canon 1287 §2 is substantially a new canonical norm. It is not found in the 1917 Code. As we have seen in the previous chapter, in the history of its drafting, it is supposed to be a revision of Canon 1525 §2 of the old Code, as Canon 1287 §1 being derived from Canon 1525 §1. However, the process of its redaction resulted to a totally new canonical legislation. The spirit of centralized administrative accountability to the local Ordinary found in Canons 1525 §§1-2 of 1917 Code, is now being extended to the lay faithful with the coming of Canon 1287 §2 in the 1983 Code.<sup>552</sup> What is then the nature of this canonical provision?

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<sup>551</sup> "Canon 1287 §2" in E. CAPARROS, *et al.* (eds), *Code of Canon Law Annotated*, Midwest Theological Forum, Woodridge, IL/Wilson & Lafleur, Montreal 2004, p. 994. It is worthy to note here the different versions of English translation made for this canon. In the Code of Canon Law in English Translation prepared by the Canon Law Society of Great Britain and Ireland in association with The Canon Law Society of Australia and New Zealand and The Canadian Canon Law Society it is stated as: "Administrators are to render accounts to the faithful concerning the goods they have given to the Church, in accordance with the norms to be laid down by particular law." The Canon Law Society of Great Britain and Ireland, *The Code of Canon Law in English Translation*, Collins Liturgical Publications, London 1983, p. 225. However, in the version made by the Canon Law Society of America (= CLSA) in 1983 it is stated as: "Administrators are to render *an account* to the faithful concerning the goods offered by the faithful to the Church, according to the norms to be determined by particular law." *Code of Canon Law: Latin-English Edition*, Canon Law Society of America, Washington, D.C. 1983, p. 461. Their revision made in 1998 renders it as: "According to the norms to be determined by particular law, administrators are to render *an account* to the faithful concerning the goods offered by the faithful to the Church." *Code of Canon Law: Latin-English Edition, New Translation*, Canon Law Society of America, Washington, D.C. 1998, p. 398. Although the CLSA's two versions are basically of the same sense, an emphasis on its determination in the particular law is made in the new translation.

<sup>552</sup> According to Prof. Zalbidea, the type of accountability here follows the same pattern as the section on accountability to the authority. Although there are differences between the two activities but not to the object, purpose, content, or the active subjects of the said obligation but only with respect to the passive subjects to whom it is performed. In the first case, it is the competent authority determined in each specific circumstance by the law and in the second case, the faithful in general. Cf. D. ZALBIDEA, *Transparencia y rendición de cuentas en el ordenamiento canónico*, (Tesis doctoral), Universidad de Navarra, Pamplona 2015, pp. 111-112. On another note Prof. Aznar Gil views the norm of

## 1. *As Obligation*

### a) The Terms used in the Redaction<sup>553</sup>

In order to understand clearly the nature of this provision, let us take a closer look at the history of its development and examine the process of its formulation and the semantic significance of the terms used. The term used in reference to rendering accounts during the first draft of Canon 1287 §2 is the third person plural present passive subjunctive form *reddantur* used as a jussive subjunctive or an imperative expressing a command (i.e. let them be rendered or they should be rendered or they are to be rendered)<sup>554</sup>, to wit:

“De bonis a fidelibus oblatis rationes eis etiam, iuxta modum iure particulari statuendum, reddantur.”<sup>555</sup>

This means that the intention of this provision, even at its onset, is to make it an obligation for all administrators, a requirement that needs to be fulfilled in the performance of their administrative function. However, having in mind the implication of such norm, some of the members of the drafting committee wanted to leave this act of rendering accounts to the faithful to the particular law, but Prof. McManus insisted that the universal law must at least recommend it. There were also questions as to whether such accounting to the faithful should be recommended or prescribed (commended or commanded), and if it is to be prescribed, whether it should be absolutely prescribed or with some moderation. Expressions like “*quantum fieri potest*” (as far as possible), “*nisi gravis obstet causa*”

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Canon 1287 §2 as something much broader compared to Canon 1525 §2 of the previous Code for the following reasons: a) it is a real obligation that administrators of ecclesiastical goods have to fulfill because this falls within the context of the responsibility of the faithful in the economic life of the Church; 2) it concerns the goods that the faithful have given to the Church; and 3) the forms of complying this obligation is referred to the determination of the particular law due to various circumstances that certainly exist in each region. Cf. F. AZNAR GIL, *La Administración de los bienes temporales de la Iglesia*, 2<sup>nd</sup> ed., Universidad Pontificia de Salamanca, Salamanca 1993, pp. 369-370.

<sup>553</sup> For a more thorough discussion on this matter, cf. Chapter II of this work.

<sup>554</sup> For a detailed information on this matter, cf. Robert Henle, *Latin Grammar*, Loyola University Press, Chicago 1945, or you may refer to any Latin grammar reference book.

<sup>555</sup> Cf. PONTIFICIA COMMISSIO CODICI IURIS CANONICI RECOGNOSCENDO, Archivio del Coetus “De Iure Patrimoniali Ecclesiae” (X/172), *Minuta della Relatio Stilata da don Voto, Attuario “De Iure Patrimoniale Ecclesiae”*, Sessione 4, p. 23, [unpublished]. English translation by the author: “Concerning the goods offered by the faithful, accounts are also to be rendered (or should also be rendered) to them, according to the manner established by particular law.”

(unless a grave cause prevents it); “*nisi iusta causa aliud suadeat*” (unless a just cause suggests otherwise), or “*in quantum fieri possit*” (as much as possible), or “*in quantum commode fieri possit*” (as convenient as possible) as well as “*si opus sit*” (if necessary) were proposed to mitigate the obligatory sense of the provision. Eventually, the 1977 Schema in its Canon 31 §2 ended up with the moderating clause “*nisi iusta causa aliud suadeat*”. It was a shift from the present passive jussive subjunctive form *reddantur* to the phrase *debent reddere* (ought to render) which expresses a more intensified and clearer obligatory sense. The canon is written thus:

“De bonis, quae a fidelibus Ecclesiae offeruntur, administratores, nisi iusta causa aliud suadeat, rationes eisdem fidelibus reddere debent iuxta modum iure particulari statuendum.”

Several suggestions with reference to this obligatory sense came with the release of the 1977 Schema: the removal of the word “*eisdem*” to avoid exact rendering of account directly to the ones who offered the goods as this may obscure the public nature of the Church; the word “*debent*” should be replaced by “*decet*” or “*decent*” to convey that such administrative act is rather encouraged or commendable than a juridical obligation. In deference to the suggestion, the consultors removed the word “*eisdem*” in the next draft but they still retained the word “*debent*” maintaining that the moderation to the compulsory nature of the norm is already sufficiently guarded by the clause “*nisi iusta causa aliud suadeat*”. On the other hand, Cardinal Pietro Palazzini, Prefect of the Congregation of the Causes of Saints offered another proposal which emphatically highlighted the role of the particular law in the realization of the norm:

“De bonis, quae a fidelibus Ecclesiae offeruntur, administratores rationes fidelibus reddant iuxta normas iure particulari statuendas, ita ut non tantum modus sed ipsa redditio rationis relinquatur determinationi iuris particularis.”

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<sup>556</sup> “Concerning the good things, which are offered by the faithful of the Church, administrators shall render account to the faithful according to the norms determined by particular law, in such a way that not only the mode of rendition, but the very reason of which is left to the determination of the particular law”. (trans. by the author) Cf. PONTIFICIA COMMISSIO CODICI IURIS CANONICI RECOGNOSCENDO, *Relatio complectens synthesim animadversionum ab Em. mis atque Exc. mis patribus commissionis ad novissimum schema codicis iuris canonici exhibitarum, cum responsionibus a secretaria et consultoribus datis (Patribus Commissionis stricte reservata)*, Typis Polyglottis Vaticanis 1981, p. 287. Cf. also *Communicationes* 16 (1984), p. 34.

This proposal, however, was not carried out in the final draft.<sup>557</sup> The final draft of the provision which became the current Canon 1287 §2 was:

“De bonis, quae a fidelibus Ecclesiae offeruntur, administratores rationes fidelibus *reddant* iuxta *normas* iure particulari *statuendas*.”<sup>558</sup>

The *debent reddere* which has a strong accent on the obligatoriness of the provision was replaced by rather a moderate one *reddant* (let them render or they should render), the third person plural present active subjunctive form of *reddere*. Nonetheless it remains to be a command or an imperative expressed in a rather polite manner, being in a jussive subjunctive form. Moreover, the verb used with reference to the task of the particular law on the matter is the gerundive form *statuendas* (that must be established/to be established) – *iuxta normas iure particulari statuendas* (according to the norms to be established by particular law) which clearly expressed a future realization and completion of the canonical provision and the certainty of its obligation that should be carried out by each particular law.<sup>559</sup> Thus, examining through the process of its formulation, it is apparently evident that the nature of this canonical provision intended by the legislator is to make it a universal obligation, required of all administrators of ecclesiastical goods, but the manner of its regulation and realization is left to the particular law. This is appropriate since each region has its own particular context and circumstances to consider and in view of the principle of subsidiarity which is supposed to guide the administration of church patrimony. Furthermore, whatever the particular legislator can realize with greater efficiency and immediacy, the universal legislator must not regulate, unless the fundamental canonical principles and the interests of the Church are compromised.<sup>560</sup> Nonetheless, it still remains to be a universal mandate

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<sup>557</sup> The discussion on how the proposal of Cardinal Palazzini was removed and replaced with the final draft which came to be the current Canon 1287 §2 was not found by the author in the course of his research in the archives of the Pontifical Council for Legislative Texts in Rome nor on its official publication *Communicationes*. Neither can it be found in PONTIFICIA COMMISSIO CODICI IURIS CANONICI RECOGNOSCENDO, *Codex Iuris Canonici: Schema novissimum iuxta placita Patrum Commissionis emendatum atque Summo Pontifici Praesentatum*, Typis Polyglottis Vaticanis, Vatican City 1982.

<sup>558</sup> CIC 1983, Canon 1287 §2: “Concerning the goods which the faithful have given to the Church, administrators are to render accounts to the faithful, in accordance with the norms to be laid down by particular law.”

<sup>559</sup> Cf. D. ZALBIDEA, *Transparencia y rendición de cuentas en el ordenamiento canónico*, (Tesis doctoral), Universidad de Navarra, Pamplona 2015, p. 141.

<sup>560</sup> Cf. D. ZALBIDEA, *Transparencia y rendición de cuentas en el ordenamiento canónico*, (Tesis doctoral), Universidad de Navarra, Pamplona 2015, pp. 74-75.

whose fulfillment is compulsory for every administrator of ecclesiastical goods, regardless of the particular context.

#### b) A Stewardship Responsibility

The obligatoriness of Canon 1287 §2 springs from the very nature of the Church as communion. By virtue of this communion, ecclesiastical goods do not belong to any private individual but are considered common patrimony of the Church community<sup>561</sup> through various public juridical persons who lawfully acquired them and are deemed owners of these goods (cf. can. 1256); and the offerings given to administrators or superiors of an ecclesiastical juridic person, are presumed to be given to the juridic person itself (cf. can. 1267 §1).<sup>562</sup> As such, the administration of church goods is regarded as a stewardship responsibility that requires accountability on the part of those entrusted with their administration. American canonists Adam Maida and Nicholas Cafardi point out well the demands of this stewardship responsibility:

“When the steward is in charge of the affairs of a collegial public juridic person, there is an accountability in conscience to the personal members of the collegial public juridic person. It is through the work of these members, who have given their lives to the service of God and the works of their religious institute, that the public juridic person has acquired, conserved, or built up its resources for the performance of charity. These members, past and present, are owed a duty by the canonical steward that resources will be properly managed and used only for the proper ends of the public juridic person. Finally, and perhaps most important, the canonical steward is obliged in conscience

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<sup>561</sup> The current Catechism of the Catholic Church, quoting *Roman Catechism* I, 10, 27, pointed out this same position in view of the Church as communion: “Everything the true Christian has is to be regarded as a good possessed in *common* with everyone else.” *Catechism of the Catholic Church*, n. 952. Furthermore, according to Prof. J. Hervada, the notion of communion presumes in the first place the individuality of every faithful, endowed with different gifts and resources (variety), called equally to share these gifts and resources together (equality), in accordance with an orderly and institutional manner (institutionality) to fulfill the mission of the Church in the world. Cf. J. HERVADA, *Elementos de Derecho Constitucional Canónico*, EUNSA, Pamplona 1987, pp. 48-54. For Juan Ignacio Arrieta, “communion produces a particular solidarity and consensus existing among the members and the common participation in the goods of the community.” J. I. ARRIETA, *Governance Structures within the Catholic Church*, p. 3.

<sup>562</sup> J. RENKEN, “The Principles Guiding the Care of Church Property” in *The Jurist* 68 (2008), pp. 136-177, p. 169.

to the poor and the needy, who are meant to be the beneficiaries of the Church's charity."<sup>563</sup>

This abovementioned contention captures quite well why there is an obligation to render an account to the faithful especially on the offerings they have given to the Church. The faithful give their offering in view always of the needs of the Church community as a whole or in fulfillment of the Church's purposes through the appointed administrators, who are entrusted with their care and realization. It is then but proper that they be informed of how these were managed and disposed in view of the purposes intended and how the whole community benefited from them.

Moreover, since the nature of temporal administration in the Church is stewardship,<sup>564</sup> it requires fidelity from the administrator.<sup>565</sup> To this, De Paolis rightly writes: "The first quality required of an administrator is fidelity: fidelity to the Church and its laws. He must not let himself be possessed by the spirit of efficiency, by a desire to accumulate riches, or by thirst for gain. The Church and the gospel have other laws. To them we are all called to be faithful."<sup>566</sup> And in order to express well this fidelity, the administrator needs to be transparent and honest in the management of the goods of the public juridic person. Thus, informing the faithful on the status and whereabouts of the goods they owned as a faith community is a concrete logical expression of the administrator's integrity and fidelity to them.

So serious is this expectation of fidelity from the administrators of Church goods that the 1983 Code requires them to make a solemn oath, in

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<sup>563</sup> A. MAIDA and N. CAFARDI, *Church Property, Church Finances, and Church-Related Corporations: A Canon Law Handbook*, The Catholic Health Association of the United States, St Louis (MO) 1984, p. 65.

<sup>564</sup> Prof. Charles Zech, director of the Center for Study of Church Management of the Villanova University asserts that although the Church is not a business corporation, but an institution with a religious purpose, it has a stewardship responsibility to ensure that all her resources are directed and used efficiently to fulfill her mission on earth. Cf. C. ZECH, *Best Practices in Catholic Church Ministry Performance Management*, Lexington Books, Lanham [Md] 2010, p. 1. Cf. C. MENDOZA OVANDO, *La Dimensione Economica nella Chiesa: Elementi di Riflessione per la Comunicazione Istituzionale (Dispense ad uso degli studenti)*, Facoltà di Comunicazione Sociale Istituzionale, Università della Santa Croce, Roma 2014, p. 58.

<sup>565</sup> Cf. Z. COMBALIA, "Commentary on Canon 1282," in E. CAPARROS, *et al.*, (eds.) *Exegetical Commentary on the Code of Canon Law IV/I*, p. 108.

<sup>566</sup> V. DE PAOLIS, "Temporal Goods of the Church in the New Code with Particular Reference to Institutes of Consecrated Life," in *The Jurist* 43 (1983), pp. 343-359, p. 359; Cf. also V. D'SOUZA, "General Principles Governing the Administration of Temporal Goods of the Church," p. 477.

the presence of the Ordinary or his delegate, to carry out their duties well and faithfully (cf. 1283, 1°).<sup>567</sup> This fidelity to stewardship obligation is further guaranteed and articulated by several canonical provisions. Firstly, in administering ecclesiastical goods, Canon 1282 unambiguously declares that: “All persons, whether clerics or laity, who lawfully take part in the administration of ecclesiastical goods, are bound to fulfill their duties in the name of the Church in accordance with the law.” This means that the administration of church goods is a public act which does not depend on the personal whims of the administrator but is rather an obligation that must be fulfilled according to the norms laid down by the Church and in view of the purposes intended by the Church for these goods. This is due to the fact that ecclesiastical goods are considered public goods as they are owned by public juridical persons (can. 1257§1) which, on the other hand, should also perform their function for the public good for which they were created “in the name of the Church and in accordance with the law” (can. 116 §1).<sup>568</sup> Furthermore, since the one who administers the ecclesiastical goods does not have entitlement to them,<sup>569</sup> but acts only on behalf and in the name of the juridical person he or she represents,<sup>570</sup> one must therefore observe the necessary rules governing them. Thus, the administration of ecclesiastical goods is to be done faithfully “in accordance with the law”. Accordingly, the administrator must act only within the provisions of law and within the scope of the mandate he or she received. Otherwise his or her actions may be unlawful or invalid, as the case may be (cf. cc. 1381; 1741, 5°).<sup>571</sup> Secondly, in fulfilling the administrative functions, the Code sets the ideal for administrators: “All administrators are to perform their duties with the “diligence of a good householder” (c. 1284 §1). The original Latin term used *diligentia boni patrisfamilias* is a traditional and classic expression in

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<sup>567</sup> Cf. Canon 1283: “Antequam administratores suum munus ineant: 1° debent se bene et fideliter administraturos coram Ordinario vel eius delegato iureiurando spondere.” IOANNES PAULUS PP II, *Codex Iuris Canonici*, (25 Ianuarii 1983), AAS 75 (1983) 5-317.

<sup>568</sup> J. RENKEN, *Church Property*, p. 204; V. DE PAOLIS, *I Beni Temporalì della Chiesa*, p. 82. From this it follows that both the public juridical persons and their ecclesiastical goods should be administered “in the name of the Church,” i.e., on behalf of the Church “according to her spirit, her mission and her nature” ARIEL D. BUSSO, “Administrador de Bienes” in J. OTADUY, *et al.* (eds.), *Diccionario General De Derecho Canonico*, Vol. 1, Universidad de Navarra, Aranzadi 2012, pp. 228-230, p. 228. Moreover, De Paolis noted that the Book V of the 1983 Code considers any public juridical person as Church (cf. can. 1258), thus justifying the application of the term “ecclesiastical” to goods owned by them. Cf. V. DE PAOLIS, *I Beni Temporalì della Chiesa*, p. 82.

<sup>569</sup> Cf. A. BUSSO, “Administrador de Bienes” p. 228.

<sup>570</sup> V. DE PAOLIS, *De bonis Ecclesiae temporalibus*, p. 91.

<sup>571</sup> Cf. A. BUSSO, “Administrador de Bienes” p. 228.

Roman law used both in civil and canon law,<sup>572</sup> which refers to the average standard of behavior expected of a “father of the family” or a “family man”-honest, industrious and prudent, used as a pattern of an upright man required of everyone and used as a reference for measuring the liability and culpability, or the compliance or non-compliance of a citizen in the fulfillment of his or her obligations.<sup>573</sup> The diligence then that is expected of an administrator of church properties is a socially expected standard and not something extraordinary. However this one is founded on a relationship of serious trust.<sup>574</sup> He has to take care of the goods not his own, as if they are his own assets.<sup>575</sup> He has to manage them with honesty, industry and prudence.<sup>576</sup> Thirdly, the Code requires administrators to take responsibility for their actions. They are forbidden to relinquish arbitrarily their functions, and if this arbitrary withdrawal would cause harm to the Church, they are bound to make restitution (cf. cc. 1289; 128).<sup>577</sup> Moreover, several sanctions are put in place by the Code against non-observance of the proper management of Church goods in order to guarantee the fidelity of

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<sup>572</sup> In the preparation of the canon, one Consultor commented that “the expression ‘diligence of a good householder’ is somewhat poetic” (*locutionem diligentia boni patrisfamilias’ aliquantulum poeticam esse*), thus he proposed to change it into: “he is bound to fulfill his office with diligence, through which the ends of a moral person can be obtained” (*ea diligentia munus suum adimplere tenentur, qua finis personae moralis obtineri possit*). However, the other consultors, agreed to the previous formula “because the expression ‘the diligence of a good householder’ is consecrated to a total juridical tradition either canonical or civil” (*quia locutio ‘diligentia boni patrisfamilias’ consecrata est a tota traditione iuridica sive canonica sive civili*). *Communicationes* 36 (2004), 318. Cf. also V. DE PAOLIS, *I Beni Temporal della Chiesa*, p. 217. English translation by the author.

<sup>573</sup> Cf. A. BERGER, “Bonus paterfamilias,” *Encyclopedic Dictionary of Roman Law*, American Philosophical Society, Philadelphia 1991, p. 377; Cf. A. T. RUIZ, “Bonus paterfamilias,” *Diccionario de Derecho Romano*, Edisofer, Madrid 2005, p. 140.

<sup>574</sup> Cf. M. LÓPEZ ALARCÓN, “Book V: The Temporal Goods of the Church” in E. CAPARROS, *et al* (eds.), *Code of Canon Law Annotated*, 2<sup>nd</sup> ed. Midwest Theological Forum, Woodridge; Wilson & Lafleur, Montreal 2004, pp. 991-992.

<sup>575</sup> Cf. V. DE PAOLIS, *I Beni Temporal della Chiesa*, p. 217

<sup>576</sup> Cf. A. BERGER, “Bonus paterfamilias,” *Encyclopedic Dictionary of Roman Law*, American Philosophical Society, Philadelphia 1991, p. 377; Cf. A. T. RUIZ, “Bonus paterfamilias,” *Diccionario de Derecho Romano*, Edisofer, Madrid 2005, p. 140.

<sup>577</sup> If the administrators committed invalid acts of administration, the administrators are the ones held responsible for the action and not the juridic person. If the acts however are valid but illicit, the juridic person has the right to bring an action or recourse for the damages caused by such acts (cf. 1281 §3). If the alienation made was civilly valid but canonically invalid, the competent ecclesiastical authority may bring a legal action against the one responsible to vindicate the rights of the Church (cf. c. 1296). Cf. J. RENKEN, “The Principles Guiding the Care of Church Property” in *The Jurist* 68 (2008), pp. 136-177, p. 171.

administrators to their stewardship responsibility and their accountability to the Church community who owns the goods.<sup>578</sup>

c) A Matter of Justice and Truth

Corollary to being a stewardship responsibility in view of the Church as communion, the accountability to the faithful is also a matter of justice and truth. According to Prof. Errazuriz: “The fact of being ‘stewards of the mysteries of God’ (1 Cor. 4:1) [of the sacred ministers] implies a requirement of justice towards one’s brothers and sisters as essential as the hierarchy itself, without which ecclesial communion in its fullness cannot be achieved.”<sup>579</sup> The relations of justice in the Church (which include the duty to tell the truth) are fundamental to communion because they belong to her very nature of communal reality<sup>580</sup>, wherein one has to give what is due to one another to achieve an authentic common unity. “The salvific goods belong to all the baptized, on a plane of equality deriving from this same baptism,”<sup>581</sup> and these include all goods necessary for salvation, also patrimonial goods which are intended for the same purpose. “Accordingly, the believer has relations of justice with all his brothers and sisters, as demonstrated by the fact that the very preservation of the visible goods of communion constitutes a reciprocal right and duty for all.”<sup>582</sup>

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<sup>578</sup> Canon 1377 sanctions the invalid alienation of ecclesiastical goods with a *ferendae sententiae* just penalty. Cf. J. RENKEN, “The Principles Guiding the Care of Church Property” p. 171; D. CITO, “I beni a servizio della missione ecclesiale” in F. LOZUPONE (ed.), *Corresponsabilità e Trasparenza nell’Amministrazione dei Beni della Chiesa*, Aracne Editrice, Roma 2015, pp. 202-203. According to Prof. Renken, there are several penal laws which may be applicable on various actions of financial malfeasance: Can. 1389 §1 on malicious abuse of authority; 1389 §2 on negligent exercise of authority; Can. 1391 on falsification of documents; Can. 1368 for perjury; Can. 1376 for hindering the lawful use of ecclesiastical goods; Can. 1380 on simony; Can. 1385 on illicit profit from Mass offerings; and Can. 1386 for acts of bribery. These accountability measures are placed by the legislator to ensure the proper and faithful management of the ecclesiastical goods and to show that the Church is serious in its stewardship responsibility. Cf. J. RENKEN, “The Principles Guiding the Care of Church Property” p. 171. Although the obligation of accountability to the faithful in Canon 1287 §2 does not carry a specific sanction for non-compliance of it, the particular law however may legislate it in order that it may be realized fully in various particular churches.

<sup>579</sup> C. ERRAZURIZ, *Justice in the Church A Fundamental Theory of Canon Law*, trans. Jean Gray and Michael Dunnigan, Wilson & Lafleur, Montreal 2009, p. 138.

<sup>580</sup> Ibid., p. 134.

<sup>581</sup> Ibid., p. 139.

<sup>582</sup> Ibid. Cf. also J. HERVADA, *Diritto costituzionale canonico*, Giuffrè, Milan 1989, pp. 110-111.

Accountability is not a mere gesture of appreciation of the contribution of the members of the community or a rule of courtesy. It is something deeper which touches the very nature of the Church. It responds to the mission of the faithful, *i.e.* of all the baptized. The goods that are necessary to carry out the mission of the Church also belong to them, not because they were the ones who gave them, but because they are of the Church, of which they form part. Those who have offered goods to the Church may have lost the right to use them for personal consumption as they have already relegated it to the Church while those who have not given may seem to have no right to ask for accountability as they have not contributed to the funds of the Church after all, but these goods somehow belong to both for they all are part of the Church.

Rendering financial accounting then is rather an obligation of justice to all the faithful, because all are considered responsible for the mission of the Church and therefore all have the capacity to participate in the management of her resources, and not just on the act of acquiring them.<sup>583</sup> Transparency or truth-telling in the management of the Church's resources is an indispensable component of ecclesial communion and of justice. Such is necessary in the fulfillment of one's participation in the common life and mission of the Church.

It is significant also to note on this discussion of justice, the terms and the tenses used in the redaction of the canon.<sup>584</sup> In reference to goods the canon uses the verb *offeruntur*, which is in the third person plural, present indicative tense of the passive voice (*i.e.* are offered). On the other hand, when referring to the activity that the managers have to execute, it uses the present jussive subjunctive form *rationes reddant* (*i.e.* let them render account or they should render account). The verb tenses used by the legislator implies that accountability must be done, obviously, after the delivery of the goods by the faithful. It signifies a reciprocating act, a response to what has been previously accepted. It is a logical expression of acknowledgement and justice. Accountability to the faithful thus comes, as something administrators owed to those who have given their goods to the Church as well as to the Christian community, informing them of what they

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<sup>583</sup> Cf. D. ZALBIDEA, *Transparencia y rendición de cuentas en el ordenamiento canónico*, (Tesis doctoral), Universidad de Navarra, Pamplona 2015, p. 117.

<sup>584</sup> Canon 1287 §2 : “De bonis, quae a fidelibus Ecclesiae *offeruntur*; administratores *rationes* fidelibus *reddant* iuxta normas iure particulari statuendas.” Prof. Zalbidea significantly noted this observation especially with reference to the time and frequency of accountability. Cf. D. ZALBIDEA, *Transparencia y rendición de cuentas en el ordenamiento canónico*, (Tesis doctoral), Universidad de Navarra, Pamplona 2015, p. 125. The author however, finds significance in them also in view of the duty of justice.

have received. The faithful need to be informed of the things they have received as a community as well as the disposition of those goods.<sup>585</sup>

According to Prof. Miñambres in his article “*La ‘Stewardship’ (Corresponsabilità) nella gestione dei beni temporali della Chiesa*”: “In community structures, especially in the parish and in the diocese, in which the substratum of the juridical personality is the community itself, such obligation of accountability, transparency, becomes particularly stringent as the faithful do not offer their goods for something extrinsic but to a community to which they belong.[...] one could compare the destination of goods to the Church with the contributions made to one’s family, which are not considered true and proper ‘contributions’ but fall under the responsibility of running the family as members of the family...”<sup>586</sup> This goes to say that accountability to the faithful is actually a duty that returns to the very self of the Church and benefits herself, or rather all her members. “Accountability can help the faithful to understand more clearly their mission in the Church and the need to involve themselves not only from the economic point of view but also with their entire lives and existence.”<sup>587</sup>

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<sup>585</sup> In observing the general mandate of rendering accounts to the faithful, the specific obligation of respecting the will of the donor prescribed in Canon 1267 §3, i.e., “offerings given by the faithful for a specified purpose may be used only for that purpose” is also safely guarded and well reflected. This is a matter of justice well respected and guaranteed by the Code. Cf. M. LÓPEZ ALARCÓN, “Commentary on Canon 1267” in E. CAPARROS, *et al.* (eds), *Code of Canon Law Annotated*, pp. 974-975.

<sup>586</sup> “*Nelle strutture comunitarie, soprattutto nella parrocchia e nella diocesi, nelle quali il sostratto della personalità giuridica è la comunità stessa, tale obbligo di rendicontazione, di trasparenza, diventa particolarmente stringente in quanto i fedeli non offrono i loro beni per qualcosa di estrinseco ma per una comunità della quale fanno parte.[...] si potrebbe paragonare la destinazione di beni alla Chiesa con i contributi fatti alla propria famiglia, che non vengono considerati veri e propri “contributi” ma rientrano nella responsabilità di mandare avanti la famiglia in qualità di membro della stessa...*” J. MIÑAMBRES, “*La ‘Stewardship’ (Corresponsabilità) nella gestione dei beni temporali della Chiesa*,” in *Ius Ecclesiae*, vol. 24/2 (2012), 277-292, pp. 284-285.

<sup>587</sup> “... la rendición de cuentas puede ayudar a los fieles a comprender con más claridad su misión en la Iglesia y la necesidad de implicarse no únicamente desde el punto de vista económico sino también con toda su vida y existencia.” D. ZALBIDEA, *Transparencia y rendición de cuentas en el ordenamiento canónico*, (Tesis doctoral), Universidad de Navarra, Pamplona 2015, p. 144.

#### d) An Important Expression of Co-responsibility

The nature of the Church as communion demands co-responsibility in the fulfillment of her mission.<sup>588</sup> As Pope St. John Paul II so expressed it beautifully, “A spirituality of communion also means an ability to think of our brothers and sisters in faith within the profound unity of the mystical body and therefore as ‘those who are part of me’.”<sup>589</sup> According to Prof. Diego Zalbidea, who has written extensively on this matter of rendering accounts to the faithful, the Church is composed of all the faithful who co-responsibly share a unique mission.<sup>590</sup> The faithful must then be kept informed so as to truly realize common unity and co-responsibility in the life and mission of the Church for “secrecy cuts off people from ecclesial communion while openness invites them in.”<sup>591</sup> and “the concrete

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<sup>588</sup> The Vatican II Council articulated this when it said: “All the faithful, scattered though they be throughout the world, are in communion with each other in the Holy Spirit, [...] each individual part contributes through its special gifts to the good of the other parts and of the whole Church. [...] Between all the parts of the Church there remains a bond of close communion whereby they share spiritual riches, apostolic workers and temporal resources. For the members of the people of God are called to share these goods in common...” VATICAN II COUNCIL, Dogmatic Constitution on the Church, *Lumen gentium*, 1, 8, 13 (Nov. 21, 1964); AAS 57 (1965) 5-75, p. 11. English version at [http://www.vatican.va/archive/hist\\_councils/ii\\_vatican\\_council/documents/vat-ii\\_const\\_19641121\\_lumen-gentium\\_en.html](http://www.vatican.va/archive/hist_councils/ii_vatican_council/documents/vat-ii_const_19641121_lumen-gentium_en.html) [Accessed 9.3.2015]. This was reiterated in the 1983 Code. According to 1983 Code, by virtue of baptism, all Christian faithful are incorporated into Christ’s Mystical Body, constituting one community, one people of God – the Church, and are therefore participants in their own way in Christ’s priestly, prophetic and kingly office, and are responsible in carrying out the mission Christ has entrusted to the Church to fulfill in the world (cf. can. 204 §1, can. 96). Thus, the Church by virtue of being a communion of the faithful, inevitably results into interrelationships and consequent obligations, a certain co-responsibility in the fulfillment of her mission. All the Christian faithful have the responsibility in the life and mission of the Church in their own various capacities and consequently also, accountability to God and to one another. Cf. R. KASLYN, “Accountability of Diocesan Bishops: A Significant Aspect of Ecclesial Communion” in *The Jurist* 67 (2007) 109-152, p. 116. Thus, vested with rights and duties, all are to assist in the work of the Church, sharing and uniting all their resources, so that the she can fulfill her proper purposes (cf. canon 222). Both as an individual or as an association, all the faithful must take into account the common good of the Church, keep in mind the rights of others and fulfill their proper duties to one another (cf. can. 223 §1).

<sup>589</sup> JOHN PAUL II, Apostolic Letter *Novo Millennio Ineunte*, at the Close of the Great Jubilee of the Year 2000, (6 January 2001) in AAS 93 (2001) 279, n. 43. [http://w2.vatican.va/content/john-paulii/en/apostletters/2001/documents/hf\\_jp-ii\\_apl\\_2001\\_0106\\_novo-millennio-ineunte.html](http://w2.vatican.va/content/john-paulii/en/apostletters/2001/documents/hf_jp-ii_apl_2001_0106_novo-millennio-ineunte.html) [Accessed 22.12.2015]

<sup>590</sup> Cf. D. ZALBIDEA, *Transparencia y rendición de cuentas en el ordenamiento canónico*, (Tesis doctoral), Universidad de Navarra, Pamplona 2015, p. 136.

<sup>591</sup> R. SHAW, *Nothing to Hide*, p. 42.

realization of communion in the historical circumstances of real-world Christianity requires open, on-going communication.”<sup>592</sup> It is therefore logical that managers are accountable and responsive to the faithful for the goods they received from them. Although it cannot be assumed that the faithful may respond to the act of the administrators with the same measure as that of the competent ecclesial authority, nonetheless this does not lessen the accountability obligation of the administrators to them. The act of rendering accounts on the use of the goods offered by the faithful provide somewhat an explanation of what happened to these goods and is in a way a return of what they have provided. Therefore, one could say that it goes back to the mission of the faithful, to whom it belongs. If the administrators are not accountable to the faithful, misappropriation may take place. This would deprive the faithful of participation in the mission of the Church. Whoever does not account could easily feel as the owner, and would not respond nor return what he has received. Thus the two-way communication – the faithful giving the goods and the administrators rendering the *ratio* – is a very significant part of the communion which is the Church.<sup>593</sup> “In the offerings of the faithful,” Prof. Zalbidea continued, “one’s own life is represented in some way. In the rendering of accounts, this life is returned to them, animated by Christ and his mission. One who has lost his life, gain it in Christ, transformed by a mission that surrounds even the more material manifestations of their existence.”<sup>594</sup>

In addition, Prof. Cristian Begus opines that the obligation to account to the faithful is based on the importance of the faithful’s active participation in the financial support of the Church which finds completion in the fulfillment of this accountability obligation as the expression of recognition of their collaborative efforts and contribution and a gesture of gratitude to them. It also springs from the need for clarity in the administration and information on management activities, useful to encourage greater participation of all in order to achieve the aims of the Church.<sup>595</sup> When administrators invest time and resources in explaining their mission and their functions, the faithful are able to respond positively

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<sup>592</sup> R. SHAW, *Nothing to Hide*, p. 145.

<sup>593</sup> Cf. D. ZALBIDEA, *Transparencia y rendición de cuentas en el ordenamiento canónico*, (Tesis doctoral), Universidad de Navarra, Pamplona 2015, pp. 136-137.

<sup>594</sup> “En las ofrendas de los fieles está representada, de algún modo, su propia vida. En la rendición de cuentas, esta vida les es devuelta, vivificada por Cristo y por su misión. El que ha perdido su vida, la gana en Cristo, transformada por una misión que envuelve hasta las manifestaciones más materiales de su existencia.” Cf. D. ZALBIDEA, p. 137.

<sup>595</sup> Cf. C. BEGUS, *Diritto Patrimoniale Canonico*, Lateran University Press, Città del Vaticano 2007, p. 191.

sustaining and engaging in the activities of the Church.<sup>596</sup> In this manner proper administration of the goods of the Church which is an effective instrument of evangelization would readily be realized and would continually offer opportunity for shared responsibility, and transparency.<sup>597</sup> For according to Dr. Francesco Lozupone, “the administration of the goods of the Church is in fact a mirror of her evangelizing action, [...] the lack of a proper administration is not only a sign of pastoral confusion but it can be an obstacle to mission.”<sup>598</sup>

## 2. *As Economic Status Information Only or Formal Accountability*

One issue that concerned most of the commentators on Canon 1287 §2 is whether the accountability referred to in the provision is to be considered a true and formal accountability compared with Canon 1287 §1 or just a simple economic information offered to the faithful. This springs from the fact that the legislator used the term *rationes reddant* (are to render accounts) in the canon without any explanation attached to it. Neither the term *rationes* (accounts) which appears in both paragraphs 1 and 2 of Canon 1287, had any explanation to it nor the generic process of accountability has

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<sup>596</sup> Cf. D. ZALBIDEA, *Transparencia y rendición de cuentas en el ordenamiento canónico*, (Tesis doctoral), Universidad de Navarra, Pamplona 2015, p. 146. Pope Francis in his Apostolic Exhortation *Evangelii Gaudium* noted the need for pastors to invest on empowering and forming the laity to take an active role in the Church, to wit: “There has been a growing awareness of the identity and mission of the laity in the Church. We can count on many lay persons, although still not nearly enough, who have a deeply-rooted sense of community and great fidelity to the tasks of charity, catechesis and the celebration of the faith. At the same time, a clear awareness of this responsibility of the laity, grounded in their baptism and confirmation, does not appear in the same way in all places. In some cases, it is because lay persons have not been given the formation needed to take on important responsibilities. In others, it is because in their particular Churches room has not been made for them to speak and to act, due to an excessive clericalism which keeps them away from decision-making. Even if many are now involved in the lay ministries, this involvement is not reflected in a greater penetration of Christian values in the social, political and economic sectors. It often remains tied to tasks within the Church, without a real commitment to applying the Gospel to the transformation of society. The formation of the laity and the evangelization of professional and intellectual life represent a significant pastoral challenge.” FRANCIS, Apostolic Exhortation *Evangelii Gaudium* on the Proclamation of the Gospel in Today’s World, (24 November 2013) in AAS 105 (2013) 1019-1137, n. 102.

<sup>597</sup> Cf. F. LOZUPONE (ed.), *Corresponsabilità e Trasparenza nell’Amministrazione dei Beni della Chiesa*, Aracne Editrice, Roma 2015, pp. 23-24.

<sup>598</sup> F. LOZUPONE (ed.), *Corresponsabilità e Trasparenza nell’Amministrazione dei Beni della Chiesa*, Aracne Editrice, Roma 2015, pp. 23-24.

been defined by the Code with clear profiles.<sup>599</sup> This would result to a logical analysis that both paragraphs require the same kind of accountability. The majority of the canonists, however, believe that each of the two provisions of Canon 1287 require a different kind of accountability. The juridical nature of accountability to the competent authority is different from that which is rendered to the faithful. The guarantee for the difference can be seen in the specification provided by the clause “*de bonis quae a fidelibus Ecclesiae offeruntur*” (concerning the goods offered by the faithful to the Church) which appear in par. 2 but not in par. 1, setting the limit of the one to be rendered to the faithful.<sup>600</sup>

The bone of contention lies however on whether the mandate of par. 2 requires a formal accountability or just a simple economic status information concerning the offerings given by the faithful. Some authors maintain that it requires a simple economic status information only and not rendering of accounts in the strict sense of the term. It is to inform the faithful of the status and the use of the goods they offered.<sup>601</sup> The ways and times of this information, however, are left to the particular law to

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<sup>599</sup> According to Prof. Diego Zalbidea, this shows that the universal legislator assumes that such term as accountability is a widely accepted figure in the social and legal life from of old and therefore has been included in the canonical legislation with absolute normality. Cf. D. ZALBIDEA, *Transparencia y rendición de cuentas en el ordenamiento canónico*, (Tesis doctoral), Universidad de Navarra, Pamplona 2015, pp. 73-74.

<sup>600</sup> This goes to say that the accountability requirement to the competent authority demanded by Canon 1287 §1 is rather comprehensive and more profound than that of the accountability obligation to the faithful in Canon 1287 §2.

<sup>601</sup> This position is shared by several authors. Cf. M. LÓPEZ ALARCÓN, “Commentary on Canon 1287,” *Code of Canon Law Annotated*, 2<sup>nd</sup> ed., p. 995; E. ZANETTI, “I fedeli e i beni ecclesiastici: alcune domande,” in *Quaderni di Diritto Ecclesiale* 4 (1991), pp. 314-316; J. P. SCHOUPE, *Elementi di Diritto Patrimoniale Canonico*, 2<sup>nd</sup> ed., Dott. A. Giuffrè Editore, Milano 2008, p. 154; A. BUCCI, *La vicenda giuridica dei beni ecclesiastici della Chiesa*, Cerro al Volturno (Isernia) 2012, pp. 257-258; M. MORGANTE, *L'amministrazione dei beni temporali della Chiesa: Diritto canonico, diritto concordatario Pastorale*, Edizioni Piemme, Casale Monferrato (AL), 1993, pp. 148-149; Z. COMBALIA, “Commentary on Canon 1287” in *Exegetical Commentary on the Code of Canon Law*, vol. IV/1, p. 121; I. PÉREZ DE HEREDIA Y VALLE, *Libro V del CIC: Bienes Temporales de la Iglesia*, Instituto Diocesano de Estudios Canónicos/Textos Escolásticos, n. 1, Siquem, Valencia 2002, pp. 165-166 but he qualifies it as “una suficiente información”; L. CHIAPPETTA, *Il Codice di diritto canonico: Commento giuridico-pastorale*, 3<sup>rd</sup> ed., vol. 2, EDB, Bologna 2011, p. 582. Z. Combalia share the same position but on another note, peculiarly maintains that this information to the faithful is rather intended to provide legitimate control and vigilance of the authority over the management of church goods. Cf. Z. COMBALIA, “Commentary on Canon 1287” in *Exegetical Commentary*, p. 121. However, these same authors maintain that this rendering of information to the faithful is a true and proper obligation and not just a simple exhortation.

determine. This information provided would encourage the faithful to fulfill more responsibly and generously the precept of providing for the needs of the Church (cf. can. 222) and allow them to verify the faithful observance of the Canon 1267 §3, *i.e.* that offerings given by the faithful should only be used for the purposes they have explicitly determined.<sup>602</sup> Others however, maintain that it is a true and formal accountability that is ought to be given to the faithful.<sup>603</sup> They claim that the canon does not explicitly mention that information is the one required but rather accountability, and the information required is already covered by this accountability.<sup>604</sup> Moreover, “it is not correct to devalue the importance of the obligation in question and limit itself only to giving guidance, which may be too general, without giving those guarantees of proper completeness of an accounting statement.”<sup>605</sup> Another group of authors consider it as an act of trust and gratitude towards the faithful and a gesture of transparency in the administration of Church property, avoiding controversy and suspicion on Church financial management brought about by lack of accurate information on the matter.<sup>606</sup> The American commentators, on the other hand, use the term financial reporting to the faithful<sup>607</sup> which is a rather more neutral

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<sup>602</sup> Cf. M. MORGANTE, *L'amministrazione dei beni temporali della Chiesa: Diritto canonico, diritto concordatario Pastorale*, Edizioni Piemme, Casale Monferrato (AL), 1993, pp. 148-149; Cf. M. LÓPEZ ALARCÓN, “Commentary on Canon 1287” in *Code of Canon Law Annotated*, p. 995. Moreover, for Prof. J. P. Schouppe, this economic information is useful to reassure donors and to stimulate the generosity of the faithful (cf. J. P. SCHOUPPE, *Elementi...*, p. 154).

<sup>603</sup> This position is shared by F. R. AZNAR GIL, *La administración de los bienes temporales de la Iglesia*, pp. 369- 370; C. BEGUS, *Diritto patrimoniale canonico*, Lateran University Press, Citta del Vaticano 2007, pp. 191-192; and D. ZALBIDEA, *Transparencia y rendición de cuentas en el ordenamiento canónico*, (Tesis doctoral), Universidad de Navarra, Pamplona 2015, p. 77.

<sup>604</sup> Cf. F. R. AZNAR GIL, *La administración de los bienes temporales de la Iglesia*, p. 370.

<sup>605</sup> “... non è corretto svalutare l'importanza dell'obbligo in questione e limitarsi a fornire indicazioni, che possono rivelarsi eccessivamente generiche, senza dare quelle garanzie di completezza proprie di un rendiconto.” C. BEGUS, *Diritto patrimoniale canonico*, Lateran University Press, Citta del Vaticano 2007, pp. 191-192. Cf. also F. R. AZNAR GIL, *La administración de los bienes temporales de la Iglesia*, p. 370.

<sup>606</sup> Cf. V. DE PAOLIS, *I beni temporali della Chiesa*, p. 222. Also cf. A. BUCCI, *La vicenda giuridica dei beni ecclesiastici della Chiesa*, Cerro al Volturno (Isernia) 2012, pp. 257-258.

<sup>607</sup> Cf. R. THOMAS, “Financial Reports to the Faithful” in K. MCKENNA, *et al.* (eds.), *Church Finance Handbook*, Canon Law Society of America/Catholic University of America, Washington D.C.1999, pp. 165-174; J. RENKEN, *Church Property*, p. 235; R. KENNEDY, “Commentary on Canon 1287” in J. BEAL, *et al.* (eds.), *New Commentary on the Code of Canon Law*, p. 1490; JOHN MYERS, “Commentary on Canon 1287” in J. Coriden,

term. Although the term seems to be nearer to the idea of information communication, yet it carries also a connotation of proper and formal accountability.<sup>608</sup> This is due to the fact that a financial report is the end-product of the accounting process that begins with planning, budgeting, controlling and decision-making and should communicate the financial condition of a certain entity and would serve as the necessary basis for the next cycle of accounting process.<sup>609</sup>

Despite the differences in opinion of canonists, the majority if not unanimously, continue to praise the advantages of assuming accountability

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*et al.* (eds.), *The Code of Canon Law: A Text and Commentary*, New York/Mahwah 1985, p. 877.

<sup>608</sup> In one of its many definitions, the word ‘report’ is defined as “an account given of a particular matter, especially in the form of an official document, after thorough investigation or consideration by an appointed person or body.” <http://www.oxforddictionaries.com/definition/english/report> [Accessed 30.12.2015], while the verb ‘to report’ may connote as “to give a formal or official account or statement of” (e.g. treasurer’s report). *Merriam-Webster’s Collegiate Dictionary*, 11<sup>th</sup> ed., Merriam-Webster, Incorporated, Springfield, [MA] 2003, p. 1056. A financial report is defined by Business Dictionary as a “set of documents prepared usually by government agencies (or other entity) at the end of an accounting period. It generally contains summary of accounting data for that period, with background notes, forms, and other information. <http://www.businessdictionary.com/definition/financial-report.html> [Accessed 04.01.2016], while financial reporting is described as something that “involves the disclosure of financial information to management and the public (if the company is publicly traded) about how the company is performing over a specific period of time.” Shawn Grimsley, *What Is Financial Reporting? - Purpose, Statement Examples & Analysis* at <http://study.com/academy/lesson/what-is-financial-reporting-purpose-statement-examples-analysis.html> [Accessed 04.01.2016]. Technically, financial reporting is described as “the output of the data generated through various bookkeeping functions. These reports may be used for both internal and external purposes. The end products are the financial statements that are prepared after the bookkeeping function of posting to the appropriate accounts in the general ledger and making the necessary adjustments [...]. Accounting encompasses both bookkeeping and reporting. Bookkeeping is the input of the accounting cycle, while reporting is the output or the result of the accounting process or cycle.” SAMUEL LARES, *Basic Accounting for Philippine Churches*, Church Strengthening Ministry, Inc., Makati City 2005, pp. 16-17.

<sup>609</sup> Cf. R. VARGO, *The Church Guide to Financial Reporting*, Church Law and Tax Report, Christian Ministry Resources, Matthews [NC] 1995, p. 5. According to Vargo, there are five key principles that should be present in any financial reporting: 1) Reporting by Area (reporting should be done by specific area rather than by aggregate); 2) Highlight the exceptions (the audience of the report should be directed to exceptional performance); 3) Summarize the data; 4) Compare data (data must be compared with something to be valuable, e.g. comparing the budget with last week’s offerings or the collection of the month with the same month of the previous year, etc.); 5) Interpret data (meaningful comments to money amounts should be added to help readers digest the information. Cf. R. VARGO, pp. 13-15.

to the faithful. The rendering of accounts helps in encouraging and understanding better the active role of each of the faithful in support of the Church. In addition, clarity and transparency in the management of resources represent a valuable aid to the commitment of the faithful.<sup>610</sup> Some authors even link c. 1287 § 2 with the fundamental right and duty of the faithful to sustain the Church.<sup>611</sup> These pointed out reasons are sufficient to justify the introduction of this new version of accountability<sup>612</sup>.

Part of the doctrine, according to Prof. Zalbidea recognizes in the faithful the right to appeal the accountability (cfr. cc. 1732-1734). It supports a strong position of the faithful in this circumstance. It is justified because the rendering of account allows them to verify the compliance of what their will disposes, as provided c. 1267 § 3. This norm shows the utmost respect of canon law on the will of the donor.<sup>613</sup>

Now, Zalbidea observed that “if everyone recognizes its importance and its positive effects, why will they not admit that it is a true rendition of accounts?”<sup>614</sup> Perhaps the main reason is the fear that when all information contained in the rendering of accounts becomes available to the public, they might be used in the opposite sense against the Church.<sup>615</sup> Hence, the limit to a simple financial information rather than a formal accounting report.<sup>616</sup>

Furthermore, using “rendering of accounts” rather than simple economic information, signifies well the stewardship responsibility of the administrators to give an account of their management not only to authority but to the stakeholders, that is the faithful, who form part of the Church. The

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<sup>610</sup> Cf. D. ZALBIDEA, *Transparencia y rendición de cuentas en el ordenamiento canónico*, pp. 132-133. Cf. also C. BEGUS, *Diritto patrimoniale canonico*, p. 191; M. MORGANTE, *L'amministrazione dei beni...*, p. 149.

<sup>611</sup> Cf. M. MORGANTE, *L'amministrazione dei beni...*, pp. 147-149.

<sup>612</sup> Cf. D. ZALBIDEA, *Transparencia y rendición de cuentas...*, p. 133.

<sup>613</sup> Cf. D. ZALBIDEA, *Transparencia y rendición de cuentas...*, p. 134.

<sup>614</sup> “¿Por qué si todos reconocen su importancia y sus efectos positivos, no admiten que se trata de una verdadera rendición de cuentas?” D. ZALBIDEA, *Transparencia y rendición de cuentas...*, p. 134.

<sup>615</sup> Cf. D. ZALBIDEA, *Transparencia y rendición de cuentas...*, pp. 134-135. Cf. also PONTIFICIA COMMISSIO CODICI IURIS CANONICI RECOGNOSCENDO, Archivio del Coetus “De Iure Patrimoniali Ecclesiae” (X/171), *Consultazione Generale del 1977: Osservazioni allo Schema “De iure patrimoniali Ecclesiae”*, “Università di San Tommaso, Filippine” (pp. 10-11) and “Conferenza Episcopale Filippine”, (p. 13), [unpublished]. Cf. also PONTIFICIA COMMISSIO CODICI IURIS CANONICI RECOGNOSCENDO, *Acta et Documenta Coetus Studii “De Iure Patrimoniali Ecclesiae”*, Series Altera, vol. 1, Sectio B, “Synthesis animadversionum quas organa consultationis fecerunt/Osservazioni degli Organi di Consultazione sullo Schema Canonum Libri V “De Iure Patrimoniali Ecclesiae”, p. 47, (Archive) [unpublished].

<sup>616</sup> Cf. D. ZALBIDEA, *Transparencia y rendición de cuentas...*, p. 135.

Church is made up of all the faithful sharing the responsibility of the one mission of the Church and the resources used for this mission come from them. It is therefore logical that administrators are accountable and responsive to the faithful for the goods they receive from them.<sup>617</sup> For as we have said, “the goods of the Church are goods *held in trust* – they belong neither to the superior nor to the administrator – they belong to the ‘Church’ – that public juridic person who owns them (cc. 1258, 1256)”<sup>618</sup> Moreover, the doctrine has warned of the danger of a superficial economic information that could diminish the stewardship of the faithful in the support of the Church<sup>619</sup>.

For the purposes of this research, the neutral term financial reporting shall be used since it encompasses both formal accountability and economic status information.

### ***3. Elements to be Considered in Financial Reporting***

#### **a) Content of the Financial Report**

The obligation of rendering of accounts to the faithful provided by the norm cover only those goods which the faithful have offered to the Church.<sup>620</sup> The rationale of this provision and what it constitutes, are reserved to a later discussion. It suffices however at this moment, to establish that the content of the financial report is limited only to all the offerings of the faithful to the Church and is not extended to other Church properties.<sup>621</sup> As to the specifications and details of the content, these were left by the legislator to the particular law to determine.<sup>622</sup> However, the report should provide a sufficient information to the faithful on the use and status of the goods they have given.<sup>623</sup> The financial report should help connect the financial matters to the mission of the Church. It has to be made in a manner that would show to the faithful that their money is continually

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<sup>617</sup> Cf. D. ZALBIDEA, *Transparencia y rendición de cuentas...*, pp. 136, 144.

<sup>618</sup> V. D’ SOUZA, “Gen. Principles Governing the Admin. Of Temporal Goods of the Church”, p. 479

<sup>619</sup> Cf. C. BEGUS, *Diritto patrimoniale canonico...*, cit., 190-192. Cf. also D. ZALBIDEA, *Transparencia y rendición de cuentas ...*, p. 133.

<sup>620</sup> Cf. CIC 1983 Canon 1287 §2.

<sup>621</sup> Cf. J. P. SCHOUPE, *Elementi di Diritto Patrimoniale Canonico*, p. 154. D. ZALBIDEA, *Transparencia y rendición de cuentas...*, p. 123.

<sup>622</sup> Cf. CIC 1983 Canon 1287 §2.

<sup>623</sup> Cf. I. PÉREZ DE HEREDIA Y VALLE, *Libro V del CIC: Bienes temporales de la Iglesia*, pp. 165-166.; Cf. also M. LÓPEZ ALARCÓN, “Commentary on Canon 1287,” *Code of Canon Law Annotated*, p. 995.

an important and valuable means to an end – i.e. the fulfillment of Church's mission and apostolate, and should inspire them to take ownership of such mission<sup>624</sup> and belongingness to the Church.

According to Peter Brinckerhoff, the report should have the following characteristics in order to be useful and meaningful: a) It should be a *contextualized data*. Providing numbers alone would be meaningless to the audience. The report should include some background information or useful explanatory or narrative interpretation, such as historical or comparative information, that can provide the faithful sufficient information showing a clear and concise picture of the financial condition of the public juridic person and enough to answer their queries about specific aspects of its operations.<sup>625</sup> Contextualized data would mean presenting only the important facts and comparative relationships;<sup>626</sup> b) It should provide *accurate, complete information*. Inaccurate and incomplete information breeds confusion and suspicion and thus would not be helpful to the faithful.<sup>627</sup> It has to be complete, accurate and comprehensive, so that at one glance the faithful may have the whole view of the financial situation of the public juridic person;<sup>628</sup> and c) It should be *useful and meaningful to the intended audience*.<sup>629</sup> The report should be in a timely, clear, accessible and understandable format in order to be useful and meaningful to the faithful and in return would develop in them a strong level of trust in the Church leadership in terms of financial management.<sup>630</sup> It should demonstrate that the goods received equate with the ministry in action and how these goods

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<sup>624</sup> Cf. R. BACHER and M. COOPER-WHITE, *Church Administration: Programs, Process, Purpose*, Fortress Press, Minneapolis 2007, pp. 94-95.

<sup>625</sup> Cf. P. BRINCKERHOFF, *Nonprofit Stewardship: A Better Way to Lead Your Mission-Based Organization*, Fieldstone Alliance, St. Paul (MN) 2004, pp. 140-141. Cf also, J. MCCARTHY, "Ingredients of Financial Transparency," pp. 156-164, p. 160.

<sup>626</sup> R. VARGO, *Financial Reporting*, p. 20. The report should convey answers to the following questions: What is your goal? What is the history? What is the trend? Cf. P. BRINCKERHOFF, *Nonprofit Stewardship*, p. 152. In this manner, the real financial condition of the juridic person is transparently presented and would effectively elicit from the faithful a responsible action.

<sup>627</sup> Cf. P. BRINCKERHOFF, *Nonprofit Stewardship: A Better Way to Lead Your Mission-Based Organization*, Fieldstone Alliance, St. Paul (MN) 2004, p. 140, 142.

<sup>628</sup> Cf. R. BACHER and M. COOPER-WHITE, *Church Administration: Programs, Process, Purpose*, Fortress Press, Minneapolis 2007, p. 110.

<sup>629</sup> Cf. P. BRINCKERHOFF, *Nonprofit Stewardship: A Better Way to Lead Your Mission-Based Organization*, Fieldstone Alliance, St. Paul (MN) 2004, pp. 140-144.

<sup>630</sup> R. WELCH, *Church Administration: Creating Efficiency for Effective Ministry*, Broadman & Holman Publishers, Nashville, Tennessee 2005, p. 173.

have made impact in the lives of others and in the mission of the Church.<sup>631</sup> In short, it should reflect the achievements and performances that were brought about by the use of the offerings of the faithful. Moreover, it should take into account who is going to receive it. It should be adapted to its intended audience. According to Peter Brinckerhoff, administrators should “give people the information they need in the format that makes sense for them and their role.”<sup>632</sup> They should see to it that their audience can make good use of them and of their time as well.<sup>633</sup> Thus, the financial report to the faithful cannot be the same as that which is submitted to the finance committee or to the board of consultors.<sup>634</sup> The faithful need the financial report to help them reach certain conclusions on the status of their faith community while the finance committee and the board of consultors or the local Ordinary need more detailed and extensive financial information to manage and evaluate the current operations and come out with a plan for the future.<sup>635</sup>

The most common report should include at least the details of income and expenditure, both ordinary and extraordinary, loans incurred or reduced, treasury, alienation of properties and acquisitions, compliance with the intention of donors.<sup>636</sup> Income and expense items should be in comparison perhaps to the previous year report and/or in relation to the budget prepared beforehand or it can also be done on a current-and-previous-month basis.<sup>637</sup> Moreover, in order to improve the reliability of financial reporting, the assistance of auditors and accountants is highly recommended, because they can offer technical suggestions on the format of the financial report and the whole financial system of the organization. Needless to mention that audited reports can provide a “reasonable assurance” that the Church ascribes to the generally accepted auditing and

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<sup>631</sup> Cf. ARCHDIOCESE OF MILWAUKEE, *Best Practices in a Stewardship Parish*, May 2013 at <http://www.archmil.org/ArchMil/Resources/Best-Practices-in-Stewardship.pdf>. [Accessed 06.01.2016]

<sup>632</sup> Cf. P. BRINCKERHOFF, *Nonprofit Stewardship: A Better Way to Lead Your Mission-Based Organization*, Fieldstone Alliance, St. Paul (MN) 2004, p. 144.

<sup>633</sup> P. BRINCKERHOFF, *Nonprofit Stewardship: A Better Way to Lead Your Mission-Based Organization*, Fieldstone Alliance, St. Paul (MN) 2004, p. 144.

<sup>634</sup> D. ZALBIDEA, *Transparencia y rendición de cuentas...*, pp. 121-122.

<sup>635</sup> R. VARGO, *Financial Reporting*, p. 19.

<sup>636</sup> Cf. R. THOMAS, “Financial Reports to the Faithful” in K. McKenna, *et al.* (eds.), *Church Finance Handbook*, 165-174; D. ZALBIDEA, *Transparencia y rendición de cuentas...*, p. 97.

<sup>637</sup> Cf. O. CRUMROY, JR., S. KUKAWKA, F. WITMAN, *Church Administration and Finance Manual: Resources for Leading the Local Church*, Morehouse Publishing, Harrisburg (PA) 1998, p. 310.

accounting principles,<sup>638</sup> and professionalism in management is seriously embraced by the church. “While audits cannot ensure complete and total affirmation of fiscal operations that are appropriate, they can go a long way toward protecting the integrity of the personnel involved in the fiscal operations as well as ensuring that the financial status of the church or organization is safe and protected.”<sup>639</sup> It is also important that the faithful be informed about the processes and policies, human resources, conflict of interests, measures of detecting and preventing fraud, submission to canonical formalities, respect for environmental and civil law among others. The faithful would appreciate well also to know who are the members of the diocesan or parish councils as well as those who collaborate in the management of Church goods,<sup>640</sup> for accountability is not only about money but it is also important to know who decides.<sup>641</sup> In addition, a manual of

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<sup>638</sup> Cf. R. WELCH, *Church Administration: Creating Efficiency for Effective Ministry*, Broadman & Holman Publishers, Nashville, Tennessee 2005, p. 175. Cf. also R. VARGO, *Financial Reporting*, p. 19. Cf. also D. ZALBIDEA, *Transparencia y rendición de cuentas...*, p. 167.

<sup>639</sup> R. WELCH, *Church Administration: Creating Efficiency for Effective Ministry*, Broadman & Holman Publishers, Nashville, Tennessee 2005, p. 175.

<sup>640</sup> Cf. D. ZALBIDEA, *Transparencia y rendición de cuentas...*, p. 161; C. ZECH – W. WAGNER – R. WEST, “The Effective Design of Church Websites: Extending the Consumer Evaluation of Websites to the Non-Profit Sector,” in *Information Systems Management* 30 (2013), pp. 92-99.

<sup>641</sup> Cf. F. K. SCHEETS, “Parish Information Systems - Resources for Ministry,” in C. ZECH (ed.), *The Parish Management Handbook: A Practical Guide for Pastors, Administrators, and Other Parish Leaders*, Twenty-Third Publications, Mystic (CT) 2003, pp. 196-217, p. 197. For example, the U.S. Bishops in their resolution titled “Diocesan Financial Reporting”, require each suffragan bishop to send a letter to his metropolitan archbishop containing: 1) the names and professional titles of the members of his diocesan finance council; 2) the dates on which the finance council has met during the preceding fiscal year and since the end of that fiscal year; 3) a statement signed by the finance council members and the finance officer stating that they have met, reviewed, and discussed the (audited) financial statements of the diocese for that fiscal year and, if any, the management letter and the recommendations made by the auditors; 4) a statement that the finance council was consulted in accord with the prescriptions of canon law. Cf. USCCB *Resolution on Diocesan Financial Reporting* (Nov. 2011) at <http://www.usccb.org/about/financial-reporting/diocesan-financial-reporting.cfm>. [Accessed 07.01.2016]. Similarly, in their Diocesan Financial Management Manual, the USCCB recommends that each parish should send a letter to their diocesan bishop annually containing: a) the names and professional titles of the members of the parish finance council; b) the dates on which the parish finance council has met during the preceding fiscal year and since the end of the fiscal year; c) the date(s) on which the approved parish financial statements/budgets (i.e. by the parish finance council) were made available to the parishioners during the preceding fiscal year and since the end of the fiscal year. A copy of said published financial statements/budgets should be provided to the bishop; d) A

procedures setting out the policy on rendering of accounts as well as the responsibilities of each organ or each role in the financial process should be established to facilitate efficient, synchronized and timely delivery of financial report.<sup>642</sup>

If the aim of the Church on this financial reporting is truly a spirit of transparency, then it should have the characteristics that have been presented before, i.e. openness, clarity, comprehensibility, informational efficiency (quality information rather than quantity) and honesty.<sup>643</sup> Thus, a careful presentation of the standard chart of accounts (profit and loss, cash flow statement, and balance sheet) would remind everyone that transparency is needed at every line.<sup>644</sup> Without financial report, the financial system of an entity could become private and can even be an exclusive and secret domain of a few<sup>645</sup>, depriving the stakeholders<sup>646</sup> of what is rightfully theirs. “Poorly written reports, infrequent reports, or reports that have major gaps in the information will cause question and suspicion and will lead to mistrust of the leadership’s ability to handle fiscal operations of the church

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statement signed by the parish pastor and the finance council members that they have met, developed, and discussed the financial statements and budget of the parish. Cf. <http://www.usccb.org/about/financial-reporting/upload/diocesan-financial-management.pdf>. [Accessed 07.01.2016].

<sup>642</sup> Cf. D. ZALBIDEA, *Transparencia y rendición de cuentas...*, p. 108. Several dioceses have started doing this already.

<sup>643</sup> Cf. “Characteristics of Transparency,” Chapter 1, pp. 27-30 of this research. According to R. Bacher and M. Cooper-White, with the rise of societal and church misadventures, suspicion and loss of trust on institutions is also on the rise thus it has become all the more important and urgent to establish transparency assurances in carrying out fiscal matters. There are three components that need to be present to achieve this: 1) An *attitude* that we have nothing to hide, that everything possible will be done to achieve transparency should be present in all those responsible for the financial system, from top to bottom; b) An *attention to technical detail*, which requires thorough research, understanding and careful placing of responsibility for the smallest of details. It cultivates confidence that things are seriously considered and are being done right and therefore, there is nothing to hide; and c) clear and explanatory information in the financial reporting. The kind of information and the manner of its delivery concerning the benefits, balance sheets, income forecasts, expenses actual and budgeted affect greatly the perception and the decision-making of the members of the faithful, those in the leadership and the public at large. Cf. R. BACHER and M. COOPER-WHITE, *Church Administration: Programs, Process, Purpose*, Fortress Press, Minneapolis 2007, pp. 100-102.

<sup>644</sup> Cf. R. OLIVER, *What is Transparency?*, p. 36.

<sup>645</sup> Cf. R. BACHER and M. COOPER-WHITE, *Church Administration: Programs, Process, Purpose*, Fortress Press, Minneapolis 2007, p. 111.

<sup>646</sup> In the case of the Church, this would refer to the faithful who have roles of responsibility to fulfill in the mission of the Church, as well as other interested parties that may be affected by the financial management actions in the Church.

or institution”<sup>647</sup> and sooner to loss of interest to support among the members of the faithful.

#### b) Timing and Frequency of Financial Reporting

With regard to the timing and frequency of the financial reporting, the Code is silent. Although in Canon 1287 §1 the duty of accountability to the competent authority is mandated annually, with the duty of rendering accounts to the faithful in §2, there is no reference to the period of time that must be covered. The Code does not want to establish a specific term given the “universal” character of the norm. This is relegated rather to each particular law to determine due to the varying circumstances and practices in different places.<sup>648</sup> However, we can surmise that the minimum period required would also be yearly, for if the accountability to the authority is fixed to *per annum*, the one to the faithful could not be lesser than that. According to Prof. Zalbidea, there are several advantages for this annual reporting: first, it allows inter-annual comparison that would clearly depict the condition of the public juridic person; second, it is a sufficiently large limit enough to be significant of the activity of an entity; third, it allows reaction from the members in the event of default or negligence regarding purposes of the institution and, finally, it means no additional work to the accountability obligation that must be made to the authority. It would only be a matter of formulation suitable for public presentation to a larger and varied group of the faithful that would be needed.<sup>649</sup> However, a more frequent period of reporting would also be equally laudable especially when circumstances would need more control.<sup>650</sup>

While, it is true that the canon does not specify time period for reporting and thus may include various periods, depending on the determination of each particular law, we can deduce however, from the canonical text that the timing of reporting be done after the offerings have been given to the Church and received by her administrators. This can be observed with its use of the passive verb form “offeruntur” (are offered) which signifies that the offerings have already been given. We can clearly establish then from the canonical text that there is no obligation of prior information plus doing accounting beforehand would be impossible without the things to account for. Thus, there is an inseparable link between the cash

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<sup>647</sup> R. WELCH, *Church Administration: Creating Efficiency for Effective Ministry*, Broadman & Holman Publishers, Nashville, Tennessee 2005, p. 173.

<sup>648</sup> Cf. D. ZALBIDEA, *Transparencia y rendición de cuentas...*, p. 168.

<sup>649</sup> Cf. *Ibid.*

<sup>650</sup> Cf. *Ibid.*, p. 169.

flow and economic information to the faithful on the one hand, and the development of a reliable and accurate accounting on the other.<sup>651</sup>

It is also appropriate that the pace of accountability to the faithful depends on the frequency of the donations of the faithful. Sometimes these offerings of the faithful, due to their specific circumstances of time, quantity and subjects, should have an immediate rendering of accounts appropriate to the circumstances. At other times, however, periodic reporting would be more convenient especially in terms of the regular or repeated offerings of the faithful. Furthermore, the report would require a careful collection of information and their effective organization so as to conveniently represent the activity of the organization and its intimate connection with the mission of the Church. Such activity would require some period of time.<sup>652</sup>

Nonetheless, in whatever time period suitable to different circumstances of the various public juridic person in the Church, what is important to note is that this financial report to the faithful must be done in an up-to-date, timely and on a regular basis so as to curb suspicion of mismanagement and that transparency may become more of a management style than just a policy. In terms of transparency, “frequent communication to stakeholders is essential and the feedback from stakeholders tells the organization what it is doing well and what it needs to work on.”<sup>653</sup> Moreover, “the greater the frequency that actions of control are carried out, fraud and diversion of funds decrease.”<sup>654</sup> Thus, if financial report is considered an instrument of control, then its frequency is necessary to curb fraud, mismanagement and diversion of funds. Furthermore, with timely and regular reporting appropriate action can be taken should the actual results of operations vary materially from the budget prepared beforehand.<sup>655</sup> In effect, a strong level of confidence in the fiscal administration of the Church leadership is developed among the members of the faithful.<sup>656</sup>

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<sup>651</sup> Cf. D. ZALBIDEA, *Transparencia y rendición de cuentas...*, pp. 125-126.

<sup>652</sup> Cf. *Ibid.*, pp. 126-127.

<sup>653</sup> R. OLIVER, *What is Transparency?*, p. 35. This is very important in realizing the nature of communion and in imbibing the communion spirituality in the Church. Frequent and regular communication is necessary in order to establish quality, long-term and stable relationship. More than just accounting, the rendering of financial report signifies linking. In due time, it will generate stewardship responsibility among the faithful.

<sup>654</sup> “Cuanto mayor es la frecuencia con que se llevan a cabo estos controles, el fraude y la desviación de fondos disminuyen.” D. ZALBIDEA, *Transparencia y rendición de cuentas...*, p. 109.

<sup>655</sup> Cf. USCCB *Diocesan Internal Controls: A Framework*, <http://www.usccb.org/about/financial-reporting/diocesan-internal-controls-framework.cfm>. [Accessed 06.01.2016].

<sup>656</sup> Cf. R. WELCH, *Church Administration: Creating Efficiency for Effective Ministry*, Broadman & Holman Publishers, Nashville, Tennessee 2005, p. 173.

### c) Manner or Form of Reporting

The same as that of the frequency, the Code did not also specify the manner or form of rendering accounts to the faithful. This is left to the particular law to determine. This is due to the difficulty of diverse economic and political situations of the different regions that need to be considered. However, despite this consideration, the general law still mandates that the particular law should specify it<sup>657</sup> (*iuxta normas iure particulare statuendas*)<sup>658</sup> to ensure its proper execution and to provide order and clarity in its realization. The report should be accessible and suited to the limited knowledge or educational level of its audience.<sup>659</sup>

The general opinion of canonists is that the manner of reporting to the faithful may be done orally in the church or in some place of assembly of the faithful in the case of other public juridic persons,<sup>660</sup> or in written form, or most conveniently both oral and written, with a written report to be distributed to the community concerned or to be posted in a place easily

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<sup>657</sup> Cf. D. ZALBIDEA, *Transparencia y rendición de cuentas...*, pp. 141, 144. Considering the principle of subsidiarity that governs the administration of ecclesiastical goods and the canonization of civil law in all matters relating to contracts (cf. 1290), establishing common norms in terms of the manner of financial reporting is impossible to realize. Cf. D. ZALBIDEA, *Transparencia y rendición de cuentas...*, p. 141. Cf. also, J. MIÑAMBRES, "Análisis de la técnica de la remisión a otros ordenamientos jurídicos en el Código de 1983," in *Ius Canonikum* 64 (1992) 713-749; V. de PAOLIS, *I beni temporal della Chiesa*, pp. 72-74.

<sup>658</sup> Cf. Canon 1287 §2. The use of the gerundive form *statuendas* (to be established) implies a future obligation to be complied with. Cf. D. ZALBIDEA, *Transparencia y rendición de cuentas...*, pp. 141.

<sup>659</sup> Cf. R. VARGO, *The Church Guide to Financial Reporting*, p. 13; D. Zalbidea, *Transparencia y rendición de cuentas*, p. 141. Wayne Schnelder, suggests the various forms and frequency of report and their possible advantages, i.e. "very simple periodic reports (e.g., weekly, monthly) can keep members of a parish advised of its financial situation. Detailed monthly or quarterly financial reports are required for those responsible for parish financial management. Finally, a comprehensive annual financial report is required for management to evaluate financial performance in comparison with the budget. It provides a critical element in developing future budgets. Summaries of the annual report are submitted to the archdiocese and should be distributed to parish members." WAYNE SCHNELDER, "Financial Management in Church Operations," *The CPA Journal*, April 1989. <http://luca.com/cpajournal/old/07299394.htm>. [Accessed 4.6.2015].

<sup>660</sup> Cf. I. PÉREZ DE HÉREDIA Y VALLE, *Libro V del CIC: Bienes Temporales de la Iglesia*, pp. 165-166; M. Morgante, *L'amministrazione dei beni temporal della Chiesa...*, pp. 148-149; V. DE PAOLIS, *I beni temporal della Chiesa*, p. 222; L. CHIAPPETTA, *Il codice di diritto canonico: commento giuridico-pastorale*, 3<sup>rd</sup> ed. Vol. 2, EDB, Bologna 2011, p. 582. According to Prof. Zalbidea, in some areas, the oral report is usually carried out on the National Days of Support for the Church, once a year. Cf. D. ZALBIDEA, *Transparencia y rendición de cuentas...*, p. 157.

accessible and frequented well by the faithful.<sup>661</sup> The financial report can be published in the parish weekly/monthly bulletin or on the official diocesan gazette in the case of the diocese, through personal email to the members of the community or through the social media forum or most appropriately in the website or webpage of the organization. With the use of the website, publication and dissemination of the financial report is immediate and could reach far and wide. Moreover, it facilitates interactive dialogue with the community, where one can elicit the impact and repercussions of the reporting done as well as receive their suggestions to improve further the fiscal operations of the juridic person. Accountability is not just information but a participation in the mission, thus interactive communication is necessary. The website, in its current development, provides a two-way interactive communication channel which could facilitate active participation among the members of the faithful<sup>662</sup> Considering however, the condition of other churches as well as some members of the faithful without access to the internet service, those responsible of the fiscal management should carefully weigh the means available to them to realize this duty of financial reporting to the faithful in order to reach out to as many members of the faith community in the best way possible. The cost it would entail for the organization for its execution should also be considered well, keeping in mind that more than the financial reporting, it is the spirituality of communion, active participation and co-responsibility in the faith community that is of paramount in all these efforts of communication and transparency.

In some countries like Italy and Spain, where there is an economic cooperation arrangement between the State and the Catholic Church through the system of tax allocation, the Church complies with the manner of financial reporting prescribed by the State.<sup>663</sup>

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<sup>661</sup> Cf. M. MORGANTE, *L'amministrazione dei beni temporali della Chiesa...*, pp. 148-149; L. CHIAPPETTA, *Il codice di diritto canonico: commento giuridico-pastorale*, p. 582, stated that it is always advisable to have some written form of it.

<sup>662</sup> Cf. D. ZALBIDEA, *Transparencia y rendición de cuentas...*, pp. 157-158.

<sup>663</sup> Cf. D. ZALBIDEA, *Transparencia y rendición de cuentas...*, p. 158. In the same way that the State requires the Church to be transparent with regard to its management of the tax allocation received, the State should also do the same in declaring how much is the actual amount that the Church should rightly receive from the gathered tax of the citizens.

## **B. Subject-Agent of Reporting: Administrators of Temporal Goods of Public Juridic Persons**

Following the flow of thought of Canon 1287 §1, the subject responsible for rendering accounts to the faithful referred in Canon 1287 §2 are the administrators of ecclesiastical goods, both cleric and lay. In relation to transparency, they are the agents responsible for the realization of transparent disclosure, thus we shall call them here as subject-agent. As part of their task as administrators, they are duty-bound to fulfill it “in the name of the Church and in accordance with the law”<sup>664</sup> and “with the diligence of a good householder”<sup>665</sup>. Who are these administrators? What is the competence of each one? Prior to identifying them, it would be worthwhile, to take note of the different roles involved in the administration of ecclesiastical goods, for a proper understanding of its nature and systems of operation according to the patrimonial law of the Church.

### ***1. Distinct Roles: Legal Representative, Administrator and Superior***

#### **a) Legal Representative**

A juridic person in the Church is an aggregate of persons or things constituted by law or by the decree of competent ecclesiastical authority, with rights and obligations, for the purpose of serving the Church’s mission (cf. can. 114). It could either be public or private. A public juridic person in particular is an aggregate of persons or things established by competent ecclesiastical authority to act in the name of the Church to fulfill the Church’s purposes (cf. can. 116 §1). By reason of its nature as a subject juridically created, it should have its proper legal representative, determined by either universal or particular law or its own statutes (cf. can. 118). This legal representative acts in the name of the public juridic person in the legal forum both civil and canonical.<sup>666</sup> Ordinarily, he is distinct from the administrator and has no duty of administration with respect to the properties. His function is to demonstrate and certify the will of the juridical person for which one performs this task.<sup>667</sup> For the diocese, the legal representative is the diocesan bishop (cf. can. 393); for the seminary, it is the rector (cf. can. 238); for the parish, it is the pastor (cf. 532); and for others, it is to be determined by their statutes or by the Ordinary to which it

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<sup>664</sup> Canon 1282.

<sup>665</sup> Canon 1284.

<sup>666</sup> Cf. Canon 1480; Cf. J. RENKEN, *Church Property*, pp. 147-148; V. DE PAOLIS, *I beni temporali della Chiesa*, p. 195.

<sup>667</sup> Cf. V. DE PAOLIS, *I beni temporali della Chiesa*, p. 195.

is subject to (cf. can. 1279 §2) if it is not stipulated in their proper statutes.<sup>668</sup> In some cases, the legal representation of the public juridic person is assumed by the administrator of ecclesiastical goods like in the case of the parish pastor who is also the administrator of parochial goods (cf. can. 532).<sup>669</sup>

#### b) Superior

A superior is the one who oversees the administration of ecclesiastical goods. Each public juridic person is managed by an administrator (cf. can. 1279 §1) under a superior, who ultimately is the Roman Pontiff, who is the supreme administrator and steward of all ecclesiastical goods (cf. cann. 1256, 1273) in view of the hierarchical nature of the Church. He exercises *supervision* (cf. can. 1276 §1) which includes the right to inspection, to demand accounts to establish the manner of a proper and orderly administration, to give a license to certain administrative acts of a certain gravity or importance (cf. cann. 1277, 1281, 1285, 1292 ).<sup>670</sup> as well as *control* or *regulation* “by issuing special instructions, within the limits of the universal and particular law” (can. 1276 §2). “Supervision reflects the public nature of ecclesiastical goods owned by public juridic persons, and is done to guarantee the autonomy of public juridic person”<sup>671</sup> Moreover, it ensures ecclesial unity in the achievement of Church purposes.<sup>672</sup> Supervision and regulation in financial management foster order and discipline and warrant vigilance against abuses in management.

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<sup>668</sup> The Code of Canon Law does not grant directly and explicitly to the Ordinary the power of substitution in the legal representation of public juridic persons. Although the Code stipulates that the Ordinary can supply/replace the representation only in the case of negligence of the legal representative, or, where that is attributed to him by particular law or by the statutes (cf. can. 1279, §§1-2). Cf. PONTIFICAL COUNCIL FOR LEGISLATIVE TEXT, *Nota* “La funzione dell’autorità ecclesiastica sui beni ecclesiastici”, (=PCLT, *Nota*) in *Communicationes* 36 (2004), pp. 24-32.

<sup>669</sup> Cf. J. RENKEN, *Church Property*, p. 148. The PCLT noted in their *Nota* (2004) that the administrators of Church property do not necessarily identify with the legal representatives. For example: the goods of the diocese are administered by the diocesan finance officer under the authority of the diocesan bishop (can. 494, 3), but the legal representative of the diocese is the bishop. Cf. PCLT, *Nota*, p. 28. The diocesan finance officer acts as “immediate manager” (cf. D. ZALBIDEA, p. 86) or “routine administrator” (cf. J. RENKEN, p. 148). Cf. PCLT, *Nota*, p. 28.

<sup>670</sup> Cf. PCLT, *Nota*, p. 28. Cf. also V. DE PAOLIS, “Temporal Goods of the Church in the New Code with Particular Reference to Institutes of Consecrated Life” in *The Jurist* 43 (1983), pp. 343-359, p. 352.

<sup>671</sup> J. RENKEN, *Church Property*, p. 149.

<sup>672</sup> Cf. J. T. MARTÍN DE AGAR, *Beni temporali e missione della Chiesa*, p. 5.

Although ordinarily the role of the superior is supervisory and regulatory,<sup>673</sup> he does not cease to have responsibility in the administrative sphere, in consonance with the mind of Canon 1279 §1 which declares that “the administration of ecclesiastical goods pertains to the one with direct power of governance over the person to whom the goods belong, unless the particular law of statutes or legitimate custom state otherwise, [...]”<sup>674</sup> This brings to mind that it is the superior who represents the juridical person in legal matters, thus clearly laying down his leadership role without absorbing the tasks of an administrator.<sup>675</sup> Moreover, the finance council is placed by the Code as a help to the superior rather than to the administrator of goods.<sup>676</sup> In this manner the Code aligns everything to the function of ecclesial governance with care and control so that the Church goods may be properly directed to Church purposes and address well the proper care of the faithful.<sup>677</sup>

### c) Administrator

Canon 1279 establishes the person of the administrator of ecclesiastical goods, *i.e.* “the one with direct power of governance over the juridic person to whom the goods belongs unless particular law or statutes or legitimate custom state otherwise.” This principle expresses unification of the authority of governance over the persons and over the goods.<sup>678</sup> Although the governance of a juridic person and administration of its goods are two distinct functions which need not necessarily be assumed by the same person as there are cases wherein the Code establishes incompatibility

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<sup>673</sup> Cf. Canon 1276 §§1-2.

<sup>674</sup> This is in consonance also with the traditional canonical principle cited by Prof. F. Aznar Gil which says: “*Attenta bonorum ecclesiasticorum natura et ordinatione, superiores ecclesiastici, in suo quaelibet ambitu non solum ius habent vigilandi vel superius moderandi, sed etiam actus ponendi, quibus eadem bona, salva donatorum vel testatorum voluntate, iuxta finem Ecclesiae proprium diligentius administrentur, melius partiantur, rectius destinantur [...]*.” (In the light of the nature and the ordering of ecclesiastical goods, the ecclesiastical superiors, each in his own scope, do not only have a right to supervise or oversee, but also to place acts with which he diligently administers, rightly distributes and properly assigns at the same time any good, according to the proper end of the Church, without prejudice to the will of the donor or of the testator. – English trans. by the author). *coram* Felici, 26 novembris 1977, sent. cit., n. 10. Cf. F. Aznar Gil, *La administracion de los bienes temporales...*, pp. 331-332.

<sup>675</sup> Cf. F. AZNAR GIL, *La administracion de los bienes temporales...*, p. 361.

<sup>676</sup> Cf. V. D’SOUZA, “General Principles Governing the Administration of Temporal Goods of the Church”, p. 485

<sup>677</sup> Cf. V. DE PAOLIS, *I beni temporali della Chiesa*, p. 82

<sup>678</sup> Cf. V. D’SOUZA, “General Principles Governing the Administration of Temporal Goods of the Church”, p. 483.

between the two functions,<sup>679</sup> yet with this canon the close connection between the two functions is clearly established, *i.e.* the administration of goods is at the service of the governance of the juridic person. With this, the superior does not lose the responsibility of the administration of the juridical person in question. The “financial administrator”, while enjoying a wide range of autonomy and enjoying proper powers inherent in the office itself (cf. can. 131) is by virtue of the same office, subordinate and subject to the authority of the competent superior<sup>680</sup> (cf. can. 494 §3).

The economic administration is considered an act exercised on the goods previously acquired or already in the ownership of a particular person, but excluding alienation<sup>681</sup> and is directed towards preservation and amelioration of these goods and applying their fruits to the intended proper objectives.<sup>682</sup> As such, the administrator has an executive function which he must fulfill in the name of the Church, according to the provisions of canon law and the directives of superiors (cf. can. 1282).<sup>683</sup> The competence of the administrator is limited to the ordinary acts of administration, beyond that (like acts of major importance, acts of extraordinary administration and

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<sup>679</sup> For example, between the diocesan bishop and the financial administrator (cf. can.494), the seminary rector and the seminary econome (cf. can. 239 §1, major superiors and the econome (cf. can. 636 §1); diocesan administrator *sede vacante* and the diocesan financial administrator (cf. can. 423 §2). The pastoral eminence of these offices and the growing complexity of the financial and property management which requires skills and expertise, drove the legislator to have a distinct office for financial administration, so that the superiors may devote themselves to other demands of pastoral care.. Cf. T. GREEN, “Shepherding the Patrimony of the Poor...” in *The Jurist* 56 (1997), pp.706-734, p. 724. Cf. also A. FARRELLY, “The Diocesan Finance Council: Functions and Duties according to the Code of Canon Law,” in *Studia Canonica* 23 (1989), pp. 149-166, p. 166.

<sup>680</sup> Cf. V. DE PAOLIS, *La vita consacrata nella Chiesa*, EDB, Bologna 1991, pp. 263-264; F. AZNAR GIL, *La administracion de los bienes temporales...*, p. 360. Although the Code uses an ambiguous term “financial administrator” for the *oeconomus*, this does not make him the administrator of the diocese. As we can see in the succeeding discussions, it is the diocesan bishop who is the administrator of the goods of the diocese. The financial administrator assists him in the fulfillment of this task by managing these goods on his behalf.

<sup>681</sup> Cf. V. DE PAOLIS, *I beni temporali della Chiesa*, p. 189.

<sup>682</sup> Cf. PCLT, *Comm* 36 (2004), p. 26; WERNZ – VIDAL, *Ius Canonicum*, IV/II: *De Rebus*, pp. 211-212; O. CRUZ, *Administration of the Temporal Goods of the Church*, ALD Publications, Dagupan City 2005, p. 48; V. DE PAOLIS, *I beni temporali della Chiesa*, p. 191.

<sup>683</sup> Cf. J. RENKEN, *Church Property*, p. 148; V. de Paolis, “Temporal Goods of the Church in the New Code with Particular Reference to Institutes of Consecrated Life”, p. 352.

alienation), is already the exclusive competence of the superior.<sup>684</sup> The Code has outlined the necessary functions the administrator ought to fulfill<sup>685</sup> with a clear admonition that they have to perform them “with the diligence of a good householder” (cf. can. 1284 §1).

Among the duties that the administrator need to fulfill is the special obligation of rendering financial report to the faithful (cf. can. 1287 §2), which is rather a necessity because the goods are not his own and are administered in the name of the Church, under the competent ecclesiastical authority, in an office that is essentially a service to the members of the faithful.<sup>686</sup> In addition, the Code has clearly articulated that “unless the contrary is clear, offerings made to the Superiors or administrators of any ecclesiastical juridic person, even a private one, are presumed to have been made to the juridic person itself” (can. 1267 §1). For this reason, the periodic reporting to the faithful of the goods offered and received comes as an indispensable duty of the administrator as a way of informing the “true owner” of the condition of its goods. Nonetheless, despite of its importance, Professors Zanetti and Schouppe noted that in many countries, this periodic obligation has not yet been satisfactorily achieved<sup>687</sup>

The position of administrator can be assumed by either clerics or lay. This principle can be clearly deduced from Canon 1282, which requires the fulfillment of duty in the name of the Church and according to the provisions of the law for all those taking part in the administration of ecclesiastical goods “sive clerici sive laici”, and from Canon 1287 §1 which requires accountability to the competent superior from administrators of ecclesiastical goods “tam clerici quam laici”. Considering the great importance of the ecclesiastical office they are to assume, all administrators must be suitable to carry out the tasks entrusted to them. To identify some parameters that would measure their suitability, Canon 228, provides the qualities that the laity is to be distinguished, *i.e.* adequate knowledge, prudence and honesty in order to provide assistance as experts or advisers. Specifically for financial administrator, the Code requires that he or she be

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<sup>684</sup> Cf. V. D’SOUZA, “Gen. Prin. Governing the Admin. Of Temp. Goods of the Church”, p. 485. This is proven by the fact that the Code requires license from the competent authority before the act can be validly executed (cf. cc. 1281 §§1-2; 1291-1292. For acts of major importance, a prior consultation with the finance council and the college of consultors is required cf. c. 1277).

<sup>685</sup> Cf. Cann. 1283-1289.

<sup>686</sup> Cf. V. DE PAOLIS, “Temporal Goods of the Church in the New Code with Particular Reference to Institutes of Consecrated Life” in *The Jurist* 43 (1983), pp. 343-359, pp. 353-354.

<sup>687</sup> Cf. E. ZANETTI, *I fedeli e i beni ecclesiastici: alcune domande*, in QDE 4 (1991), p. 314-316. J. P. Schouppe, *Elementi di Diritto Patrimoniale Canonico*, p. 154.

“an expert in financial matters and of truly outstanding integrity” (Canon 494 §1). It goes to show that substantially, the same qualities are required from all those who will hold office including the financial management, *i.e.* expertise and integrity.<sup>688</sup> With these requirements the administrator, cleric or lay, may be able enjoy the necessary capacity to engage in legal acts with legitimate title and accent of credibility among the faithful.<sup>689</sup>

With reference to Canon 1287 §§1-2, the administrator referred to as subject-agent of accountability, must be understood in the sense more practical, *i.e.* the one who has immediate ordinary administration of the temporal goods of the public juridical person, for understandably, it is the one who works directly with the ecclesiastical goods and knowledgeable about them that is expected to be accountable also for their management.<sup>690</sup>

## 2. Roman Pontiff as Supreme Administrator and Steward

The Roman Pontiff is the “supreme administrator and steward of all ecclesiastical goods by virtue of his primacy in governance” (can. 1273). This prominent power of the Pope does not mean that he is the owner or has dominion over all Church properties, nor is he the immediate administrator of all of them.<sup>691</sup> It is reminiscent of what St. Thomas Aquinas said of the

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<sup>688</sup> Essentially the same are also required of the members of the finance council, *i.e.* expertise in financial affairs and civil law and outstanding integrity (cf. c. 492 §1).

<sup>689</sup> Cf. C. BEGUS, *Diritto patrimoniale canonico*, pp. 185-186. On this point we recall what Pope John Paul II requires of pastors: “[...] the priest should also offer the witness of a ‘total honesty’ in the administration of the goods of the community, which he will never treat as if they were his own property, but rather as something for which he will be held accountable by God and his brothers and sisters, especially the poor.” JOHN PAUL II, *Pastores Dabo Vobis* (25 March 1992), n. 30, Libreria Editrice Vaticana, Citta del Vaticano 1992, p. 63.

<sup>690</sup> Cf. D. ZALBIDEA, *Transparencia y rendición de cuentas...*, pp. 86-87.

<sup>691</sup> Canon 1273 of the current code is derived from Canon 1518 of the 1917 Code. During the drafting of this canon, the clause *vi primatus iurisdictionis* was added to the original text of Canon 1518 with the justification that the monitoring and moderation of the administration of ecclesiastical goods belongs to the Pope according to general laws and the serious cases are reserved to his judgement (Cf. *Communicationes* 5 (1973) 97, n. 15). Some organs of consultation however suggest that *vi primatus iurisdictionis* be removed from the text since it easily reduces the competence of the Roman Pontiff with regard to temporal goods to merely supreme dominion, which actually is the one acknowledged by secular powers. The title of the Roman Pontiff as “supreme administrator and steward”, they maintain, has a wider comprehension than simply primacy of jurisdiction. The drafting committee however, did not have the same opinion. For them, the words *vi primatus iurisdictionis* qualifies the natural power of the Pope as supreme administrator and steward, wherein “the Pontiff is not the owner and master of the ecclesiastical goods” (*quae non est dominica ac si Pontifex esset dominus bonorum ecclesiasticorum*). By virtue of this power, the Roman Pontiff can dispose of the ecclesiastical goods in order to ascertain the ends for

Pope: “*Quamvis enim res Ecclesiae sint eius ut principalis dispensatoris, non tamen sunt eius ut domini et possessoris*,”<sup>692</sup> which later form part of the canonical doctrine. It basically meant that the other administrators are under canonical norms and are subject to the supervision of the Apostolic See, to which on some occasions they need to recourse to (e.g. can. 1292).<sup>693</sup> We can see a clear link and explanation of this in Canon 1256 which says: “Under the supreme authority of the Roman Pontiff, ownership of goods belongs to that juridical person which has lawfully acquired them.” Thus, juridical persons enjoy certain autonomy and the right to ownership, but it is always under the Pope’s authority, especially for public juridic persons whose goods are considered ecclesiastical goods (cf. can. 1257 §1). This eminence in governance is by virtue of his office as the successor of St. Peter, wherein he has “supreme, full, immediate and universal ordinary power in the Church, which he is always able to freely exercise” (can. 331).<sup>694</sup> In this manner, communion and unity in the Church, which must be safeguarded in the pursuit of Church’s goals, especially with the use of church’s temporal goods, may be fully realized.<sup>695</sup>

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which the Church possesses them. Later, a proposal to change *vi primatus iurisdictionis* into *vi primatus regiminis* was raised. All members of the drafting committee agreed. Thus, the current text has *vi primatus regiminis* (Cf. *Communicationes* 12 (1980) 412-413, can. 18). The change from *iurisdictionis* to *regiminis* seems to signify that this power concerns church properties than that of persons. Cf. F. AZNAR GIL, *La administración de los bienes temporales de la Iglesia*, p. 282.

<sup>692</sup> “For although the possessions of the Church belong to him as chief dispenser, they are not his as master and owner.” THOMAS AQUINAS, *Summa Theologiae*, II-II, q. 100, art. 1, ad 7, trans. by T. F. O’MEARA and M. J. DUFFY in *St. Thomas Aquinas Summa Theologiae: Latin text and English translations, Introductions, Notes, Appendices and Glossaries*, Blackfriars, London and New York 1964, vol. 40, p. 132.

<sup>693</sup> Cf. F. AZNAR GIL, *La administración de los bienes temporales de la Iglesia*, p. 283.

<sup>694</sup> This exercise of primacy is further affirmed by Canon 333 §1, specifying that the Roman Pontiff not only has primacy of ordinary power in the universal Church but also over all particular Churches and groups of them, maintaining that this is for the strengthening of the power of bishops over their particular churches. In this manner unity and harmony in the fulfillment of Church’s purpose may surely be achieved. He fulfills his supreme pastoral office in communion always with the other bishops but nonetheless has the discretion to exercise it either personally or in communion with them (cf. can. 333 §2). No appeal or recourse is allowed against a sentence or decree made by the Roman Pontiff (cf. canon 333 §3)

<sup>695</sup> Cf. F. SALERNO, “Commento al Can. 1273” in Pio Vito Pinto, (a cura di), *Commento al Codice di Diritto Canonico*, Libreria Editrice Vaticana, Città del Vaticano 2001, p. 731. Cf. also J. MARTÍN DE AGAR, *Beni Temporal e Missione della Chiesa*, Ateneo Romano della Santa Croce, Roma 1991, p. 5.

Given the above canonical doctrine, the Roman Pontiff does not usually interfere in the ordinary and immediate administration of the assets of each juridical person.<sup>696</sup> His role is mainly a function of *regulatory coordination* and *superior administrative control* with normative and judicial acts which he ordinarily exercises through various agencies of the Church. But, as the supreme authority of the Church, it is important to note that he enjoys all the rights inherent in his primatial function, *i.e.* aside from making laws on the temporal goods of the ecclesiastical juridical persons he can also make direct interventions, performing administrative acts, whether ordinary or extraordinary administration on the goods of public juridical persons and even on private ones.<sup>697</sup> These direct interventions in the administration of goods of a juridical person in the Church are performed by the Roman Pontiff, not as supreme organ of a superstructure, but as a capital organ of the same juridical person, by virtue of his immediate episcopal powers.<sup>698</sup> Consequently however, his direct interventions could limit or exclude the habitual administrative competence of other inferior immediate administrators.<sup>699</sup> These he only exercises, as we have said earlier, to ensure unity and harmony in the fulfillment of Church's purposes.

Moreover, in order to be clarified with the distinction between the role of the Pope as administrator and as steward, Prof. L. de Echeverria demonstrates that the Pope, as supreme administrator: a) issues norms; b) oversees extraordinary acts; c) is informed every five years by the bishops (on the occasion of their *ad limina* visit) and the Superiors general (with their quinquennial reports) concerning the status and progress of their administrations. As supreme steward on the other hand, the Pope has the

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<sup>696</sup> Cf. F. AZNAR GIL, *La administración de los bienes temporales de la Iglesia*, p. 283.

<sup>697</sup> Cf. J. P. SCHOUPE, *Elementi di Diritto Patrimoniale Canonico*, pp. 163-164; F. AZNAR GIL, *La administración de los bienes temporales de la Iglesia*, p. 283. Prof. Schoupe provides us with examples of these direct administrative interventions of the Roman Pontiff: for public juridic persons, the need for prior license for certain acts of alienation (cf. can. 1292, 2) and for private juridic persons the need of prior license in reducing the burden of masses (save in exceptional cases established by can. 1308). Cf. J. P. SCHOUPE, *Ibid*, p. 164.

<sup>698</sup> Cf. J. P. SCHOUPE, *Elementi di Diritto Patrimoniale Canonico*, pp. 164.

<sup>699</sup> "*id est potest circa bona ecclesiastica ponere omnes illos actus administrationis, quos administratores immediati ponere possunt, immo in istis actibus ponendis alios administratores excludere potest*" (that is, he can place all acts of administration concerning ecclesiastical goods, which immediate administrators can place, and on the contrary, in such acts placed, the other administrators can be excluded). V. DE PAOLIS, *De bonis Ecclesiae Temporalibus: Adnotationes in Codicem: Liber V*, Pontificia Universitas Gregoriana, Romae 1986, p. 81 Cf. also F. AZNAR GIL, *La administración de los bienes temporales de la Iglesia*, p. 283.

function of unifying the great diversity of patrimony that such an abundance of titles implies; he stipulates transfer of ownership of ecclesiastical goods between some of them, limit or delay an alienation, and under extraordinary circumstances, may even condone unduly made appropriations, publicly or in the forum of conscience (by means of the Apostolic Penitentiary).<sup>700</sup>

Is the Roman Pontiff bound to render accounts to the faithful by virtue of his being a supreme administrator and steward? Considering the canonical doctrine we have presented on the role of the Roman Pontiff, we can surmise that he is not bound to direct financial reporting to the faithful as he does not exercise immediate administration of all ecclesiastical goods. Even with those goods which are directly under him as administrator of the Apostolic See, he exercises this function not directly but through the various duly instituted administrative bodies.<sup>701</sup> However, by virtue of his *regulatory* function and *superior administrative control*, he is bound to regulate and monitor the management of these goods by issuing norms and establishing oversight strategies and structures that would ensure the proper realization of accountability and transparency of the public juridical persons in the Church as envisioned by Canon 1287 §2. In this manner, unity and harmony in the management of ecclesiastical goods would be realized towards the proper accomplishment of Church purposes, abuses may be avoided, and that the Church may be able to stand as a credible institution able to witness authentically to her own teachings. Thus, Pope Francis, conscious of this very important function, issued a *Motu Proprio* on February 24, 2014, barely a year after he assumed his office as bishop of Rome, titled *Fidelis Dispensator et Prudens*, instituting reforms in the economic management of those goods directly under his care, setting the example for proper accountability and transparency in the Church's financial administration. The *Motu Proprio* establishes a new coordinating mechanism for the economic and administrative affairs of the Holy See and the Vatican City State, *i.e.* the Council for the Economy whose task is to set economic policies for the Holy See and exercise oversight on all the

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<sup>700</sup> Cf. L. DE ECHEVERRIA, "Commentary on Can. 1273" in *Código de Derecho Canónico, edición bilingüe comentada*, Salamanca, 6<sup>th</sup> ed. 1985, pp. 604-605; Z. COMBALIA, "Commentary on Canon 1273" in E. CAPARROS, *et al.*, (eds.) *Exegetical Commentary on the Code of Canon Law IV/I*, p. 84. According to Prof. Schouppe, this is true in the case of acceptance by the Roman Pontiff of a *condonatio* or an expropriation by the State. One can see, then, that the authority of the bishop of Rome can lead up even to the disposition of assets that do not belong to him, which is absolutely not allowed to the diocesan bishop. Cf. J. P. SCHOUPPE, *Elementi di Diritto Patrimoniale Canonico*, pp. 163-164.

<sup>701</sup> Cf. Apostolic Constitution *Pastor Bonus*, (28 June 1988), art. 171-179, in AAS 80 (1988) 841-930.

financial structures and activities of the Roman Curia, Holy See, and Vatican City State, the Office of Auditor General for the audit of these agencies, and the Secretariat for the Economy who will do the economic coordination, control and supervision over the said agencies<sup>702</sup> “including policies and procedures concerning purchasing and the suitable allocation of human resources, with due regard to the competencies proper to each agency”<sup>703</sup>. In this *Motu Proprio*, he clearly laid down the essential role of administration of ecclesiastical goods, in particular, in view of his office as supreme administrator and steward: “As the faithful and prudent administrator has a vocation to care attentively for those goods that have been entrusted to him, so the Church is conscious of her call to safeguard and carefully administer her goods in light of her mission of evangelization, with special care for the needy. In particular, the responsibility of the economic and financial sectors of the Holy See is intimately linked to its own particular mission, not only in its service to the Holy Father in the exercise of his universal ministry but also with respect to how they correspond to the common good in light of integral human development,”<sup>704</sup> and unambiguously pointed out the purpose of the new economic reform in his speech to the members of the said Council: “[...] we must not stray from this path (referring to the Church’s stewardship responsibility). Everything, transparency, efficiency, everything is for this purpose”<sup>705</sup>. Several policies and structures were also introduced by the Roman Pontiff to conform to the international conventional standards for financial operations and best management practices.<sup>706</sup>

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<sup>702</sup> Cf. FRANCIS, Apostolic Letter issued *Motu Proprio*, *Fidelis Dispensator et Prudens*, (24 February 2014), in AAS 106/3 (2014), 164-165.

<sup>703</sup> *Fidelis Dispensator et Prudens*, n. 5.

<sup>704</sup> *Fidelis Dispensator et Prudens*, par. 1.

<sup>705</sup> “... non dobbiamo uscire da questa strada. Tutto, trasparenza, efficienza, tutto per questo scopo.” FRANCIS, *Saluto del Santo Padre Francesco Al Consiglio per L'Economia*, Sala dei Papi, Venerdì, 2 maggio 2014; *Allocutio Ad Sodales Consilii Rei Oeconomicae Curandae*, AAS 106 (2014), 383-384, n. 5. English trans. by the author.

<sup>706</sup> Cf. BENEDICT XVI, Apostolic Letter issued *Motu proprio*, *La Sede Apostolica*, for the Prevention and Countering of Illegal Activities in the Area of Monetary and Financial Dealings (30 December 2010) in AAS 103/1 (2011), 7-8. English trans. from [http://w2.vatican.va/content/benedict-xvi/en/motu\\_proprio/documents/hf\\_ben-xvi\\_motu-proprio\\_20101230\\_attivita-illegali.html](http://w2.vatican.va/content/benedict-xvi/en/motu_proprio/documents/hf_ben-xvi_motu-proprio_20101230_attivita-illegali.html) [Accessed 27.1.2015]; Cf. FRANCIS, Apostolic Letter issued *Motu proprio*, *La promozione*, for the Prevention and Countering of Money Laundering, the Financing of Terrorism and the Proliferation of Weapons of Mass Destruction (8 August 2013) in AAS 105/9 (2013), 811-813. English trans. from [https://w2.vatican.va/content/francesco/en/motu\\_proprio/documents/papa-francesco-motu-proprio\\_20130808\\_prevenzione-contrasto.html](https://w2.vatican.va/content/francesco/en/motu_proprio/documents/papa-francesco-motu-proprio_20130808_prevenzione-contrasto.html) [Accessed 18.1.2016]; FRANCIS, Apostolic Letter Issued *Motu Proprio* approving the New Statutes of the Financial Intelligence

### 3. Diocesan Bishop and Other Ordinaries

By virtue of his office as the head of the particular Church, it belongs to the diocesan bishop<sup>707</sup> the direct responsibility both over the pastoral needs of his constituents and over the temporal affairs of his diocese necessary for the fulfillment of the Church's purposes, including the administration of ecclesiastical goods (cc. 369, 386, 392 §2).<sup>708</sup> In order to exercise this pastoral responsibility properly, he is vested with "legislative, judicial and executive power" (can. 391 §1) as well as "ordinary, proper and immediate power" within the limits of his jurisdiction (can. 381 §1). In particular, speaking of the responsibility of the diocesan bishop in the administration of temporal goods of the Church, one can refer to two different competencies, *i.e.* concerning the administration of the goods of the diocese and concerning the administration of the goods of public juridic persons subject to him.<sup>709</sup> With regard to all the public juridic persons subject to him, his role, by virtue of his ordinary power, is primarily that of a superior who has supervisory and regulatory function (cf. can. 1276), which does not necessarily entail any intervention in their immediate governance,<sup>710</sup> but in view of organizing systematically the administration

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Authority (15 November 2013) in AAS 105/12 (2013) 1138-114. English trans. from [https://w2.vatican.va/content/francesco/en/motu\\_proprio/documents/papa-francesco-motu-proprio-20131115\\_statuto-aif.html](https://w2.vatican.va/content/francesco/en/motu_proprio/documents/papa-francesco-motu-proprio-20131115_statuto-aif.html) [Accessed 18.1.2016]; FRANCIS, Apostolic Letter issued *Motu proprio*, for Transferral of the Ordinary Section of the Administration of the Patrimony of the Apostolic See to the Secretariat for the Economy (8 July 2014) in *L'osservatore Romano*, English Edition, No. 28 (2354), 11 July 2014, p. 3. English trans. from [https://w2.vatican.va/content/francesco/en/motu\\_proprio/documents/papa-francesco-motu-proprio-20140708\\_trasferimento-apsa.html](https://w2.vatican.va/content/francesco/en/motu_proprio/documents/papa-francesco-motu-proprio-20140708_trasferimento-apsa.html) [Accessed 18.1.2016].

<sup>707</sup> The following are equivalent to the diocesan bishop: territorial prelate, territorial abbot, vicar apostolic, prefect apostolic, and apostolic administrator of a permanently established apostolic administration (cf. cc. 381 §2; 368).

<sup>708</sup> Cf. F. TESTERA, "Ecclesiastical Financial Management" in *Philippiniana Sacra* 18 (1983), pp. 495-510, p. 502.

<sup>709</sup> Cf. F. TESTERA, "Ecclesiastical Financial Management", p. 502; C. BEGUS, *Diritto patrimoniale canonico*, p. 167. C. Redaelli distinguishes them into three: a) the direct administration of the goods of the diocese; b) the ordering of the scope of ecclesiastical goods with legislative interventions, regulations and general policy at the service of ecclesial communion; and c) the supervision on the administration of goods. Cf. C. REDAELLI, "La responsabilità del Vescovo diocesano nei confronti dei beni ecclesiastici" in *Quaderni di Diritto Ecclesiale* 4 (1991), pp. 317-335, p. 319.

<sup>710</sup> This supervisory function includes even the private juridical persons within the limits provided by law (cf. cann. 305; 325 §§1-2). This is to ensure the proper realization of the purposes of the entities in a manner consistent with the aims of the Church (cf. can. 325 §2) and that they operate in conformity with the constitutive and guiding principles of the patrimonial law of the Church (e.g. the just fulfillment of the will of the donor, the spirit of

of ecclesiastical goods to achieve their proper ecclesial purposes<sup>711</sup> and curbing abuses in their management (cf. can. 392 §2), he has the right and duty to demand proper accountability, to inspect all matters related to financial operations, and to issue legislations and special instructions within the limits of universal and particular law, and with due consideration of the civil norms, lawful customs and local circumstances, and sometimes concordatarial law, on all public juridic persons subject to him.<sup>712</sup> In terms of the goods of the diocese, the diocesan bishop is technically the administrator<sup>713</sup> and the one who has direct responsibility over them, by

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poverty and shared responsibility). Cf. J. SCHOUPE, *Elementi di diritto canonico*, pp. 160-161. The source of such competence can be the Church's universal law, the customs or the statutes of these private juridical persons (e.g. institutes of consecrated life of diocesan right, autonomous monasteries or cloistered institutes). Cf. V. DE PAOLIS, *I beni temporali della Chiesa*, p. 207.

<sup>711</sup> Cf. J. MARTÍN DE AGAR, *Beni Temporalis e Missione della Chiesa*, p. 5. According to Prof. F. Testera, the rationale and scope of the supervisory powers of the Ordinary are expressed well in the old latin saying *ius curandi ut administratio sit bona* (i.e. the law ensures that administration would be good). Cf. F. TESTERA, "Ecclesiastical Financial Management", p. 503.

<sup>712</sup> According to Prof. F. Testera these rights and duties can be classified into three: a) *ius rationem exigendi*, i.e., the right to demand accurate accounts, updated financial reports, supporting evidence of all transactions carried out by administrative functionaries (c. 1287, 1); b) *ius visitandi* i.e. the right to visit which allows the Ordinary to inspect the properties, official books and other pertinent documents, to check on the observance of rules and laws, conduct of administrators and other personnel, etc. (c.1276); and c) *ius praescribendi modum administrationis*, which is the right to issue rules conducive to an effective administration (c.1276, 2). The Ordinary is capable of imposing his will on inferior administrative officers through the issuance and enforcement of particular norms as long as they are within the framework of general and particular law. Thus, the Ordinary can forbid, among others, the erection of shops, parking spaces, amusement centers, mortuaries or crypts within church grounds or premises. It is within his competence to prescribe the manner of making bank deposits and withdrawals, inventories, last will and testaments as well as financial reporting. Cf. F. TESTERA, "Ecclesiastical Financial Management", pp. 503-504.

<sup>713</sup> Cf. Can. 391. Cf. also J. MARTÍN DE AGAR, "Bienes Temporales y Mission de la Iglesia" in AA.VV. *Manual de Derecho Canónico*, 2<sup>nd</sup> ed., EUNSA, Pamplona 1991, pp. 701-732, p. 724. The diocesan bishop is considered administrator of the goods of the diocese. In fact, the Directory for the Pastoral Ministry of Bishops, *Apostolorum Successores*, titled one of its subsections as "The Bishop, the Administrator of the Ecclesiastical Goods of the Diocese, the Finance Officer and the Finance Council" (section E) and is called the sole administrator of the diocese (n. 189). Moreover, this is proven by the fact that he needs to report every five years to the Roman Pontiff regarding the state of the diocese in the form and manner determined by the Apostolic See (cf. can. 399 §1) which actually includes the economic condition of the diocese. The following are the data asked in the Quinquennial Report about the economic condition of the diocese: XXI. FINANCIAL STATE OF THE DIOCESE. A. Statistics: 1.Financial Status of the

virtue of his power of governance over the diocese as contemplated by Can. 1279 §1, and the legal representative of the diocese as well (cf. can. 393). However, the Code also requires that he appoints a financial administrator for the diocese after consulting the college of consultors and the finance committee (cf. can. 494 §1) who will be responsible for the administration of the diocesan goods “under the authority of the bishop” and “in accordance with the plan of the finance committee” (can. 494 §3).<sup>714</sup> This arrangement provided by the Code, *i.e.* having the figure of diocesan finance officer “to administer the goods of the diocese” (can. 494 §3) and the figure of administrator as contemplated by can. 1279 §1, which according to Prof. Miñambres, have no clear rules and delineation, however, poses ambiguity and confusion. Thus, in an effort to provide a clear distinction between these two figures, especially concerning the role of the diocesan bishop and that of the diocesan treasurer in terms of administration of diocesan goods, Prof. Miñambres proposes to call the function of administrator as “administration in the proper sense” in order to be consistent with the one referred to in Canon 1279 §1(*i.e.* the one who has direct power of governance in the diocese holds direct responsibility over its goods also) and the function of

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Diocese/The General Economic Situation of the Diocese: a) The general economic situation of the Diocese (including estimated budgets and audited financial statement); b. whether the ordinary resources are sufficient to meet the needs of the Diocese; 2. Financial Resources: a) Patrimony; b) Contributions (Canon 1262); c) Levies or Taxes (Canon 1263); d) Other Sources; B. Description: 1. Financial administration of the Diocese: a) Finance Office: Is there a Finance Office for the financial administration of the Prelature? - What is its structure? - Who are the lay faithful who serve in this office?; b) Has the prelatical fund for the support of the clergy been duly constituted (Canon 1274 §1)?; c) What criteria are used to provide for the just remuneration of the clergy?; 2. Health care coverage and social security for the clergy, common reserve fund and benefits: a) The program of health care coverage and social security for the clergy; b) The existence of a common reserve fund for meeting various needs (expenditures/liabilities of the Diocese (Canon 1274 §3); c) Do any benefices still exist in the Prelature?; 3. Ecclesiastical title and civil law: a) How is ecclesiastical title established in civil law?; b) By what title are prelatical properties and goods held?; c) Have any difficulties been created by or arisen because of the civil law? (The author based the aforementioned data from the PRELATURE OF BATANES, *Quinquennial Report* 2003-2010, Basco, Philippines 2010 submitted to the Congregation of Bishops for the *Ad limina* Visit 2010.) [unpublished]

<sup>714</sup> According to Prof. Begus, the diocesan bishop is not deprived, with the appointment of the diocesan treasurer, of his executive power which is ordinary, proper and immediate, maintaining the power to administer the goods in the diocese. However, the Code guarantees also and sometimes requires that he entrust to others some of his competencies. For example, in the exercise of his judicial power, the Code requires that he appoints a judicial vicar and diocesan judges (cf. cann. 1420 §1; 1421 §1). This holds true also with the appointment of a diocesan treasurer (cf. can. 494 §1). C. BEGUS, *Diritto patrimoniale canonico*, p. 170.

the treasurer as “administration in the broadest sense”. Furthermore, he maintained that in order to avoid confusion with the terminologies, it would be better to use the term “management” in reference to all that has to do with ordinary financial operations and to reserve the term “administration” only to those who hold the legal person and have the responsibility to allocate the temporal goods to the achievement of institutional goals of the subject holder. Thus, we can say that the diocesan bishop is the proper administrator and the diocesan treasurer as the financial manager of the diocese.<sup>715</sup> In short, the diocesan treasurer assists the diocesan bishop in the administration of the diocesan goods and thus, the actual day-to-day management of the diocesan goods belongs to him, but the ultimate decision in terms of administration of goods belongs properly to the diocesan bishop.

Furthermore, this arrangement is rather to be consistent with task of the diocesan bishop as superior of the goods of all public juridical persons subject to him (including the diocese), who supervises and regulates, determines and grants license to acts of major importance, extraordinary acts of administration, alienation and acts that would endanger the patrimonial condition of the juridic person (cf. cann. 1277; 1281; 1292; 1295), and presides over the diocesan finance council (cf. can. 492 §1) and the college of consultors (cf. 502 §2). He may even delegate the supervisory role and the power to appointment administrators for public juridic persons whose proper laws are silent about it, which are actually competencies of an ordinary, to the diocesan financial administrator (cf. can. 1278). These faculties, save supervision and regulation, are incumbent solely to the diocesan bishop. This arrangement of separating from the hands of the diocesan bishop the direct administration of temporal goods, so that he can devote himself “to prayer and to the ministry of the word” (Acts 6:5), reflect the legislator’s consideration that both the pastoral affairs and temporal concerns of the diocese need equal serious attention so that they can be both harmoniously directed to achieve properly the Church’s purposes, and more importantly, to provide a system of transparency in the economic administration of the diocese so as to protect the diocesan bishop from any suspicion of malfeasance, thus avoiding scandal and division in the community.<sup>716</sup> Even though the diocesan bishop, cannot and must not be involved in all the details of the internal management of every juridic person

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<sup>715</sup> Cf. J. MIÑAMBRES, “Corresponsabilità e amministrazione dei beni della Chiesa” in F. Lozupone, (ed.) *Corresponsabilità e trasparenza nell’amministrazione dei beni della Chiesa*, pp. 81-100, pp. 83-86.

<sup>716</sup> Cf. COUNCIL OF CHALCEDON (451), can. 26 (Mansi, VI, 1230). English trans. from N. TANNER, (ed.) *Decrees of the Ecumenical Council*, vol. 1, Sheed and Ward, London 1990, p. 99.

under him, still he is the only one who can ensure that every part of the diocese is functioning well as it should be.<sup>717</sup> “He is responsible for ensuring integrity, ethics, competence, and other factors that comprise a positive financial environment.”<sup>718</sup>

Like the diocesan bishop, it pertains properly to the other ordinaries (vicars general, episcopal vicar and major superiors of clerical religious institutes and societies of apostolic life of pontifical right) the exercise of supervision and regulation, issuing special instructions on the manner of administration of Church goods within the limits of the law (cf. can. 1276),<sup>719</sup> the right of intervention in the case of negligence by an administrator and the appointment of suitable persons who will administer the public juridic persons subject to them if it is not stipulated by law, by the charter of the foundation or by its statutes (cf. can. 1279), and to grant written faculty for validity of acts beyond ordinary administration. However, it pertains specifically to the local ordinary the right to receive the annual report of administrators of the public juridical persons subject to the diocesan bishop (cf. can. 1287 §1). This recalls then the accountability responsibility of administrators on the goods of the public juridical persons which are considered “Church” goods. It pertains also to them the responsibility to supervise the administrative activity of private associations of the faithful, in accordance with and within the limits of cann. 305 and 325.<sup>720</sup> Moreover, it pertains solely to the diocesan bishop the power to issue particular laws that would complement the regulatory framework of the universal law, the complementary norms of the Episcopal Conference or the competent ecclesiastical province, or even, if necessary, the concordatarial law. Through such power, the diocesan bishop may also identify the modes of ordinary administration for those juridic persons subject to him if these have not been specified previously in their statutes (cf. can. 1281, 2), as well as define the norms concerning parish finance councils (cf. can. 537).<sup>721</sup>

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<sup>717</sup> T. PAPROCKI and R. SAUDIS, “Annual Report to the Diocesan Bishop”, in K. MCKENNA, *et al.* (eds.), *Church Finance Handbook*, p.176

<sup>718</sup> F. BUTLER, “Financial Accountability: Reflections on Giving and Church Leadership” in F. OAKLEY and B. RUSSETT, (eds.), *Governance, Accountability, and the Future of the Catholic Church*, p. 155.

<sup>719</sup> The Pontifical Council on Legislative Text emphasized that the role of the Ordinary is supervision on the administration and not the administration itself of the ecclesiastical goods. This covers the right of inspection, to demand accounts to establish the manner of a proper and orderly administration, to grant permission to certain administrative acts of certain gravity or importance (cf. cann. 1277, 1281, 1292). Other tasks involving executive power are entrusted by the diocesan bishop to others. Cf. PCLT, *Nota*, p. 28.

<sup>720</sup> Cf. PCLT, *Nota*, p. 28.

<sup>721</sup> Cf. J. SCHOUPE, *Elementi di Diritto Canonico*, p. 179.

Although the function of regulation and supervision is proper to all ordinaries, the discretion to designate the person who would fulfill this function belongs properly to the diocesan bishop since he is the ultimate superior in the diocesan level and the one with direct power of governance over the diocese.

Considering then these competencies of the diocesan bishop and the other local ordinaries in view of the responsibility to financial reporting to the faithful, we can say that the diocesan bishop as the ultimate administrator of the diocese, is bound to fulfill it, however, he does this through the various diocesan financial organs (*i.e.* diocesan finance officer, diocesan finance council and college of consultors) and other means available to him as provided by law, as he does not directly manage the ecclesiastical goods of the diocese. He is primarily bound by reason of his legislative function which is incumbent exclusively on him, to legislate particular norms that would implement concretely the universal mandate provided by Canon 1287 §2 in his particular diocese and see to it that they are well and properly executed. In his capacity as an ordinary, he is to supervise carefully the management made by public juridic persons subject to him and issue instructions that would provide clear and proper direction on their manner of ordinary administration, with the technical assistance of the diocesan finance council, so that they may be done in conformity with the conventional standards or best practices of financial management, and thus proper financial transparency contemplated by Canon 1287 §2 may be realized effectively and efficiently. He has the right to intervene when these provisions for proper transparency and accountability are neglected or violated by the administrators under him (cf. can. 1279 §1) and impose sanctions on those who do so (cf. cann. 1389; 1375; 1376; 1377; 1741, 5°). He may facilitate and mandate the issuance of books of policies and procedures concerning temporal goods applicable to all public juridic persons in his diocese as well as the means for a better financial reporting to the diocesan faithful either through diocesan bulletins or website, or regular mails to the clergy and agencies of the diocese.<sup>722</sup> He may relegate the supervision and control of the management of goods of all public juridic persons subject to him to other local ordinaries under him (*i.e.* vicars general and episcopal vicars) as this is guaranteed by law (cf. can. 1276) or to his diocesan financial administrator (cf. can. 1278). However, the last say should always be his, in collaboration with the diocesan finance council and

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<sup>722</sup> T. PAPROCKI AND R. SAUDIS, “Annual Diocesan Report to the Diocesan Bishop” in K. MCKENNA, *et al.* (eds.), *Church Finance Handbook*, p. 178.

the college of consultors, for the decision-making is properly his as a superior.<sup>723</sup>

#### **4. Diocesan Finance Officer**

The office of the diocesan finance officer is a function mandated by the Code for all dioceses or its legal equivalent (cf. can. 494 §1) to take care of the day-to-day management of the goods of the diocese, “under the authority of the Bishop” and “according to the plan of the finance council” (can. 494 §3). The diocesan bishop is tasked to appoint him or her in consultation with the college of consultors and the finance council for a five-year term, subject to further renewals. The office has a character of stability and permanence for while in office, the one in position could not be removed by the diocesan bishop except only for a grave cause and only after hearing the college of consultors and the finance council. Furthermore, during *sede vacante*, he or she remains in office except when he is elected as diocesan administrator, in which case a temporary finance officer is to be elected by the finance council, signifying the incompatibility of the office of finance officer with that of the diocesan administrator (cf. can. 423 §2). This is made so, according to Prof. Thomas Green, in due consideration of the complexity of diocesan financial management, the need for objective execution of various administrative tasks, and to avoid conflicts of interest in the exercise of administration.<sup>724</sup>

Any cleric or layperson may be appointed to the office of diocesan finance officer. Since, it is an ecclesiastical office, the general requirements provided by the Code to assume such office apply, *i.e.* communion with the Church and suitability for the position which means possession of the qualities necessary for the office (cf. can. 149 §1). In this particular case, the qualifications articulated by the Code for this office are two-fold: professional or technical and personal. One has to have financial expertise and must also be truly outstanding in personal honesty and integrity (cf. can. 494 §2).<sup>725</sup> Since financial matters are complex and highly technical, persons skilled on the matter are logically the ones who are knowledgeable in dealing with them, and naturally the bishops would rely on them and their recommendations. Thus, honesty and integrity of the finance officer is so

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<sup>723</sup> Cf. V. DE PAOLIS, *I beni temporali della Chiesa*, p. 17.

<sup>724</sup> Cf. T. GREEN, “The Players in the Church’s Temporal Goods World” in *The Jurist* 72/1 (2012), pp. 53-75, pp. 68-69.

<sup>725</sup> Cf. B. A. CUSACK, “Commentary on Canon 494” in AA.VV., *New Commentary on the Code of Canon Law*, pp. 651-652.

important so that the bishop and the finance council can safely trust his or her decisions and recommendations in view of the furtherance of the goals of the diocese.<sup>726</sup> Although not required by the Code, it would be good if he or she is somewhat knowledgeable in the law on temporal goods both civilly and canonically.<sup>727</sup>

The duties of the diocesan finance officer are outlined in general in Can. 494 §§3-4. They are summarized into four: 1) administering diocesan goods; 2) operating according to the plan laid down by diocesan finance council; 3) meeting diocesan expenditures through funds lawfully authorized by the diocesan bishop; and 4) reporting periodically to the finance council. With these tasks, the finance officer serves as comptroller exercising certain discretions such as disbursement of funds or authorizing the same to cover expenses, within the parameters set by the diocesan bishop and the finance council. As administrator of diocesan goods, he or she is to observe faithfully the duties required by Cann. 1283-1289.<sup>728</sup> Technically, his or her task is not to make policy decisions but to implement such.<sup>729</sup> The policy decision-making is left to the diocesan bishop and the diocesan finance council. The practical implementation of these tasks depend significantly on the local circumstances, such as the pastoral needs, varied size of coverage, and the financial resources of the different dioceses. In addition to the aforementioned functions, the diocesan bishop is given a wide discretion to use the expertise of the diocesan finance officer.<sup>730</sup> He may also entrust to the diocesan finance officer the exercise of his supervisory role over public juridic persons subject to him like parishes and seminaries (cf. can. 1278), delegating to him the issuance of instructions on various financial matters such as diocesan assessments, parish capital campaigns or parish audits. The diocesan bishop may also empower him or her to name supplemental administrators for public juridic persons who lack them and are not provided for by their own statutes, like diocesan foundations (cc. 1278;1279 §2).<sup>731</sup> He or she may also provide

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<sup>726</sup> Cf. F. EASTON, "The Diocesan Finance Officer" in K. MCKENNA, *et al* (eds.), *Church Finance Handbook*, Canon Law Society of America, Washington D.C. 1999, p. 129.

<sup>727</sup> Cf. T. GREEN, "The Players in the Church's Temporal Goods World", p. 67.

<sup>728</sup> Canon 1282 requires all those involved in the administration of ecclesiastical goods to carry out their duties faithfully and properly according to the provisions of the law (both canonical and civil), in the name of the Church.

<sup>729</sup> Cf. B. A. CUSACK, "Commentary on Canon 494", p. 652; T. GREEN, "The Players in the Church's Temporal Goods World", p. 67.

<sup>730</sup> Cf. T. GREEN, "The Players in the Church's Temporal Goods World", p. 68.

<sup>731</sup> Cf. T. GREEN, "Shepherding the Patrimony of the Poor: Diocesan and Parish Structures of Financial Administration" in *The Jurist* 56 (1997), pp. 706-734, p. 726.

administrative services, such as assisting in budget preparation or annual financial review, in relation to other juridic persons subject to the diocesan bishop or those which do not have their own administrator. These services should be well articulated and understood by these other public juridic persons.<sup>732</sup> In the spirit of financial accountability and transparency, with the help as much as possible of auditors and accountants, he or she is to submit a report of all diocesan income and expenditures to the diocesan finance council annually for review (cf. 494 §4; 1287 §1) and which would be useful for future budgeting purposes. Because of his direct involvement in the financial administration, administering diocesan goods “under the authority of the bishop”, he or she may also be tasked by the diocesan bishop to prepare the annual financial report that the bishop has to render to the faithful of the diocese concerning the goods they have offered to the diocese (cf. can. 1287 §2).<sup>733</sup> This report should be also submitted to the diocesan finance council for examination and ultimately for the approval of the diocesan bishop. He may also do the task of publishing them through means of communication available in the place and as directed by the diocesan bishop. Through this meticulous process of review and control, and employment of technical financial skills of these various bodies involved in administration, co-responsibility and collaboration is genuinely activated, transparency is well-reflected, and thus, the credibility of the Church and the effectiveness of her mission would be ensured. For as it is said: “Publicity is justly commended as a remedy for social and industrial diseases. Sunlight is said to be the best of disinfectants...”<sup>734</sup> The more persons are aware of the financial operations, the less likely for malfeasance and nonfeasance to occur in the administration of diocesan goods. Furthermore, a transparent report is useful in encouraging further giving on the part of the faithful, as they are acknowledged as significant stakeholders in the Church, and made aware of their duties as well.<sup>735</sup>

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<sup>732</sup> Cf. B. A. CUSACK, “Commentary on 494”, p. 652.

<sup>733</sup> Cf. T. GREEN, “Shepherding the Patrimony of the Poor: Diocesan and Parish Structures of Financial Administration”, p. 725.

<sup>734</sup> These famous words first appeared in Harper’s Weekly Vol. LVIII, No. 2974 Dec. 20, 1913, in the article “What Publicity Can Do: Other People’s Money,” Chapter 5, p. 92 written by Supreme Court Justice Louis D. Brandeis, on the benefits of financial disclosure. The statement is now a rallying maxim for those advocating transparency.

<sup>735</sup> Cf. T. GREEN, “Shepherding the Patrimony of the Poor: Diocesan and Parish Structures of Financial Administration”, p. 725.

## 5. *Parish Priest and other Parish Financial Administrators*

The parish priest is the proper pastor of a parish entrusted to him, exercising pastoral care over a community of the faithful, stably constituted in such parish, under the authority of the diocesan bishop (cf. can. 515§1).<sup>736</sup> As pastor, he carries out the functions of teaching, sanctifying, and governing over the community entrusted to him, with the cooperation of other priests or deacon and with the assistance of the lay faithful, according to the provisions of the law (cf. can. 519).<sup>737</sup> By law, he is the legal representative of the parish (cf. cann. 532; 118), which like the diocese is also a public juridic person in the Church with independent rights and obligations and legal standing in law (cf. can 515 §3). As such, he is tasked to protect the parish's rights and ensure the fulfillment of its obligations whenever its juridic status might be affected.<sup>738</sup> Since he is the one who exercises immediate governance over the parish, it also belongs to him the primary duty and responsibility to administer faithfully the goods of the parish entrusted to him (cf. c. 1279 §1).<sup>739</sup> His administrative authority is limited only to acts of ordinary administration, beyond which he must obtain first a written permission from the ordinary (cf. can. 1281§1). These acts of extraordinary administration should be defined in the statutes of the parish, or in the absence thereof, the diocesan bishop has to define them, in

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<sup>736</sup> Cf. J. I. ARRIETA, *Governance Structures within the Catholic Church*, Wilson & Lafleur, Ltée, Montreal, Canada 2000, p. 252.

<sup>737</sup> Aside from the ordinary one pastor set-up of parish administration, the Code also provides a mode of pastoral care of a parish or group of parishes by a team of priests "*in solidum*" but with a stipulation that one of the team would be assigned as moderator. The moderator in this case, like a pastor, is responsible to the bishop (cf. can. 517 §1) for the parish administration and represents the parish(es) in all juridic affairs according to can. 532. Cf. M. HUBER, "Ecclesiastical Financial Administrators" in *Church Finance Handbook*, p. 114.

<sup>738</sup> Cf. T. GREEN, "Shepherding the Patrimony of the Poor...", pp. 726-727.

<sup>739</sup> Cf. M. HUBER, "Ecclesiastical Financial Administrators" in *Church Finance Handbook*, p. 116. Prof. T. Green maintained that although the parish is basically a community of the faithful, it is not a collegial juridic person (c. 115 §2). The right to administer such property is vested in the priest pastor as its legal representative (cc. 532; 118). Cf. T. GREEN, "Shepherding the Patrimony of the Poor...", p. 726. Cf. also, F. AZNAR GIL, "La administración de los bienes temporales de la parroquia" in JULIO MANZANARES, (ed.) *La parroquia desde el nuevo derecho canonico: X Jornadas de la Asociación Española de Canonistas (Madrid 18-20 abril 1990)*, Universidad Pontificia de Salamanca, Salamanca 1991, pp. 161-215, p. 172. This is one case where the function of legal representative and that of the financial administrator fall on one and the same person. In other cases these roles are actually distinct and incompatible.

consultation with the diocesan finance council (cf. can. 1281 §2).<sup>740</sup> The diocesan bishop is the superior of the parish and thus the pastor administers the parish goods under the general authority of the diocesan bishop who has the preeminent supervisory and regulatory role in ensuring standards of responsible administration (cf. can. 1276 §1). As financial administrator, the pastor's role is a position of trust. He is not the owner of the parish goods nor is the diocesan bishop, but the community of the faithful. But it is to him that is entrusted the ultimate responsibility of governing the persons as well as the management goods of the parish toward the effective achievement of its goals. However, the Code does not envision him to do the administration alone by himself. In the spirit of collaboration and co-responsibility that should always be present in the Church, the Code provides that he be assisted by a finance committee, the norms of which are to be laid down by the diocesan bishop in conformity with the universal law (cf. can. 537).<sup>741</sup> Furthermore, while the Code does not require any other administrator of parish ecclesiastical goods, except the parish priest, some canonists suggest that the appointment of a parish finance officer who will take charge of the day-to-day financial operations especially in larger parishes, somewhat similar to the figure of the diocesan finance officer, would be practically beneficial and convenient to the parish administration of the parish priest.<sup>742</sup> The reason for the absence of its provision in the Code is probably due to the extraordinary diversity of parishes throughout the world.<sup>743</sup> This can be provided by particular law to address different local circumstances. However, care should be taken that the competence of the finance officer be delineated well in relation to the authority of the parish pastor.<sup>744</sup>

Needless to mention, in order to be appointed parish priest, one needs to be in the sacred order of priesthood (cf. can. 521 §1). The Code also requires that he be “outstanding in sound doctrine and uprightness of character, endowed with zeal for soul and other virtues, and possessed of those qualities which by universal law are required for the care of the parish in question” (cf. can. 521 §2). Thus, by virtue of his being an administrator of ecclesiastical goods, which is a position of trust, he is expected to be truly

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<sup>740</sup> Cf. M. HUBER, “Ecclesiastical Financial Administrators” in *Church Finance Handbook*, p. 116.

<sup>741</sup> Cf. T. GREEN, “Shepherding the Patrimony of the Poor...”, p. 727.

<sup>742</sup> For further discussion on this matter, cf. J. RENKEN, “The *Parochus* as Administrator of Parish Property” in *Studia Canonica* 43 (2009), pp. 494-495. Cf. also T. GREEN, “Shepherding the Patrimony of the Poor...”, pp. 727, 732-734; T. GREEN, “The Players in the Church Temporal Goods World”, pp. 74-75. F. AZNAR GIL, *La administración de los bienes temporales de la Iglesia*, pp. 341-342.

<sup>743</sup> Cf. T. GREEN, “The Players in the Church Temporal Goods World”, p. 70.

<sup>744</sup> Cf. J. RENKEN, “The *Parochus* as Administrator of Parish Property”, p. 494.

honest and outstanding in integrity similar to the qualities expected of the diocesan financial administrator (can. 494 §1) and that of the members of the finance council (can. 492 §1). The diocesan bishop is the one who has the discretion in the appointment of the parish priest and should also establish in a clear manner the qualifications for the appointment to the said office (cf. can. 521 §3).

While the code does not indicate in specific details the pastor's administrative role, he is bound to observe the general provisions required of all Church administrators (cann. 1281-1288). He is to carry out this ministry always in the name of the Church and according to the norms of law (cf. can. 1282) with diligence and care of a good householder (cf. can. 1284 §1), keeping in mind that it is ultimately for the good of the Church that he fulfills this function and thus has to exercise prudence in all his decision-making pertaining to administration.<sup>745</sup> By virtue of his being an administrator and thus subject-agent of financial transparency and accountability, he is bound to submit an annual financial report of the parish to the diocesan bishop as well as to the parishioners regarding the goods they have contributed to the parish (cf. cann. 1287 §§1-2). The details of these reports should be defined by diocesan statutes and guidelines.<sup>746</sup> Furthermore, he has to find ways and means to efficiently and effectively manage the parish resources, i.e. personnel, property and finances in view of pursuing the mission of the parish and the welfare of the faithful.<sup>747</sup> Consequently, strategic standard procedures and guidelines need to be in place to achieve such. Among which, is the observance of transparency and accountability in these matters that conform well to the standards and best practices of other similar institutions and best suited to the individual parish circumstance.

In cases where the parish is vacant due to resignation, removal, transfer, retirement or death of the parish priest or is impeded to exercise his duties due to imprisonment, exile, sickness or some other incapacitating cause, and no parochial vicar is assigned, the Code allows two provisions: 1) the appointment of a parochial administrator (cf. can. 539); or 2) the appointment of a pastor collaborator (a deacon, layperson of a community of persons) in case of a parish without a resident parish priest due to shortage of priests (cf. can. 517 §2). The parochial administrator acts in place of the pastor and has the same rights as that of the pastor unless provided otherwise by the diocesan bishop, but cannot make decisions that could

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<sup>745</sup> Cf. M. HUBER, "Ecclesiastical Financial Administrators" in *Church Finance Handbook*, p. 116.

<sup>746</sup> Cf. T. GREEN, "Shepherding the Patrimony of the Poor...", p. 728.

<sup>747</sup> Cf. T. GREEN, "The Players in the Church Temporal Goods World", p. 70.

prejudice the rights of the pastor or could damage the parish goods (cf. can. 540 §2) and is accountable to the lawful parish priest at the end of his tenure (cf. can. 540 §3).<sup>748</sup> The pastor collaborator on the other hand, shares or participates only in the exercise of pastoral care of the parish, “and not directing, coordinating, moderating or governing the parish [for] these competencies, according to the canon pertains to the priests alone”.<sup>749</sup> Thus, a priest-moderator, with faculties and powers of a pastor, is to be assigned by the diocesan bishop to direct the pastoral care of the parish (cf. can. 517 §2). The Code does not provide a clear scope of the authority of the pastoral collaborator, thus this should be defined by the diocesan bishop, together with the term of office and the necessary qualifications for the position. With regard to the administration of temporal goods of the parish, the pastoral collaborator, by virtue of his or her sharing in the exercise of the power of governance, may be granted all those power that do not directly require the exercise of sacred orders (cf. can. 129 §2).<sup>750</sup> Both these two provisional offices provided by the Code for a vacant parish, are bound also to follow the prescribed canons for all administrators of juridic persons in the Church (cc. 1281-1288), observing diligently the principle of transparency and accountability in the exercise of their administration. They are accountable to the lawful superior who appointed them as well as to the parishioners who are the legitimate owners of the parish goods they administer.

## 6. *Episcopal Conferences*

Although canonically, the episcopal conferences have no general administrative competence and their main task is pastoral in nature at a supradiocesan level, they can also issue general decrees but only in cases where the universal law or a special mandate of the Apostolic See so provides.<sup>751</sup> They also perform functions previously specified when dealing

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<sup>748</sup> For a detailed discussion on this matter cf. M. HUBER, “Ecclesiastical Financial Administrators”, pp. 119-123.

<sup>749</sup> A. SANCHEZ-GIL, “Commentary on Canon 517” in AA. VV. *Exegetical Commentary on the Code of Canon Law*, p. 1270. Cf. also Can. 129 §1.

<sup>750</sup> Cf. M. HUBER, “Ecclesiastical Financial Administrators”, p. 122. This set up is a concrete realization of the instruction of the Vatican II Council that “ecclesiastical goods, properly so called, according to their nature and ecclesiastical law, should be administered by priests with the help of capable laymen as far as possible” (*Presbyterorum Ordinis*, n.17).

<sup>751</sup> The Code specified the normative competence of the episcopal conferences in matters of temporal goods: 1) norms for fund campaign (can. 1262); 2) norms for begging for alms (can. 1265); 3) norms for the reform of the ecclesiastical benefice system (can.

with duties and rights of the ordinary, *i.e.* supervisory and regulatory functions (cf. can. 1276) and reception of the annual report from the respective administrators of ecclesiastical goods (cf. can. 1287 §1) of juridical persons they created or are placed under their jurisdiction not excluding those national public associations of the faithful (cf. can. 319) under their care. With the norms set forth by the episcopal conferences, the organization of the administration of goods tends to be standardized, catering to the current need to have an organizational perspective that goes beyond the boundaries of a diocese and that finds a wider space of prospect and development at the national level.<sup>752</sup> Furthermore, being public juridical persons in the Church, the episcopal conferences have their own proper goods to administer in pursuit of their own proper purposes. Their proper statutes determine the administrator of their goods.

According to Prof. Schouppe, in some territories or circumstances, aside from supervision and regulatory role, the episcopal conferences assume also administration of goods entrusted to them by reason of concordat law, like in the case of support to the clergy through tax agreement with the state, and other disbursements paid by the state to the episcopal conference or to the public juridical persons it created. This risks somehow a certain dependence on civil authorities which is not desirable for the Church, but on the other hand, it facilitates transparency not only to the faithful but also to other institutions like the state, and thus makes the Church a credible witness of evangelical poverty and of its mission in the world.<sup>753</sup>

## 7. *Other Administrators*

Aside from dioceses and parishes, there are also foundations (aggregates of temporal goods), public associations or other kinds of public juridic persons, like schools, hospitals, seminaries cemeteries and social agencies such as Catholic Charities<sup>754</sup>, which have been established by competent ecclesiastical authority to further common good and church

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1272); 4) establishment of institute for the social security of the clergy (can. 1274 §2; 5) definition of acts of extraordinary administration (can. 1277); 6) determining the minimum and maximum amount for the acts of alienation (can. 1292); and 7) norms for leasing of Church goods.

<sup>752</sup> Cf. C. BEGUS, *Diritto patrimoniale canonico*, pp. 162-163.

<sup>753</sup> Cf. J. SCHOUPPE, *Elementi di diritto patrimoniale canonico*, pp. 166-170.

<sup>754</sup> Cf. T. PAPROCKI and R. SAUDIS, “Annual Report to the Diocesan Bishop”, p. 177.

purposes. Their administrators, as determined by their own statutes<sup>755</sup>, are bound to render a financial report concerning their administration of the goods donated to the public juridic person concerned, to the faithful according to the manner established by particular law, the charter of the foundation or its own statutes.

Only administrators of public juridical persons are explicitly bound by the Code to provide financial reporting to the faithful as they are the ones administering ecclesiastical goods. The private juridic persons are governed by their own proper statutes (cf. can. 1257 §2) but they are also subject to supervision and control of competent authority (cf. cann. 305, 323, 325).<sup>756</sup> Despite not being obliged by the universal law, it is nonetheless recommended that the practice of financial reporting be established also in their statutes so that they could truly visibly manifest their sincere commitment for the common good of the Church.

### C. Subject-Recipient of Financial Report: The Faithful

The aim of transparency is information disclosure to enable individual or groups to participate in the operations of the institution or in its decision-making processes. Thus, transparency needs to have a target recipient. In the case of the Church, being an institution with visible structures, it has different publics that need and deserve different degrees of information disclosure, as we have noted at the beginning of this research. Moreover, as a religious non-profit organization, it has no investors or shareholders, but rather stakeholders to cater to.<sup>757</sup> In reference to the canon

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<sup>755</sup> In the case of the seminary for example, to determine who is responsible for the administration of the assets of each seminary it will be necessary to consult its proper statutes, but it seems legitimate to infer that, in line with the general hermeneutics of responsibility on the administration of church property, the goods are ordinarily administered by the rector of the seminary, with the help of the other offices designated. Cf. J. MIÑAMBRES, “Corresponsabilità e amministrazione dei beni della Chiesa” in F. LOZUPONE (ed.), *Corresponsabilità e Trasparenza nell’Amministrazione dei Beni della Chiesa*, Aracne Editrice, Roma 2015, pp. 81-100, p. 85; D. CITO “Commentary on Canon 239” in E. CAPARROS, *et al* (eds.), *Exegetical Commentary on the Code of Canon Law*, vol. I, p. 232.

<sup>756</sup> Cf. I. PÉREZ DE HEREDIA Y VALLE, *Libro V del CIC: Bienes Temporales de la Iglesia*, p. 166; V. DE PAOLIS, *De Bonis Ecclesiae Temporalibus, Adnotationes In Codicem: Liber V*, Editrice Pontificia Università Gregoriana, Roma 1986, p. 93; M. López Alarcón, “Commentary on Canon 1287” in *Code of Canon Law Annotated*, p. 1288

<sup>757</sup> In business parlance, a shareholder is an individual, group or organization who owns a share in a company through stock ownership while a stakeholder is a generic term for any person, group or organization that has interest or concern in an organization. Thus,

under investigation, the legislator expressly indicated that the subject-recipients of financial reporting are the faithful. Although the Church has to consider various publics for transparency, in this canon the priority falls on its own immediate stakeholders – its own members – the faithful. In the Church, the term faithful refers to all the members of the Church by virtue of baptism. They are the bishops, clergy, religious and consecrated persons and the lay persons as a whole.<sup>758</sup> These faithful are also the basis for the constitution of public juridic persons, who are considered “Church” in law (cf. can. 1258) and are the actual owners of the ecclesiastical goods (cf. can. 1256). “Accountability is always done before the owner or to whoever takes his place.”<sup>759</sup> Furthermore, they are considered responsible for the mission

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shareholders are also stakeholders of a certain entity but not all stakeholders are shareholders. Each organization has varied stakeholders. It can include creditors, directors, employees, government (and its agencies), owners (shareholders), suppliers, unions, and the community from which the business or organization draws its resources. A stakeholder can affect or be affected by the actions, objectives and policies of the organization concerned. Moreover, not all stakeholders are equal. For example, customers of a company are entitled to fair trading practices but they are not entitled to the same consideration as the company's employees. In the same way, members of an organization, have more consideration than those who are not as they the ones who are immediately or directly involved or affected by the organization.. Cf. “Shareholder” at <http://www.businessdictionary.com/definition/shareholder.html> and “Stakeholder” <http://www.businessdictionary.com/definition/stakeholder.html> [Accessed 15.03.2016]; Cf. also Ayton MacEachern, “What is the difference between a shareholder and a stakeholder?” at <http://www.investopedia.com/ask/answers/08/difference-between-a-shareholder-and-a-stakeholder.asp>. [Accessed 15.03.2016]. The Church, being not a business enterprise but a religious nonprofit organization, has no shareholders but stakeholders that can affect or be affected by its mission, actions and policies.

<sup>758</sup> Prof. John Beal calls them the three constitutive elements of a particular church – bishop, clergy and lay faithful as provided in canon 369, echoing *Christus Dominus*, 11. For him they roughly correspond to the three primary constituencies of a corporation – the management, stockholders, and the employees. He further emphasized that in the interrelationship of the three constitutive elements, the portion of the people of God is primary in consideration. This portion of the people of God, canonically called diocese, is entrusted to a bishop, in a fiduciary relationship called shepherding or pastoral care. The bishop is bound by virtue of this fiduciary relationship to act always for the benefit of the portion of the people of God entrusted to him and is accountable to them for his pastoral performance. The clergy or the priests in particular cooperates in the bishop's pastoral function, and thus share in a subordinate way in his fiduciary relationship and accountability responsibility to the said portion of the people God. Thus, financial reporting to the faithful as a realization of accountability and transparency obligation is but proper and an imperative. J. BEAL, “Consultation in Church Governance: Taking Care of Business by Taking After Business” in *CLSA Proceedings* 68 (2006) 25-54, pp. 38-39.

<sup>759</sup> “La rendición de cuentas se efectúa siempre ante el propietario o ante quien hace sus veces.” D. ZALBIDEA, *Transparencia y rendición de cuentas en el ordinamento*

of the Church, and therefore, have the right to intervene in the management of its assets, and not only in their acquisition. They are not mere collaborators of the pastors but co-responsibles (stewards) of the mission of the Church.<sup>760</sup> In terms of transparency, it expresses the downward direction of transparency observed also by other non-church organizations to achieve symmetrical information distribution for more participative and effective judgment for all stakeholders.<sup>761</sup> In the Church it is seen as principal-agent framework rather than a subordinate-superior model, where the faithful constituted as public juridical persons, are considered the principal, *i.e.* the rightful owners of the ecclesiastical goods and the administrators are seen as the agents accountable to them.

### 1. *All the Faithful or Donors only*

A question however emerges: whether the subject-recipient of the financial report would be all the faithful or limited only to those who have given donations to the Church, as some interpretations favor the latter in consideration of the provision of Canon 1267 §3 to respect the will of the donor on the offerings received, and thus, a need to render account on their use to the same donors.<sup>762</sup>

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*canonico*, p. 90. Cf. also J. ARRIETA, “La colegialidad en la gestión del patrimonio eclesiástico”, *Ius Canonicum* 53 (2013), pp. 493-515.

<sup>760</sup> Cf. D. ZALBIDEA, *Transparencia y rendición de cuentas...*, pp. 117-118. This is a Church reality that had been pointed out, as we have noted earlier, by Pope John Paul II (*Christifidelis Laici*, 15) and by Pope Benedict XVI (*Discorso all'Apertura del Convegno Pastorale della Diocesi di Roma sul tema: "Appartenenza Ecclesiale e Corresponsabilità Pastorale"*, par. 7). Thus, pastoral structures should be designed in a way that promotes this co-responsibility principle in the Church, one of which is the financial reporting to the faithful where they are considered stakeholders or co-responsibles and not just spectators or financial contributors. It is worthy to note here also that according to a recent Lilly Foundation Study, the most influential factor that accounted for a per capita decade-long decline in Catholic giving in relation to other faith is lack of accountability and participation in financial decision-making. It further found out that parishioners in generous parishes had a strong sense of belonging and church ownership and these parishes were administratively and pastorally transparent. (F. BUTLER, “Financial Accountability: Reflections on Giving and Church Leadership” in F. OAKLEY and B. RUSSETT, (eds.), *Governance, Accountability and the Future of the Church*, Continuum, New York 2004, p. 157).

<sup>761</sup> Cf. D. HEALD, “Varieties of Transparency”, pp. 27-29; J. FORSSBAECK and L. OXELHEIM, “The Multifaceted Concept of Transparency”, p. 6. Cf. also Chapter I of this thesis.

<sup>762</sup> Prof. J. Renken seem to favor this position as he indicated in his book *Church Property: A Commentary on Canon Law Governing Temporal Goods in the United States and Canada*, that the financial report “could be presented to donors at the same time that

For enlightenment on this matter, there is a need to refer to the redaction process of Canon 1287 §2 to see the real intent of this provision. During the drafting, the issue also arose especially with the original draft saying:

“De bonis quae a fidelibus Ecclesiae offeruntur administratores, nisi gravis obstet causa, rationes **eisdem fidelibus** reddere debent iuxta modum iure particulari statuendam.”<sup>763</sup>

The phrase *eisdem fidelibus* which means “to the same faithful” purports the idea that the accountability obligation of the administrators is only towards those who have given goods to the Church. The consequent nuances of the said draft of the canon were pointed out during the General Consultation on the *Schema Canonum Libri V “De Iure Patrimoniali Ecclesiae”* made among episcopal conferences, offices of the Roman Curia, the Unions of Superiors General, various catholic universities and faculties in 1977. The University of Munich noted that the use of the term “eisdem” specified too much the provision while the German Bishop’s Conference commented that it insinuates a sense of claim for each donor to receive an exact accounting on the use of his or her offering, which is not supposed to be, thus it has to be removed. Furthermore, the Episcopal Conference of Mexico cautioned the Code Commission that with such legislation one should be careful that it does not resemble as a remnant of the old Patrimonial Law of a private nature, as this could lessen the public nature of the Church. With the Church as communion, the personal interest of the donor disappears once the offering is made, as this is already owned by the Church, and thus subject already to its own patrimonial laws. The same episcopal conference maintains that if this transparency provision be made obligatory, it should be made to the particular community as a community and not to the particular person<sup>764</sup>, maintaining always the doctrine of the

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the administrator gives to the local ordinary the report mentioned in the first paragraph of this canon.” He even titled the section on Canon 1287 §2 as “Report to Donors”. J. RENKEN, *Church Property: A Commentary on Canon Law Governing Temporal Goods in the United States and Canada*, p. 235 This seems to be his position also in his article “The *Parochus* as Administrator of Parish Property” wherein among the routine duties and acts of ordinary administration of a parish priest he enumerated, he listed “Financial Reports to Donors” in reference to the provision of Canon 1287 §2, as one of them.

<sup>763</sup> “Concerning the goods which are offered by the faithful to the Church, administrators, unless a grave reason prevents it, must render account to the same faithful, in a manner to be established by particular law.” (English translation by the author) Cf. *Communicationes* 36 (2004), p. 322.

<sup>764</sup> Cf. Conferenza Episcopale Messicana, *Observaciones al Schema Canonum Libri V De iure patrimoniale Ecclesiae* in *PONTIFICIA COMMISSIO CODICI IURIS CANONICI*

Vatican II Council on communion. Thus, the term “eisdem” was removed from the canon.

With the removal of the term “*eisdem*” there is a total shift of direction of accountability. Administrators are not only accountable to those who gave donations to the Church but to all the faithful. This makes Canon 1287 §2 a totally new canonical provision, unprecedented in canonical history, but a true restoration of the concept of church offerings observed by the primitive church – i.e. that they are goods owned by the Christian community, meant for the mission of the Church and for the poor.

It is a given that donors to the Church should receive a detailed information on the status of their donations as a gesture of appreciation and gratitude for their gifts, and to inform them that their wishes are well respected and carried out by the Church.<sup>765</sup> If the subject-recipients would be the specific donors only, this would limit the canonical provision to only those who gave and it would lose sight of the nature of Church as communion. Once the donors have handed over to the Church their offerings, they lose the ability to use them for their private purposes but, somehow, these goods still belong to them because they are owned by the Church and they form part of the Church.<sup>766</sup> If the donors are subject-recipients of the accountability of administrators, it is not because they have contributed in particular to the Church, but rather because they form part of the faithful. Moreover, even those who are not donors are also subject-recipients of financial reporting, as they are also members of the faithful. Ecclesiastical goods are necessary to carry out the mission of each baptized in the Church, thus the use of these goods also belong to them, even if they were not donors of the offerings to the Church. “For as in one body we have many members, and all the members do not have the same function, so we, though many, are one body in Christ, and individually members one of another” (Rom. 12:4-5). The call for each faithful, whether donors of material goods or not, is to “strive to excel in building up the church” (1 Cor. 14:12).

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RECOGNOSCENDO, Archivio del Coetus “De Iure Patrimoniali Ecclesiae” (X/171), *Consultazione Generale del 1977: Osservazioni allo Schema “De Iure Patrimoniali Ecclesiae”*, p. 19, [unpublished].

<sup>765</sup> Cf. D. ZALBIDEA, *Transparencia y rendición de cuentas en el ordenamiento canónico*, p. 116.

<sup>766</sup> Cf. *Ibid.*, p. 117.

## 2. *Faithful in Context*

Although the Code speaks of the faithful in general, the financial report however, would be useful and significant if this is made in context, addressing it for example to the faithful who are members of a public juridic person in particular (*e.g.* parish report for parishioners, diocesan report for diocesan faithful). This is a logical interpretation of the canon under study since each faithful belongs to a certain community – a certain parish or diocese or other similar public juridic person, in which they exercise their proper role and mission in the Church and where they normally give their contributions or offerings for its sustenance and betterment, and for which the administrators are to render account of as provided by Canon 1287 §2. According to Prof. Miñambres, the administration and management of the assets always refer to the community. Even if canonically, the articulation of its involvement in the administration of the goods is almost non-existent, there is a growing awareness that we cannot do without reference to the community in the administration of church property.<sup>767</sup> Thus, “in community structures, especially in the parish and in the diocese, in which the substratum of the juridical personality is the community itself, such obligation of accountability, of transparency, becomes particularly stringent as the faithful do not offer their goods for something extrinsic but for a community to which they belong.”<sup>768</sup>

Even though the financial report would be transparent to all the faithful through various means of communication available, it should be directed to a certain community or public juridical person, for the purpose of which is building up of communion and co-responsibility in every community of the faithful.

Furthermore, according to Prof. Charles Zech, although the Catholic Church is a hierarchical church, with a top-down ecclesiology and a top-down management structure, the faithful of the 21<sup>st</sup> century have an expectation that they will have an input in the decision-making process of the Church, since in reality it involves them and their participation, especially with regard to their parishes. If the parish wants the contributions of the faithful, it should not only be accountable as to how the funds are

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<sup>767</sup> Cf. J. MIÑAMBRES, “Corresponsabilità e amministrazione dei beni della Chiesa”, p. 88

<sup>768</sup> “Nelle strutture comunitarie, soprattutto nella parrocchia e nella diocesi, nelle quali il sostrato della personalità giuridica è la comunità stessa, tale obbligo di rendicontazione, di trasparenza, diventa particolarmente stringente in quanto i fedeli non offrono i loro beni per qualcosa di estrinseco ma per una comunità della quale fanno parte.” J. MIÑAMBRES, “La Stewardship nella gestione dei beni della Chiesa,” in *Ius Ecclesiae* vol 24/2 (2012) pp. 277-292, pp. 284-285.

spent, but also ensure that parishioners have an input into both the development and approval of budgets.<sup>769</sup>

### 3. *Other Stakeholders*

As we have noted earlier, the Church considered as a religious non-profit organization with unique mission of proclaiming the gospel of salvation to all peoples, has to cater to different stakeholders. Consequently, although the intended recipients of the financial report are the faithful, we cannot disregard the propensity that it would also be seen by others, being a public document. Thus, in the preparation of the report, the administrators should also consider other audiences who may be concerned or affected by it aside from the faithful, i.e. banks, Internal Revenue Service, the civil society and the media. Careful planning for its public presentation is necessary in order to convey a transparent, accessible and understandable report on the financial condition of the public juridic person.<sup>770</sup>

### 4. *Proper Formation on Church's Use of Temporal Goods*

Talking about finances in the Church is a delicate issue. Most often pastors do not want to talk about it nor do the faithful want to hear about it. There seems to be a collusion of silence when talking about finances in the churches.<sup>771</sup> The reason for which is that it could either elicit positive or negative reactions or interpretations from varied audiences. Thus, in speaking of financial reporting, one of the comments during the General Consultation on *Schema Canonum Libri V "De Iure Patrimoniali Ecclesiae"* in 1977, coming from the University of Santo Tomas, Manila and the Episcopal Conference of the Philippines was an apprehension that if it is made as a universal juridical obligation, it could be used in the opposite sense depending on the diversity of places, persons and circumstances.<sup>772</sup>

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<sup>769</sup> Cf. C. ZECH, "Developing Stewards in a Parish Setting" in C. Zech, (ed.) *The Parish Management Handbook*, Twenty-third Publications, Mystic (CT) 2003, p. 155.

<sup>770</sup> Cf. R. VARGO, *Financial Reporting*, pp. 19-35; R. WELCH, *Church Administration: Creating Efficiency for Effective Ministry*, pp. 173-174.

<sup>771</sup> For a detailed discussion on the matter cf. D. HOGE, P. MCNAMARA, C. ZECH, *Plain Talk about Churches and Money*, Alban Institute Publication, Durham (NC) 1997, pp. 1-17.

<sup>772</sup> Cf. PONTIFICIA COMMISSIO CODICI IURIS CANONICI RECOGNOSCENDO, Archivio del Coetus "De Iure Patrimoniali Ecclesiae" (X/171), *Consultazione Generale del 1977: Osservazioni allo Schema "De iure patrimoniali Ecclesiae"*, "Università di San Tommaso, Filippine" (pp. 10-11) and "Conferenza Episcopale Filippine", (p. 13), [unpublished]. Cf. also PONTIFICIA COMMISSIO CODICI IURIS CANONICI RECOGNOSCENDO, *Acta et Documenta Coetus Studii "De Iure Patrimoniali Ecclesiae"*, Series Altera, vol. 1, Sectio B, "Synthesis

Although the comment has no further description as to what this opposite sense means, this could mean less donations coming from the faithful once they know that Church is already sufficient or abundant with them. Furthermore, it could also expose the Church to further speculations and curiosity from across varied audiences, and prone to others who would want to take advantage of its goods. However, the Church can never do away with it in the pursuit of her mission in the world and especially if it aims to realize communion and co-responsibility. As Pope Benedict XVI would put it: “The Church can never be exempted from practicing charity as an organized activity of believers, and on the other hand, there will never be a situation where the charity of each individual Christian is unnecessary, because in addition to justice man needs, and will always need, love” (*Deus Caristas Est*, 29).

Confronted by these possible situations, financial reporting to the faithful should then be accompanied by proper formation and information on the Church’s use of these temporal goods. The faithful need to know, understand and embrace as their own the vision-mission of the public juridic person to which they belong to, its programs and activities, the ways and means available for them to take part in those programs and activities, as well as their obligation to support the Church in the fulfillment of its purposes (cf. can. 222). Proper education on the diocesan and parish financial realities is necessary to enable them to exercise properly their co-responsibility in the Church.<sup>773</sup> In the stewardship thrust practiced in the United States of America, this need for proper education and formation on the use of temporal goods by the Church is highly emphasized. The USCCB Pastoral Letter on Stewardship issued in 1992 pointed this out, saying: “In the lives of disciples [...] something else must come before the practice of stewardship. They need a flash of insight – a certain way of seeing – by which they view the world and their relationship to it in a fresh, new light [...] Christian disciples experience conversion – life-shaping changes of mind and heart – and commit their very selves to the Lord.”<sup>774</sup> Stewardship seen as a disciple’s response, needs “a change of heart and a new understanding of what it means to follow Jesus without counting the cost”

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animadversionum quas organa consultationis fecerunt/Osservazioni degli Organi di Consultazione sullo Schema Canonum Libri V “De Iure Patrimoniali Ecclesiae”, p. 47, (Archive) [unpublished].

<sup>773</sup> T. GREEN, “The Players in the Church’s Temporal Goods World”, p. 68.

<sup>774</sup> USCCB, *Stewardship: A Disciple’s Response: A Pastoral Letter on Stewardship*, USCCB, Washington, D.C. 1993, pp. 41, 45. Cf. also P. MCNAMARA, *Called to Be Stewards: Bringing New Life to Catholic Parishes*, Liturgical Press, Collegeville, Minnesota 2003, p. 71.

which “requires a lifelong process of study, reflection, prayer and action.”<sup>775</sup> Thus, financial reporting to the faithful, once accompanied by proper formation on the church’s use of temporal goods, would not only be an instrument of information disclosure and curb speculations on the church financial management, but rather a significant component for a meaningful and active participation of all the faithful, instilling in them the sense of belongingness and co-responsibility in the Church’s performance of its mission.

#### **D. Object of Financial Reporting: The Goods Offered by the Faithful to the Church**

The financial reporting required by Canon 1287 §2 covers only those goods offered by the faithful to the Church. These goods which we may call “offerings” are voluntary contribution of the faithful, freely given or in response to a request of competent ecclesiastical authority.<sup>776</sup> This qualification therefore excludes other ecclesiastical goods which were not directly offered by the faithful to the Church like investment income, money from the sale of assets, grants and other sources of revenue for the church. However, if we speak of a true financial transparency, a complete reporting is still the ideal and a good policy to follow.<sup>777</sup> It is worthy also to note in this section that if we try to closely examine the canon, it does not explicitly mention ecclesiastical goods as object of financial reporting, but simply goods offered by the faithful to the Church, unlike in Canon 1287 §1 where it is specifically mentioned. The reason for this perhaps is that it can be readily presumed to be such since these goods are offered to the Church and thus, become properties of the Church. Moreover, by the way §2 is formulated, it is rather to be considered continuation of the accountability obligation of all administrators of ecclesiastical goods, *i.e.* to the superiors in §1 and then to the owners of the goods – the faithful in §2. Aside from these reasons, another logical explanation that can be inferred is that the Legislator wanted to be clear and specific about the accountability obligation of the administrators to the faithful, *i.e.* only those goods that

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<sup>775</sup> USCCB, *Stewardship: A Disciple’s Response* (A Pastoral Letter on Stewardship), 10<sup>th</sup> Anniv. ed., p. 51.

<sup>776</sup> Cf. D. TIRAPU, “Commentary on Canon 1262” in E. CAPARROS, *et al.*, (eds.) *Exegetical Commentary on the Code of Canon Law IV/I*, p. 52.

<sup>777</sup> Cf. F. AZNAR GIL, *La administracion de los bienes temporales de la Iglesia*, p. 370, J. RENKEN, *Church Property*, p. 235

they have contributed to the Church, and not all ecclesiastical goods administered by the said administrators.

### ***1. All Ecclesiastical Goods versus Offerings of the Faithful Only***

A question however is in order: Why is the financial reporting to the faithful limited only on the offerings of the faithful and not on all ecclesiastical goods? If the aim of the Church is true transparency, then why does the reporting not cover all the ecclesiastical goods of the Church?

One of the aims of transparency, as noted earlier in this research is symmetrical information distribution or the availability of all information to all parties involved to enable them to participate fairly in the decision-making processes of a certain entity. If in the Church, the superiors and administrators of goods consider the faithful, the laity in particular who actually constitute the majority of the faith community, as partners in the fulfillment of the Church's mission and true owners of ecclesiastical goods, then full disclosure to them about the management of ecclesiastical goods should be the standard. According to Peter Block in his book, *Stewardship: Choosing Service over Self-Interest*, "full disclosure is a critical dividing line between parenting and partnership. The thing a parent would never tell a child have to be told to a partner.[...] Truth untold to a partner is betrayal."<sup>778</sup> In a true stewardship atmosphere all stakeholders should know the truth about where the organization stands. One cannot contribute to what one cannot see. Thus, administrators should give a complete picture of the financial performance of the juridic person, good or bad condition.<sup>779</sup>

Prof. Miñambres offers a different view on the issue. Considering the varied entities and responsibilities in the ecclesial communion, he draws from the figure of the family as model, being one of the figures used by Vatican II Council to describe the Church.<sup>780</sup> He contends that "like in the family, not all have to be aware of everything (it would be unfair that the thirteen year old son had to take the responsibility of helping his father to solve a business problem) and not everyone has to intervene in the solution of all, so in the Church different things must be made known to different people and a diverse responsibility may be requested from different faithful."<sup>781</sup> Thus, the degree of transparency should be based on the various responsibilities that each one has towards the ecclesiastical goods. The more

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<sup>778</sup> P. BLOCK, *Stewardship: Choosing Service over Self-Interest*, p. 104.

<sup>779</sup> Cf. P. BLOCK, *Stewardship: Choosing Service over Self-Interest*, p. 104.

<sup>780</sup> Cf. *Lumen Gentium*, n. 6.

<sup>781</sup> J. MIÑAMBRES, "La 'Stewardship' (Corresponsabilità) nella gestione dei beni temporali della Chiesa," in *Ius Ecclesiae* vol 24/2 (2012) pp. 277-292, p. 285.

responsibility one has in terms of the finances of the Church, the more information he or she should have to enable him or her to exercise his or her proper responsibility. Consequently, the financial report to the superiors and technical experts would have more information than that of the other members, since they exercise greater responsibility and crucial role in the decision-making processes. However, in view of stewardship, each responsibility, no matter how small or big it may seem, will always be, as it were, total, involving all the capacity of each to respond with generosity to the gifts received from God.<sup>782</sup>

The two positions presented have valid reasons that can be considered but in order to help us understand the rationale of the legislator as to why the financial reporting obligation was limited to the offerings of the faithful only and not to all the ecclesiastical goods, it would be better to refer to the process of its redaction, and see how it came about.

During the revision of the 1977 Schema, one of the proposals was that the obligation of financial reporting be extended to all ecclesiastical goods. The Consultors considered it praiseworthy to do, but they did not consider it opportune. They thought that the favorable circumstances are difficult to establish due to varied level of knowledge and impression of people about the Church. But if this financial report is addressed towards the faithful, wherein they are properly formed and informed about the Church mission and about the purposes for which the Church possesses and administers these temporal goods, this can be permitted.<sup>783</sup> Moreover, considering the delicate issue about finances as they can be used in the negative sense against the Church, consequently, the legislator, being cautious about the administration of Church goods, limited the obligation of financial reporting to the offerings of the faithful.<sup>784</sup>

In short, it was not the intention of the legislator to limit the financial transparency to the faithful on merely their offerings to the Church as a way of controlling and hiding something from them. What was prime in intention, was the consideration of the varied responsibility of the faithful in ecclesial communion as well as the varied degrees of ecclesial understanding and maturity of each faithful, which actually calls for careful study and prudent response depending on the circumstances at hand rather than total transparency of all which could in effect expose the church goods

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<sup>782</sup> Cf. J. MIÑAMBRES, "La 'Stewardship' (Corresponsabilità) nella gestione dei beni temporali della Chiesa," in *Ius Ecclesiae* vol 24/2 (2012) pp. 277-292, p. 285.

<sup>783</sup> Cf. *Communicationes* 12 (1980), p. 421; F. AZNAR GIL, p. 370.

<sup>784</sup> L. MISTÒ, "I beni temporali della Chiesa" in Gruppo Italiano Docenti di Diritto Canonico, (eds.), *Il diritto nel Mistero della Chiesa*, Quaderni di Apollinaris, 2<sup>nd</sup> ed., vol. 3, Pontificia Università Lateranense, Roma 1992, pp. 349-430, p. 404.

to more harm or danger than good, keeping in mind the exhortation of the Master, “to be faithful and wise steward” (Luke 12:42) so that he can deliver well at the proper time (cf. *ibid.*). Although the legislator does not discount the possibility of transparency of all ecclesiastical goods towards the faithful in the future, it is rather not prudent to legislate it universally, given the said considerations. This would rather be left to the prudent judgment of the diocesan bishops and episcopal conferences of each particular circumstance to realize it.<sup>785</sup> Further thorough study and discussion is needed on this matter especially with the growing demands for total transparency of all institutions in both public and private sectors, including the Church.

## 2. *Inclusion of Ancient Donations and other Issues*

After clarifying the rationale of the limit of accountability obligation to offerings of the faithful, some questions emerge: To which do these so-called offerings of the faithful refer to? Do these include ancient donations? Is this about Church offerings in general? Does the norm cover all offerings, even those which are transmitted to the Apostolic See? These were questions posed by the Episcopal Conference of Belgium during the General Consultation on the 1977 *Schema*.<sup>786</sup> Although these questions were not addressed by the drafting committee, it would be interesting to deal with them here.

The canon does not specify what this so-called “offerings of the faithful to the Church” covers. It can be inferred then that it should be

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<sup>785</sup> For example, in Spain, according to Prof. Aznar Gil, the widespread practice is a thorough annual reporting to the faithful on the economic situation of parishes and dioceses thereof. This practice has been proven to be very suitable, convenient and even necessary for the faithful to be aware and actively responsible in meeting their economic obligations to the Church, and also for the successful management of church goods. Cf. F. AZNAR GIL, *La administración de los bienes temporales de la Iglesia*, (2 ed.), p. 370.

<sup>786</sup> “Canon 31, 2: de ratione fidelibus reddenda: Ulteriores determinationes necessariae videntur: Quatenam bona? Etiam a saeculis donate? – Ecclesia oblate: in genere? Ita ut norma de omnibus oblationibus valeat, etiam v.g. de illis quae Apostolicae Sedis transmittuntur? – quis justam causam aestimabit?” Conferentia Episcoporum Belgii, Observationes ad Schemata pro Codici I.C. Recognoscendo Proposita ad Schema Libri V: De Iure Patrimoniali Ecclesiae in PONTIFICIA COMMISSIO CODICI IURIS CANONICI RECOGNOSCENDO, *Consultazione Generale del 1977: Osservazioni allo Schema “De iure patrimoniali Ecclesiae”* (Archive) [not published]. Cf. also PONTIFICIA COMMISSIO CODICI IURIS CANONICI RECOGNOSCENDO, “Osservazioni degli Organi di Consultazione sullo Schema Canonum Libri V “De iure patrimoniali Ecclesiae”, Roma, 1979”, in *Acta et Documenta Coetus Studii “De Iure Patrimoniali Ecclesiae”*, Series Altera, vol. 1, (Archive) [unpublished].

understood in its generic sense. Thus, it includes all offerings including those which were transmitted to the Holy See. Furthermore, extending the argument, one may wonder if such “offerings of the faithful” also include the ancient donations and the revenues produced by these goods, like dividends from stocks, rent from leasing properties previously donated by the faithful, and money from the sale of properties. Prof. D. Zalbidea opines that it would be advisable to include these items in the financial reporting because the said revenues are direct fruits of the goods donated at that time by the faithful. In addition, he argues that in cases of economic cooperation between the State and the Church where the State acts as channel of the tax allocation, there is no doubt that the rendering of accounts is appropriate, both for the State and the Church, in addition to any arrangements that such assignment entails. If the system is configured as a budget allocation, a similar approach could be applied since these goods also stem from the faithful, who happen also to be taxpayers. The obligation of financial reporting is all the more necessary in terms of religious tax levied by the State.<sup>787</sup>

The object of financial reporting obligation may have been limited by the legislator to the goods given by the faithful to the Church, however, the nuance of the term actually covers a wide scope. It can be understood to apply practically to all church properties, considering that these properties could not have been owned by the Church, nor could have ameliorated, without the generosity of the faithful in one way or another, past or present.<sup>788</sup> Moreover, the ultimate objective of financial reporting does not lie on the amount of goods enlisted but rather on how the report reflects the use of these goods in the furtherance of the purposes of the Church.<sup>789</sup>

#### **E. Internal Workings and Means of Observation of Financial Reporting: To be Determined by Particular Law**

Aside from the object, the subject-agent or actor and the subject-recipient or observer as elements of a transparent system, it has been noted at the beginning of this study that in order for transparency to be truly present, the elements of internal workings and means of observation are necessary. The internal workings would refer to mechanisms and processes used to realize transparent management while the means of observation

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<sup>787</sup> Cf. D. ZALBIDEA, *Transparencia y rendición de cuentas en el ordenamiento canónico*, pp. 123-124.

<sup>788</sup> Cf. *Ibid.*, p. 124

<sup>789</sup> Cf. *Ibid.*

would refer to objective published norms and standard criteria by which transparency of management may be implemented and gauged as well. Applying these to the Church, these would refer to the mechanisms, requisites and procedures envisaged by the Code for a proper management of ecclesiastical goods, as well as the laws, both particular and universal, canonical and civil, and other standard measures and guidelines that would enable the realization of transparent management. These have been dealt with at the beginning of this study. However, in the particular context of financial reporting to the faithful, both the elements of internal workings and the means of observation were relegated by the universal legislator to the particular law, as can be seen in the text of canon 1287 §2: “Administrators are to render accounts to the faithful concerning the goods which the faithful have given to the Church, in accordance with the norms to be laid down by particular law.”

### ***1. Iuxta modum statuendam versus iuxta normas statuendas***

It is interesting to note that during the redaction process of canon 1287 §2, the original proposed text has *iuxta modum iure particulari statuendum* which means that the rendering of accounts to the faithful would be “according to the manner to be established by particular law.” In this expression the universal mandate of accountability to the faithful is strongly emphasized, and only the manner of its expression is left to the particular law. However, due to Cardinal Palazzini’s proposed revision, it became *iuxta normas iure particulari statuendas* (according to the norms to be determined by particular law) with a corollary explanation to it – *ita ut non tantum modus sed ipsa redditio rationis relinquatur determinationi iuris particularis* (in such a way that not only the mode of rendition, but the rendition of account itself is left to the determination of the particular law),<sup>790</sup> thus, changing the emphasis of the canonical provision. The latter phrase did not appear in the final draft which became the current Canon 1287 §2. The reason for its removal was not mentioned in the documents of the Pontifical Council for the Revision of the Code of Canon Law.<sup>791</sup> Had it not been removed, it could have weakened the universal mandate of this very significant canon and would run the risk of arbitrary implementation

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<sup>790</sup> Cf. PONTIFICIA COMMISSIO CODICI IURIS CANONICI RECOGNOSCENDO, *Relatio complectens synthesim animadversionum ab Em.mis atque Exc.mis patribus commissionis ad novissimum schema codicis iuris canonici exhibitarum, cum responsionibus a secretaria et consultoribus datis* (Patribus Commissionis stricte reservata), Typis Polyglottis Vaticanis, Vatican City 1981, p. 287. Cf. also *Communicationes* 16 (1984), p. 34.

<sup>791</sup> For a detailed information on this matter, cf. Chapter II of this research.

since it would mean that everything would be left to the discretion of each diocesan bishop who is responsible for legislating particular laws, whether to realize it or not in his own diocese. The Code Commission, wise enough to contemplate this consequence, retained the phrase *iuxta normas iure particulari statuendas*, indicating the absolute obligatoriness and seriousness of this canon. Much less, with the use of *normas* rather than the original *modum*, it strengthened further the universal mandate. It signifies that not only the manner of financial reporting that should be articulated by particular law, but the very financial reporting to the faithful itself and all the components it includes that should be clearly established in the particular law. The common law empowers and requires the particular law to legislate the rendering of accounts to the faithful including the mode of its realization.

Having presented this development of the canonical provision, it can be clearly said then that the duty of rendering accounts is regulated by the universal legislator, making it obligatory for all administrators of ecclesiastical goods while its articulation and manner of implementation is to be accomplished by the particular law of each public juridic person.<sup>792</sup> This means that the universal legislator would like the particular law to develop such accountability obligation in the most appropriate and contextualized form. Thus, the universal law requires those who are responsible for it to realize in a stable and regular manner what has been canonically mandated by way of particular legislation, in order to address each peculiar situation and the needs of the different public juridical persons in the Church. For in view of the principle of subsidiarity, “that which the particular legislator can realize with greater efficiency and immediacy, the universal legislator must not regulate unless some fundamental principles of canon law are compromised.”<sup>793</sup> Consequently, the internal workings and the means of observation concerning financial reporting should be dutifully established by the competent authority responsible in legislating particular laws, so that transparency would truly be realized in the temporal management of the Church. A professional and transparent financial

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<sup>792</sup> Cf. D. ZALBIDEA, *Transparencia y rendición de cuentas en el ordenamiento canónico*, p. 104

<sup>793</sup> “Aquello que puede realizar el legislador particular con mayor eficacia e immediatez, no debe regularlo el legislador universal, si no están comprometidos algunos principios fundamentales del ordenamiento canónico.” D. ZALBIDEA, *Transparencia y rendición de cuentas en el ordenamiento canónico*, p. 74-75.

management paves the way to active participation and co-responsibility in the fulfillment of Church's mission.<sup>794</sup>

## **2. What if the particular law does not legislate?**

What if the particular law does not legislate about Canon 1287 §2? According to Prof. Zalbidea, although it is true that if the mode of implementation of the law is not determined, the obligation may be rescinded, however, it does not cancel the universal mandate of the canon. Furthermore the canonical obligation in question is not born out of the rules of particular law but on the same canon which requires all administrators to render account to the faithful.<sup>795</sup> Thus, failure to legislate about it in particular law would mean non-compliance of the universal requirement of transparency. This endeavor, although obligatory and an unavoidable need in the administration of ecclesiastical goods<sup>796</sup> and economically profitable<sup>797</sup> as well, still in many countries, this regulatory work has not yet been satisfactorily achieved.<sup>798</sup> Nonetheless, according to Prof. Luigi Mistò, the opportunity today to inform the Christian community on the economic situation is very much felt at the diocesan level and above all, at the parish level.<sup>799</sup>

## **3. The Role of the Finance Council and the College of Consultors**

According to the *Directory for the Pastoral Ministry of Bishops*, it falls to the bishop, "as the one who presides over the particular Church, [...] to organize the administration of ecclesiastical goods [entrusted to his care]. He does this through suitable norms and instructions, in harmony with the directives of the Apostolic See, and he may also make use of any guidelines

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<sup>794</sup> Cf. D. ZALBIDEA, "Corresponsabilidad (Stewardship) y Derecho Canonico", in *Ius Ecclesiae* vol. 24/2 (2012), pp. 303-322.

<sup>795</sup> "Es cierto que si el modo no se determina, la obligación puede quedar sin efecto. Sin embargo, también es verdad que la obligación no nace con las normas de derecho particular sino en el mismo canon que obliga a todos los administradores a rendir cuentas ante los fieles." D. ZALBIDEA, *Transparencia y rendición de cuentas en el ordinamento canonico*, p. 104

<sup>796</sup> Cf. L. CHIAPPETTA, *Il Codice di diritto canonico: Commento giuridico-pastorale*, 3<sup>rd</sup> ed., vol. 2, EDB, Bologna 2011, p. 582.

<sup>797</sup> Cf. M. MORGANTE, *L'amministrazione dei beni temporali della Chiesa: Diritto canonico, diritto concordatario Pastorale*, Edizioni Piemme, Casale Monferrato (AL), 1993, p. 149

<sup>798</sup> Cf. J. SCHOUPE, *Elementi di diritto patrimoniale canonico*, p. 154.

<sup>799</sup> L. MISTÒ, "I beni temporali della Chiesa" in Gruppo Italiano Docenti di Diritto Canonico, (eds.), *Il diritto nel Mistero della Chiesa*, Quaderni di Apollinaris, 2<sup>nd</sup> ed., vol. 3, Pontificia Università Lateranense, Roma 1992, pp. 349-430, p. 404.

and resources supplied by the Episcopal Conference.”<sup>800</sup> In order to do this, he “must seek the collaboration of the college of consultors and the finance council in those matters determined by the universal law of the Church and when prudence so dictates, because of the importance of the case or its particular circumstances”<sup>801</sup> Thus, in laying down norms and mechanisms for financial reporting, the diocesan bishop should tap the technical and legal expertise of the finance council and the broad pastoral experience of the college of consultors to ensure that the best standards are observed in the administration of the temporal goods of the Church and “so that it can [truly] become an example of transparency for other similar church institutions”<sup>802</sup>. Once the proper norms and mechanisms in financial reporting have been in place and well-implemented, the proper management of ecclesiastical goods is not far behind.

#### **4. *The Possible Role of Episcopal Conference***

Although the Code does not specify the role of the episcopal conference in the financial reporting, nor is it part of its competence, but it would be good, according to Bishop Leonardo Medroso, “if the Conference of Bishops could also pass some uniform guidelines and concrete rules to assist dioceses how to disseminate financial statements. That would somehow forestall controversy and misunderstanding caused by differing financial statements in a given territory.”<sup>803</sup> And in order for these mechanisms and guidelines to be effectively binding, each diocesan bishop, must assume to implement them in his area of jurisdiction (cf. can. 455 §4). In so doing, a standard policy and best practices in financial administration clear to all the faithful in the region would be established and at the same time facilitate a joint and harmonious cooperation among bishops in view of

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<sup>800</sup> CONGREGATION FOR BISHOPS, Directory for the Pastoral Ministry of Bishops *Apostolorum Successores*, (22 February 2004) in *Enchiridion Vaticanum* 22 (2003-2004), 1047-1275, n. 188. English trans. in CONGREGATION FOR BISHOPS, Directory for the Pastoral Ministry of Bishops *Apostolorum Successores*, Libreria Editrice Vaticana, Rome 2004.

<sup>801</sup> *Apostolorum Successores*, n. 189a.

<sup>802</sup> John Paul II, Post-Synodal Apostolic Exhortation *Pastores Gregis*, n. 45.

<sup>803</sup> L. MEDROSO, “Administration of Temporal Goods of the Church and Transparency” in *Philippine Canonical Forum* 6 (2004), p. 245. Prof. Zalbidea, shares the same sentiment. He said, it would be highly desirable that the regulation of financial reporting be entrusted to the episcopal conferences. This practice, according to him, is currently growing among the different episcopal conferences, in the aim of achieving greater transparency of the Church as a whole. Cf. D. ZALBIDEA, *Transparencia y rendición de cuentas en el ordinamento canonico*, pp. 142-143.

the common good of the Church (cf. can. 447).<sup>804</sup> Bishop Medroso further remarked that: “faithful fulfillment of the requirements of presenting the accounts to concerned authorities and people as per the law does much to prevent scandals that are so damaging to the credibility of the Church and the effectiveness of its mission.”<sup>805</sup> Moreover, inasmuch as the episcopal conference has supervisory and regulatory control over national public associations of the faithful and pious foundations under its care, it could influence the formulation of its statutes, making their financial management transparent and providing norms and mechanisms for effective and efficient financial reporting to the faithful. Once these statutes of national public associations of the faithful and pious foundations have been carefully designed reflecting these norms and mechanisms of financial transparency

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<sup>804</sup> For example, the United States Catholic Conference of Bishops (USCCB) had adapted in its November 2000 Plenary Assembly, a resolution to have a voluntary financial reporting system as a means of offering further evidence of the diocese's commitment to comply with the prescriptions of canon law pertaining to fiscal administration. The resolution was subsequently renewed by the USCCB in November 2004, November 2006 and again in November 2011. Cf. USCCB “Resolution on Diocesan Financial Reporting” (1 January 2012) at <http://www.usccb.org/about/financial-reporting/diocesan-financial-reporting.cfm>. [Accessed 19.02.2016]. They also issued a “Diocesan Financial Management Manual: A Guide to Best Practices” that could offer best practices in matters of financial administration. In fact, they even established an Accounting Practices Committee (APC), comprised of diocesan financial directors and officers, and treasurers of religious institutes, formed for the purpose of monitoring, commenting upon and reporting upon accounting and financial reporting principles that are proposed and approved by regulators of generally accepted principles and mechanisms in the United States. Cf. <http://www.usccb.org/about/financial-reporting/upload/diocesan-financial-management.pdf>. [Accessed 07.01.2016]. They also issued the following guidelines: “One Church, One Mission: Guidelines for Administering USCCB National Collections in Dioceses” (cf. <http://www.usccb.org/about/national-collections/collection-administration/upload/one-church-one-mission-guidelines-national-collections.pdf>), “Fiscal Integrity Policy”, “Diocesan Internal Controls: A Framework”, Parish Financial Governance (cf. <http://www.usccb.org/about/financial-reporting/index.cfm>. [Accessed 07.01.2016]. The Italian Bishops’ Conference also issued *Istruzione in materia amministrativa*, following the reforms of the Code of Canon Law and the revision of the Lateran Concordat (1984) in 1992 and has been renewed in 2005. This document aims to provide common directions in their juridico-administrative concerns and provide guidance on those responsible for the financial management of ecclesiastical goods. Cf. CONFERENZA EPISCOPALE ITALIANA (CEI), *Istruzione in materia amministrativa*, a cura di Agostino de Angelis, EDB, Bologna 2005. Other episcopal conferences have started also to make their own guidelines and policies or best practices in financial management to help bishops as well as parish priests and other administrators of ecclesiastical goods to carry out transparency and accountability in their task as financial managers.

<sup>805</sup> L. MEDROSO, “Administration of Temporal Goods of the Church and Transparency” in *Philippine Canonical Forum* 6 (2004), p. 248.

and have been proven to be effective, these statutes could be exemplary to other entities as well in the region.

## Conclusion

Canon 1287 §2 is a new legislation in the Code and it does not contain the word transparency in its provision but it is the only norm that articulates well the transparency obligation in the administration of the temporal goods of the Church. Despite its being a brief provision, it contains the elements that articulate the presence of transparency in any given management system, *i.e.* the object of transparency or information necessary (the offerings of the faithful); the actor or the subject-agent (the administrators); the observer or the subject-recipient (the faithful); the internal workings and the means of observation (the mechanisms and the norms to actualize transparency in the system in a regular and stable manner, to be determined by particular law). In brief terms, the Code puts in proper perspective the concept of administration of temporal goods in the Church, according to the mind of the Vatican II Council and according to the original spirit it had during the early years of Christianity, *i.e.* that temporal management is a stewardship obligation in view of the attainment of the proper purposes of the Church, where in view of the ecclesiology of communion, it is the whole community of the faithful who owns the goods and thus, it is to them, by virtue of justice, that the administrators must render account to, concerning their administrative performance. This understanding strikes a balance to the excessive emphasis on the hierarchical movement in the Church, highlighting the importance of each member of the faithful in the faith community, and putting in proper context the exercise of leadership in the Church – that it is established mainly for the service of the whole community and are to be held accountable for it. Moreover, through this provision, members of the faithful are empowered to assume their active role and sense of co-responsibility in the life and mission of the Church, and thus, increase of support would not be far behind, especially with today's limited if not dwindling resources of the Church. As Prof. Charles Zech said, "People who believe that they have some say in the Catholic Church, who believe what they say is valued, give more."<sup>806</sup>

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<sup>806</sup> C. ZECH, *Managing a Church: Diocesan Finances*, Symposium Proceedings, FADICA, Inc. (June 1995), p. 25, quoted by F. BUTLER in "Financial Accountability: Reflections in Giving and Church Leadership" in F. Oakley and B. Russett, (eds.), *Governance, Accountability, and the Future of the Catholic Church*, p. 158.

Although the universal law has mandated the financial reporting to the faithful, making it an obligation of all administrators of ecclesiastical goods, much of its articulation and implementation is left to the determination of the particular law in consideration of the varied circumstances of different regions and with due respect to the principle of subsidiarity that should govern the temporal management of the Church. With this arrangement, however, it runs the risk of either being neglected or being well implemented. Once neglected it could lead to damaging result on the fulfillment of the purposes of the Church, on the integrity and order of the community and on the credibility of the Church as a whole. However, once well implemented, it could offer best practices in temporal management that could serve as pattern for other public juridical persons in the Church as well as for other private entities, engender increase of support for the Church and promote the credibility of the Church especially in witnessing to the gospel values.

The accountability obligation provided by the canon is limited only to all the offerings of the faithful – something specific but nonetheless wide in scope also for it could even be interpreted to include goods offered by the faithful in the past. However, if the goal of this accountability is real transparency, then the financial reporting to the faithful should reflect well all the ecclesiastical goods, their status and their uses in view of the purposes of the Church. This is a task that is still to be pursued by the Church if she truly considers the faithful as stakeholders in her mission and if she would truly be faithful to the nature of communion proclaimed by the Vatican II Council.

“Transparency is a journey, not a destination. Transparency requires constant refinements and increasing organizational competencies,”<sup>807</sup> says R. Oliver. In the particular case of the Church, she still has a long way to go in fully embracing the principle of transparency in her endeavors especially in her management of temporal goods. There are still a lot of dioceses, parishes and other public juridic persons that have not yet legislated on this matter of financial reporting to the faithful. Unless the Church would seriously pay attention to it and seriously implement it, she would run the risk of losing not only resources but more so credibility which is so important to her evangelizing mission in the world. Thus, Pope Francis reminds the bishops in his Address to the Bishops of Mexico: “Do not fear transparency. The Church does not need darkness to carry out her work.”<sup>808</sup>

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<sup>807</sup> R. OLIVER, *What is Transparency?*, p. 33.

<sup>808</sup> FRANCIS, *Address of His Holiness Pope Francis during the Meeting with Bishops of Mexico*, Metropolitan Cathedral of the Assumption, Mexico City, (13 February

## CHAPTER IV

### SOME PARTICULAR LAWS AND BEST PRACTICES ON FINANCIAL REPORTING TO THE FAITHFUL

The previous chapter has examined the nature, constitution and juridical implications of Canon 1287 §2 as the Church's response to the call for transparency. A clear grasp of the same can bring about a better implementation of such provision and a better management of the material resources of the Church. It has been noted that although the substantial elements of transparency were laid down by the universal legislator in the said canonical provision, its articulation and implementation is left to each particular law to realize, considering the peculiarity and circumstances of the different regions.

Particular laws are laws enacted for a "portion of the people of God." Their purpose is to serve the common good of a particular group in harmony with the good of the universal Church.<sup>809</sup> They are "local initiatives fostering the life of the people in a given area"<sup>810</sup> (which include

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2016) at [http://w2.vatican.va/content/francesco/en/speeches/2016/february/documents/papa-francesco\\_20160213\\_messico-vescovi.html](http://w2.vatican.va/content/francesco/en/speeches/2016/february/documents/papa-francesco_20160213_messico-vescovi.html). [Accessed 22.02.2016]

<sup>809</sup> Cf. L. ORSY, "Commentary on Canon 13" in J. CORIDEN, *et al.*, *The Code of Canon Law: A Text and Commentary*, Paulist Press, New York 1985, p. 32. The enactment of particular laws speaks well of the nature of the Church as *communio ecclesiarum* wherein "mutual relationships which must intervene between particular and the universal Church, and between collegiality and primacy" (JOHN PAUL II, Apost. Const. *Sacrae disciplinae leges*, (25 Jan. 1983) in AAS 75/II (1983) vii-xiv. English trans. from E. CAPARROS, *et al.* (eds.), *Code of Canon Law Annotated*, pp. 3-11, p. 9) are clearly manifested and carried out. The Church's ministry of salvation "demands mutual help between the pastors of the particular Churches and the pastor of the whole Church, so that all may bring their efforts together and strive to fulfill that supreme law which is the salvation of souls" (JOHN PAUL II, Apost. Const. *Pastor bonus*, (28 June 1988) in AAS 80 (1988) 841-930, art. 12. English trans. from E. CAPARROS, *et al.* (eds.), *Code of Canon Law Annotated*, pp. 1431-1551, p. 1453).

<sup>810</sup> F. G. MORRISEY, "The Code of Canon Law: The Importance of Particular Law," in *Origins* 11 (1981-1982), p. 426. The rationale of this notion is based on the fundamental principle that the particular legislator knows better the situation of the Church within his jurisdiction and is therefore able to determine the discipline that best corresponds to the concrete social reality. Cf. E. BAURA, "La Posizione del Diritto Particolare in Seguito alla Nuova Codificazione" in *Justitia in Caritate: Miscellanea di Studi in Onore di Velasio de Paolis*, p. 165.

lawful customs<sup>811</sup>) or particular application of the universal law in a given area or group of persons – exercising the principle of subsidiarity in the Church, or a special law intended by universal legislator for a certain territory or group.<sup>812</sup> In relation to universal laws, they are supposed to be subordinate and must not be contrary to them (cf. cann. 20 and 135 §2) in view of ecclesial communion, as well as to ensure the rationality and significance of these inferior laws and safeguard the rights of the faithful fundamentally recognized by the universal laws.<sup>813</sup> Particular laws are either

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<sup>811</sup> According to Prof. Martín de Agar, customs are general norms established by usage in a community for a certain period of time. They are part of the life of men and of communities, and establish models of conduct commonly accepted as just, and thus, should be respected. They acquire the force of law upon meeting the conditions set in cc. 23-28. Among these conditions are: a) reasonableness, *i.e.* not contrary to divine law and not expressly excluded by human law (c. 24); b) observed in a stable manner by a community as a norm of justice; c) approved by the legislator (c. 23); d) observed within the prescribed length of time (c. 26) depending on the type of custom. Cf. J. MARTÍN DE AGAR, *A Handbook on Canon Law*, 2<sup>nd</sup> ed., Wilson & Lafleur Ltée, Montréal 2007, pp. 33-34. For further discussion on this matter, cf. E. BAURA, “La Posizione del Diritto Particolare in Seguito alla Nuova Codificazione” in *Justitiae in Caritate: Miscellanea di Studi in Onore di Velasio de Paolis*, pp. 172-176.

<sup>812</sup> Cf. C. C. ANYANWU, *The Relationship Between Universal Law and Particular Law: An Analysis of the Particular Complementary Norms of the Catholic Bishops' Conference of Nigeria (CBCN)*, (Dissertation), St. Paul University, Ottawa, Canada 2007, p. 61. Prof. Eduardo Baura pointed out three ways wherein the 1983 Code promotes particular laws: 1) it enjoins the inferior legislator to give the rules (ex. during the *vacatio legis* the Secretary of State encourage episcopal conferences to intervene on 21 subjects, so that no legal vacuum would happen); 2) it indicates possibility of intervention of particular legislators (ex. cc. 1292 §1; 1002; 531; 533§3); 3) in other matters the Code places them as subsidiary norms with respect to the details needed, subjecting rather the proper normative value of the codal provision to the possible particular norm (ex. cc. 288; 482 §1; 553 §2). Cf. E. BAURA, “La Posizione del Diritto Particolare in Seguito alla Nuova Codificazione” in *Justitiae in Caritate: Miscellanea di Studi in Onore di Velasio de Paolis*, p. 169.

<sup>813</sup> Cf. E. BAURA, “La Posizione del Diritto Particolare in Seguito alla Nuova Codificazione” in *Justitiae in Caritate: Miscellanea di Studi in Onore di Velasio de Paolis*, Urbana University Press, Città del Vaticano 2005, pp. 161-178, p. 167. The relationship between the universal laws and particular laws according to Prof. Javier Otaduy is that of prevalence and respect. The universal law prevails over particular law. The latter is subordinate and must not be contrary to the former as provided by can. 135 §2. On the other hand, the universal law should respect the already established particular law as guaranteed by can. 20. (J. OTADUY, “La prevalencia y el respeto: principios de la relación entre la norma universal y particular” in *Fuentes, Interpretación, Personas*, Navarra Grafica Ediciones, Pamplona 2002, pp. 105-121; J. OTADUY, “Derecho Particular” in J. Otaduy, *et al.* (eds.), *Diccionario General De Derecho Canonico*, vol. 3, Universidad de Navarra, Aranzadi 2012, pp. 159-165). According to Prof. Baura, the universal laws should not be seen as something extraneous imposed on the particular Churches, but rather as something that promotes common discipline in the whole Church and a means to protect the unity of

personal (for a certain group of people) or territorial (for a specific ecclesiastical jurisdiction) depending on the intention and extent of their application.<sup>814</sup> However, they are presumed to be territorial rather than personal unless explicitly indicated (cf. can. 13), regardless whether they be enacted by the universal legislator or by the inferior legislator responsible for the community.<sup>815</sup> Those who are competent to enact these laws are the Roman Pontiff, the college of bishops united with the Roman Pontiff (*i.e.* ecumenical council); the Roman Curia (when delegated by the Supreme Pontiff), and those who can enact laws within the realm of their competence, *i.e.* the diocesan bishops and those equivalent to them in law, the conference of bishops (can. 455 §§1-2), particular councils (cann. 439-446) and the major superiors of clerical religious institutes of pontifical right (can. 596 §2).<sup>816</sup>

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the Church. It also guarantees fundamental rights and outlines the basic structure of the Church. To these ends, the diocesan bishops are bound to foster them and assert their observance in his own jurisdiction (cf. can. 392 §1). Thus, universal laws resemble as an umbrella that holds together various particular laws in view of ensuring common unity in diversity, while particular laws on the other hand ensure the edification and contextual realization of these universal laws for the same purpose, *i.e.* discipline and unity in the Church (cf. E. BAURA, “La Posizione del Diritto Particolare in Seguito alla Nuova Codificazione”, pp. 166-167). Moreover, the universal laws are not a product of a personal decision of the Pope alone but rather a fruit of collegial collaboration among experienced people and institutions in the Church, thus particular legislators have an active participation in their formulation (cf. JOHN PAUL II, Apost. Const. *Sacrae disciplinae leges*, (25 Jan. 1983) in AAS 75/II (1983) vii-xiv. English trans. from E. CAPARROS, *et al.* (eds.), *Code of Canon Law Annotated*, pp. 3-11, p. 7.) Furthermore, to ensure the effective submission of the particular law to universal law, the Apostolic Constitution *Pastor bonus* (art. 158) has assigned to the Pontifical Council for Legislative Texts the duty to determine whether particular laws and general decrees issued by inferior legislators conform or not to the universal law, upon the petition of interested parties. Cf. E. BAURA, *ibid.*, p. 169.

<sup>814</sup> Cf. P. LOMBARDIA, “Commentary on Canons 12-13” in E. CAPARROS, *et al.* (eds.), *Code of Canon Law Annotated*, p. 40. For further discussion on the matter, cf. J. OTADUY, “Commentary on Canon 13” in E. CAPARROS, *et al.*, (eds.) *Exegetical Commentary on the Code of Canon Law*, vol. I, pp. 298-303.

<sup>815</sup> Cf. P. LOMBARDIA, “Commentary on Canons 12-13” in E. CAPARROS, *et al.* (eds.), *Code of Canon Law Annotated*, p. 41. According to Prof. Lombardia, the criterion of territoriality however is applied with nuances. In principle, a territorial law binds only those who have domicile or quasi-domicile in a given territory (cf. c. 12 §3). However, for those considered *peregrini* or *vagi* (cf. c. 100), Canon 13 provides the manner of the application of the particular law to them. Cf. *Ibid.*

<sup>816</sup> Cf. C. C. ANYANWU, *The Relationship Between Universal Law and Particular Law: An Analysis of the Particular Complementary Norms of the Catholic Bishops’ Conference of Nigeria (CBCN)*, (Dissertation), St. Paul University, Ottawa, Canada 2007, p. 61. Prof. Javier Otaduy expounds the reason why the Roman Pontiff and the Roman Curia can enact particular laws, deducing from Marianne Pesendorfer’s definition of

Thus, in this chapter we shall look into some particular laws enacted to realize financial reporting to the faithful as prescribed by Canon 1287 §2, and other efforts made by legislators, like guidelines and best practices that facilitate financial transparency in the administration of ecclesiastical goods. These efforts would be of great help in the proper management of the ecclesiastical goods and in solving problems and conflicts related to it. Featuring some of them in this research could help those legislators who have not yet established such laws in their particular jurisdiction in formulating their own. There is no intention, however, to present in this chapter an exhaustive list of particular laws of public juridic persons and possible realizations of financial reporting to the faithful but rather to provide some examples that could serve as templates for others in designing their own as well as to encourage them to pursue this path of true and proper transparency and accountability as enjoined by the Code. Generally, the samples chosen come from various bishops' conferences, archdioceses, dioceses and parishes – the most common public juridic persons in the Church. Two episcopal conferences, six archdioceses and four dioceses from four different countries, *i.e.* Italy, Canada, Australia and United States of America are herein featured. In addition, two parishes from the United States of America are also presented to offer some concrete ways and best practices in realizing the financial reporting to the faithful. They were drawn from Italian and English-speaking territories, as these are the languages that the researcher is most familiar with. Moreover, these samples are chosen due to their easy accessibility as they are published online in their own websites, comprehensible, clear and generally up-to-date – qualities which were noted at the onset as characteristics needed for true transparency in management.

### **A. Conferences of Bishops**

The current Code describes the Conference of Bishops as a permanent institution which gathers together the bishops of an entire country or of a certain territory in order to exercise together some pastoral

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particular law. He said that the particular law is not only that which comes from instances of particular power (the diocesan bishops, episcopal conferences and synods, etc.), but particular law is often pontifical or it comes from the Roman congregations. Moreover, he maintains that particular laws are constituted by general decrees, not by singular juridical acts and thus, by virtue of this, the custom forms part of particular law. Cf. J. OTADUY, “La relación entre el derecho universal y el particular: A propósito de la Cons. Ap. *Pastor bonus*” in *Fuentes, Interpretación, Personas*, Navarra Grafica Ediciones, Pamplona 2002, pp. 79-102, p. 83.

functions and promote coordinated and legitimate pastoral action for the benefit of the faithful and in the service of the Churches entrusted to them (cf. can. 447).<sup>817</sup> This is in keeping with the mind of the Second Vatican Council that considers the need for diocesan bishops to work harmoniously and closely with each other for a consolidated and effective pastoral work and thus, enjoins the constitution of episcopal conferences for all nations or regions especially in places where they did not exist and that under certain conditions, empowers them to make binding decisions<sup>818</sup>.

Thus, the 1983 Code provides that the Conferences of Bishops can exercise legislative power through issuance of general decrees<sup>819</sup>. However their competence is limited only to cases where the universal law has so prescribed, or through special mandate of the Apostolic See, either on its own initiative or at the request of the Conference itself (can. 455 §1). The decrees of the conference are to be enacted during the plenary meeting with not less than two-thirds of the votes of those members of the conference who have deliberative vote. These decrees become binding only once they have been reviewed and given *recognitio* by the Apostolic See and lawfully promulgated (can. 455 §2). In cases however, where neither the universal law nor a special mandate of the Apostolic See gives the Conference the power to enact particular laws, they may still continue to enact the same, provided that each and every diocesan bishop gives consent to them and

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<sup>817</sup> Cf. J. MARTIN DE AGAR, *A Handbook on Canon Law*, 2<sup>nd</sup> ed., Wilson & Lafleur Ltée, Montréal 2007, p. 135. Cf. also J. I. ARRIETA, *Governance Structures within the Catholic Church*, Wilson & Lafleur Ltée, Montréal 2000, p. 274. This description is essentially drawn from *Christus Dominus*, 38, 1: “An episcopal conference is a kind of council in which the bishops of a given nation or territory jointly exercise their pastoral office by way of promoting that greater good which the Church offers mankind, especially through forms and programs of the apostolate which are fittingly adapted to the circumstances of the age.” Cf. VATICAN II COUNCIL, Decree on the Pastoral Office of Bishops in the Church, *Christus Dominus*, (28 Oct. 1965) in AAS 58 (1966), n. 38.

<sup>818</sup> Cf. VATICAN II COUNCIL, Decree on the Pastoral Office of Bishops in the Church, *Christus Dominus*, (28 Oct. 1965) in AAS 58 (1966), nn. 37-38. [http://www.vatican.va/archive/hist\\_councils/ii\\_vatican\\_council/documents/vat-ii\\_decree\\_19651028\\_christus-dominus\\_en.html](http://www.vatican.va/archive/hist_councils/ii_vatican_council/documents/vat-ii_decree_19651028_christus-dominus_en.html). Cf. J. M. DE AGAR, *A Handbook on Canon Law*, p. 135.

<sup>819</sup> Canon 29 provides that: “General decrees, by which common provisions for a community capable of receiving a law are made by a competent legislator; are true laws and are regulated by the provisions of the canons on laws” (“Canon 29” in E. CAPARROS, *et al.* (eds.), *Code of Canon Law Annotated*, 2<sup>nd</sup> ed., p. 53). Consequently, it establishes that any general provision made by those vested with legislative power for a certain group able to receive it, is to be considered a law, even if it is called a decree. Cf. P. LOMBARDIA, “Commentary on Canon 29” in *ibid.*

adopt them in their own particular Churches, since the competence of each diocesan bishop remains intact (can. 455 §4).<sup>820</sup>

Looking now into the legislations of various episcopal conferences in the world that serve as complementary norms to the 1983 Code of Canon Law, compiled and published in 2009 by Profs. José Martín de Agar and Luis Navarro,<sup>821</sup> the researcher found out that as of 2009, there is no episcopal conference that has established specific or particular provisions regarding Can. 1287 §2. There are however some episcopal conferences that made reference to it in their treatment of Can. 1262 which deals in particular with special collection or fundraising appeals' contributions of the faithful.<sup>822</sup> Probably this is due to the fact that unlike the other canons that

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<sup>820</sup> The Motu Proprio *Apostolos Suos* issued by Pope John Paul II which clarified the theological and juridical nature of episcopal conferences emphasizes that the power of the college of bishops is not the result of the sum of all the power of the individual bishops but rather the collective realization of the power of each of the bishops. This holds true for episcopal conferences. It follows then that the episcopal conferences cannot by itself impose to individual bishops the decision of the majority unless it has received from the supreme authority to do so. The *recognitio* granted by the Holy See is an expression and guarantee of communion with the universal church, avoid anything that is contrary to the universal law and ensure the right and authority of the individual bishops. (Cf. JOHN PAUL II, Apostolic Letter issued Motu Proprio *Apostolos Suos* on the Theological and Juridical Nature of Episcopal Conferences (21 May 1998) in AAS 90 (1998) 641-658, esp. art. 12 & 20; E. BAURA, "La Posizione del Diritto Particolare in Seguito alla Nuova Codificazione" in *Iustitiae in Caritate: Miscellanea di Studi in Onore di Velasio de Paolis*, pp. 170-171; G. GHIRLANDA, "Diritto universal e diritto particolare: un rapporto di complementarità" in *Quaderno di Diritto Ecclesiale* 15 (2002) 11-20, p. 17). The Apostolic Constitution *Pastor bonus*, art. 157 entrusted to the Pontifical Council for the Interpretation of Legislative Text the competence of examining the general decrees issued by episcopal conferences in terms of their juridical value for eventual proper *recognitio* (Cf. JOHN PAUL II, Apostolic Constitution *Pastor bonus* ((28 June 1988) in AAS 80 (1988) 841-930, art. 157. Cf. also E. BAURA, *ibid.*).

<sup>821</sup> Cf. J. MARTIN DE AGAR and L. NAVARRO, (eds.), *Legislazione delle Conferenze Episcopali Complementare al C.I.C.*, Seconda Edizione Aggiornata, Coletti a San Pietro, Roma 2009.

<sup>822</sup> Among the 73 episcopal conferences, whose particular legislations were compiled together in the book *Legislazione delle Conferenze Episcopali Complementare al C.I.C.*, it is noteworthy to mention that 7 of them made reference to Can. 1287 §2 in enacting their complementary norm for Canon 1262 (although the Southern African Catholic Bishops' Conference, mentioned it as Can. 1287 §1 which is probably a typographical error since the text refers to informing the faithful of the funds collected), to wit: Canadian Conference of Catholic Bishops (CCCCB), p. 214; Conférence des Évêques de France, p. 393; Namibian Catholic Bishops' Conference, p. 803; New Zealand Catholic Bishops' Conference, p. 854; Conferentia Episcopalis Pacifici (CE PAC), p. 894; Conferência Episcopal Portuguesa, p. 1007; Southern African Catholic Bishops' Conference (SACBC); p. 1254. Basically, they have the same provision, *i.e.* that each parish priest or administrator shall inform the faithful about the purpose of each special

explicitly require episcopal conferences to promulgate particular norms, Canon 1287 §2 did not expressly state such requirement. Moreover, it was neither in the lists of cases where the episcopal conferences *can* issue particular complementary norms to the Code nor in the list of cases where the same *must* issue particular complementary norms provided by the Secretary of State in its *Letter to the Presidents of Episcopal Conferences* on 8 November 1983.<sup>823</sup> In addition, considering the different circumstances of particular Churches, they probably consider it opportune to leave the decision to the individual diocesan bishops.

Nonetheless, given the growing demand for financial transparency in the Church and the proper management of its resources, some efforts have to be made on a national scale to address the aforementioned need in the Church, considering that there is a need for “*mutual assistance* in the exercise of the episcopal office and the *harmonization* of each Pastor’s initiatives, for the good of individual dioceses and the good of the entire Christian community of the territory”<sup>824</sup>. Thus, although episcopal conferences may not have enacted particular norms on the matter at hand, some have rather laid down guidelines and designed best financial practices manuals that would help individual diocesan bishops to realize financial transparency in their own particular Churches. For the purpose of this study, two episcopal conferences and their means of realizing proper management

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collection and, in a timely manner, shall give an account of the results, in accordance with the prescription of Can. 1287 §2. While two episcopal conferences allude to the transparency spirit of the provision stating that: “One has to give a public accounting of the proceeds of the alms, those that are special and those that are ordinary, including those in favor of diocesan and parish funds, according to the directives issued by the diocesan bishop” (Konferenza Episkopali Maltija, p. 746) and “Fund-raising reports are to be prepared in scope and design to meet the particular concerns of those to whom the reports are due: 1) the governing body and membership of the fund-raising organization; 2) the competent authorities who approved and monitor the fund-raising effort; 3) the donors to the organization; 4) the beneficiaries of the funds raised. Annual fund-raising reports are to provide both financial information and a review of the apostolic work for which the funds were raised. They are to set forth, at the least, the amount of money collected, the cost of conducting the fund-raising effort, and the amount and use of the funds disbursed” (United States Catholic Conference of Bishops, p. 1206-1207).

<sup>823</sup> Cf. SEGRETARIA DI STATO, *Lettera ai Presidenti delle Conferenze Episcopali*, 8 novembre 1983, N.120.568/236, *Communicationes* 15 (1983), pp. 135-139. Cf. also J. MARTIN DE AGAR and L. NAVARRO, (eds.), *Legislazione delle Conferenze Episcopali Complementare al C.I.C.*, Seconda Edizione Aggiornata, Coletti a San Pietro, Roma 2009, pp. 27-30.

<sup>824</sup> CONGREGATION FOR BISHOPS, Directory for the Pastoral Ministry of Bishops *Apostolorum Successores*, (22 February 2004) in *Enchiridion Vaticanum* 22 (2003-2004), 1047-1275, n. 22.

of resources and transparent financial reporting to the faithful as contemplated by Canon 1287 §2 shall be featured.

**1. United States Catholic Conference of Bishops (USCCB)**

**a) Diocesan Financial Management Guidelines**

The United States Catholic Conference of Bishops (USCCB), in view of the growing clamor for Church's financial transparency and accountability especially with the recent U.S. clergy sexual abuse scandals and with several severe cases of fraud and mismanagement of the assets of the U.S. Catholic Church, has laid down several measures to safeguard the Church's temporal goods, exercise prudence in financial management, accountability to those who gave financial support to the Church and to regulatory authorities, and to comply with civil regulations. Among the many measures, the USCCB through its Committee on Budget and Finance (CBF) in conjunction with its sub-committee, the Accounting Practices Committee (APC) which is responsible for monitoring, evaluating and introducing financial reporting principles newly introduced by regulators of generally accepted standards in the U.S.A., has developed a *Diocesan Financial Management Manual* that will serve as a guide to best practices in financial management matters applicable to dioceses and religious institutions. This manual which aims to aide the financial administrators and all those involved in the financial management of the Church in the USA, succeeded the previous publications made, *i.e. Diocesan Accounting and Financial Reporting (1971)* and *Reporting Practices for Churches and Church-Related Organizations (1981)*. This manual was approved by the full body of bishops in its General Meeting in November 2002 and is annually updated by the APC subject to the approval of CBF, the most recent of which was in March 2016.

The manual contains guidelines on management of finances, properties and personnel of the diocese and its parishes and other connected institutions, recommended committees, programs and policies, and templates for policymaking in the diocese as required by the general standards of accounting practices and civil norms especially that of the American Competitiveness and Corporate Accountability Act of 2002 (Sarbanes-Oxley Act), as well as guidelines on diocesan and parish financial reporting. It serves as an advice and recommendation to bishops for a good and proper financial administration in their dioceses, in accordance with the national standards set for non-for-profit sector's transparency, management

and accountability. The diocesan bishops may use or adopt them as they deem appropriate to their dioceses.<sup>825</sup>

b) On Financial Reporting to the Faithful

The United States Conference of Catholic Bishops (USCCB) during their November 2000 Plenary Assembly, approved a "Resolution on Diocesan Financial Reporting." The resolution encouraged the adoption of a voluntary financial reporting system as a means of offering further evidence of the diocese's compliance with the prescriptions of canon law pertaining to fiscal administration, keeping in mind the episcopal conference's longstanding commitment to promote financial accountability in the pastoral governance of each diocesan bishop. The resolution was subsequently renewed by the USCCB in November 2004 and again in November 2006. It was again approved by the United States Conference of Catholic Bishops at the November 2011 Plenary Assembly and will remain effective through November 2016.<sup>826</sup>

The resolution provides that annually, after the end of the fiscal year, each suffragan bishop is asked to send a letter to his metropolitan archbishop containing the following:

1. the names and professional titles of the members of his diocesan finance council;
2. the dates on which the finance council has met during the preceding fiscal year and since the end of that fiscal year;
3. a statement signed by the finance council members and the finance officer stating that they have met, reviewed, and discussed the [audited] financial statements of the diocese for that fiscal year and, if any, the management letter and the recommendations made by the auditors;
4. a statement that the finance council was consulted in accord with the prescriptions of canon law.

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<sup>825</sup> For further information cf. UNITED STATES CONFERENCE OF CATHOLIC BISHOPS, *Diocesan Financial Management: A Guide to Best Practices*, Washington, D.C. 2002/updated March 2016 at <http://www.usccb.org/about/financial-reporting/upload/diocesan-financial-management.pdf>. [Accessed 22.04.2016]

<sup>826</sup> Cf. USCCB *Resolution on Diocesan Financial Reporting* (Nov. 2011) at <http://www.usccb.org/about/financial-reporting/diocesan-financial-reporting.cfm>. [Accessed 07.01.2016].

The metropolitan archbishop will provide this same letter to the senior suffragan bishop in the province.<sup>827</sup>

In somewhat similar manner to the USCCB Resolution on (Arch)Diocesan Financial Reporting, the USCCB Diocesan Financial Management Manual recommends that each parish should have a properly functioning parish finance council as prescribed by the Code of Canon Law (can. 537) and as an important organ for parish internal control system. Furthermore, each parish should send a letter to the (Arch)diocesan (Arch)bishop annually containing:

- a. The names and professional titles of the members of the parish finance council;
- b. The dates on which the parish finance council has met during the preceding fiscal year and since the end of the fiscal year;
- c. The date(s) on which the approved (i.e. by the parish finance council) parish financial statements/budgets were made available to the parishioners during the preceding fiscal year and since the end of the fiscal year. A copy of said published financial statements/budgets should be provided to the (Arch) bishop;
- d. A statement signed by the parish pastor and the finance council members that they have met, developed, and discussed the financial statements and budget of the parish.<sup>828</sup>

Although the aforementioned recommended measures mainly refer to the accountability obligation to the superiors and the oversight function of the diocesan bishop, they indirectly oblige the parish pastors to fulfill the provision of financial reporting to the faithful. The manner, content and frequency of the financial reporting to the faithful are left to each diocesan bishop to establish to address well the peculiar circumstances of his own particular Church.

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<sup>827</sup> Ibid.

<sup>828</sup> USCCB, *Diocesan Financial Management: A Guide to Best Practices*, Washington, D.C. 2002/updated March 2016, p. 128 at <http://www.usccb.org/about/financial-reporting/upload/diocesan-financial-management.pdf>. [Accessed 22.04.2016]. A sample letter or reporting form for this purpose is also included in the same manual, cf. pp. 130-131.

Moreover, the Diocesan Financial Management guidelines provide the following further recommendations:

1. Thorough (Arch)diocesan training should be provided by the (Arch)diocese to parish finance council members relative to their roles and responsibilities.
2. (Arch)diocesan policies addressing conflicts of interest, protection of whistleblowers, and fraud (including prosecution in all cases) should be regularly communicated by the (Arch)diocese to all parishes.
3. All parishes should complete an annual internal control questionnaire, and a proper review and follow-up be made by qualified (Arch)diocesan personnel.
4. Parish financial manuals should be developed by (Arch)dioceses, containing best practices, similar to Diocesan Financial Issues which has been developed for dioceses.
5. Standard parish accounting policies and financial reporting standards should be developed by the (Arch)diocese, including a standard chart of accounts for all parishes and schools.
6. Financial training should be integrated into current seminarian programs such that students will be better prepared to handle these eventualities.<sup>829</sup>

## **2. Conferenza Episcopale Italiana (CEI)**

### **a) Brief Historical Background**

On February 18, 1984, the Holy See entered into an agreement with the Italian State for the revision of the 1929 Lateran Concordat. This gave way to the establishment of a new financial support system for the Italian Church through the citizens' personal income tax allocation system called *otto per mille* (8xmille - eight per thousand) replacing the State's "congrua" or stipend system of financial support to the clergy and the State's subsidy for the construction of new churches in Italy.

Prior to 1984, the new unified Italian State, in 1866, confiscated the properties of religious congregations and many diocesan institutions in Italy in the wave of anti-clericalism so prevalent at that time. Only benefices connected to parishes, "bishop's table" and "offices" of canons, which were usually houses and lands, were left to the Italian Church for the sustenance

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<sup>829</sup> Ibid., pp. 128-129.

of its parish priests, bishops and canons (who were actually holders of these benefices). At the same time they constituted the Fund for worship that aimed at integrating the very small income of some of these benefices. Later, the Italian State provided monthly salary or stipend (*congrua*) to priest-holders of benefices, *i.e.* bishops, pastors and canons. All other clergy were excluded from any public provision. On February 11, 1929, the Holy See entered into a Concordat with the Kingdom of Italy, commonly referred to as Lateran Treaty, creating the state of the Vatican City and guaranteeing full and independent sovereignty to the Holy See but the patrimonial Church-State relations, remained unchanged. The financial support for the Church at that time came from: a) voluntary offerings of the faithful; b) Salaries and security pension paid by the State to certain priests who performed functions in the hospitals, prisons and in the armed forces as well as those teaching religion in the public schools; and c) State's "*congrua*" system or payment of monthly stipend to parish priests, bishops, and canons and the subsidy for the construction of new churches. However, with the inspiration brought by the reforms of Vatican II and of the 1983 Code of Canon Law, the initiative to revise the 1929 Concordat brought fresh air and big progress for the Italian Church especially in terms of communion and active participation of the faithful in the life and temporal needs of the Church. The State's direct financial support to the Church through "*congrua*" or stipend system and the funding for construction of church buildings was replaced by the State tax allocation coming from personal income tax of the faithful and other non-Catholic Italian citizens who wish to support the Church, upon signifying their choice of allocation, otherwise known as *otto per mille*. It now includes all clergy ministering in the Church of Italy.

The discipline of the new system is established into law in 1985 with the promulgation of Law No. 222 of 20 May 1985 and the Central Institute for Clergy Sustenance was also established. By 1987, the Italian State stopped the stipend system and started to operate the new system of support for the clergy and in 1989 the Offerings for the Clergy (*Offerte Insieme ai Sacerdoti*) under the Central Institute for Clergy Sustenance went into effect. In May 1990 the taxpayers for the first time signed for the destination of the 8xmille of the total revenue of their personal income tax (IRPEF).<sup>830</sup>

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<sup>830</sup> Cf. CONFERENZA EPISCOPALE ITALIANA (CEI) Servizio promozione sostegno economico alla Chiesa cattolica, (a cura di), *Il nuovo ABC del Sovvenire: Domande e risposte sul sostegno economico alla Chiesa cattolica*, CEI, Roma, Maggio 2015, pp. 5-11; 51-52. Cf. also CONFERENZA EPISCOPALE ITALIANA (CEI) Servizio promozione sostegno

## b) The Otto Per Mille System and the Clergy Sustenance System

### 1. *The Otto Per Mille System*

Every year, the Italian State makes available to taxpayers a share in the total annual revenue coming from personal income tax (IRPEF) to be allocated to either the state run “social or humanitarian” purposes or for “religious or charitable” causes run by recognized religious denominations, depending on the choice made annually by each taxpayer during their declaration of income tax return. This share is equal to 8 per thousand of the entire revenue. Thus, the system is called *otto per mille* (8xmille).

Although the mechanism is open to every religious denomination that wishes to join the system, at present, the total revenue collected is divided among 12 recipients, 11 of which are various religious denominations, including the Roman Catholic Church, plus the Italian State. The percentage of the allocation to each recipient depends on the choice of the taxpayers. (For example, 60% of the taxpayers wanted to support the Catholic Church, 60 % of the tax allocation goes to the Catholic Church).

On the part of the Catholic Church, the funds to be allocated, according to the provisions of the Law No. 222 of 20 May 1985, are to be used for 3 purposes: a) worship and pastoral needs of the Italian faithful; b) sustenance of the clergy; and c) works of charity in Italy and in the third world countries.<sup>831</sup> The breakdown of the fund allocation to each of the three said purposes is determined by the Conference of Italian Bishops (CEI) during their Annual General Assembly in May.

### 2. *The Clergy Sustenance System*

Part of the *Otto per Mille* fund allocation to the Italian Church goes to the sustenance of the clergy. However, it is not the only source for the sustenance of the clergy as this would be insufficient to ensure a decent living for 36,000 priests ministering in the dioceses of Italy.<sup>832</sup> The Clergy

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economico alla Chiesa cattolica, (a cura di), *Meglio dare o ricevere?* Chiesa, Denaro e Comunità, IV edizione, Mediagraf-Noventa Padovana (PD), Roma 2012, pp. 18-19.

<sup>831</sup> Cf. Art. 48, Legge 20 maggio 1985, n. 222

<sup>832</sup> In order to ensure every year a decent living to 36,000 priests serving the Italian Church, a budget of around 573 million euros would be needed. If the *otto per mille* fund would be the only source for it, the budget allocated for purposes of worship and for charitable purposes would be depleted. Thus, other sources of fund are needed to cover for whatever is lacking. Cf. CONFERENZA EPISCOPALE ITALIANA (CEI) SERVIZIO PROMOZIONE SOSTEGNO ECONOMICO ALLA CHIESA CATTOLICA (a cura di), *Il nuovo ABC del Sovvenire: Domande e risposte sul sostegno economico alla Chiesa cattolica*, CEI, Roma, Maggio 2015, pp. 24-25.

Sustenance System which is centralized under the management of the Central Institute for Clergy Sustenance (ICSC) of the Italian bishops' conference has 3 sources of fund: a) the *otto per mille* fund; b) parish voluntary offerings and tax-deductible offerings to ICSC (called *Insieme ai Sacerdoti*); and c) income from the benefices (the management of which are centralized under each diocese). The system of sustenance is no longer payment of stipend for each work done but rather monthly remuneration enough for a decent sustenance of every priest ministering in Italy in a manner of financial standardization (*perequazione*) based on a point-system criteria, depending on the tasks performed, seniority, on conditions more or less favorable in which the priest operates as well as other circumstances.<sup>833</sup>

c) The Norms on Financial Reporting to the Faithful

Considering that these initiatives are efforts to promote communion, participation and co-responsibility among the faithful and elicit credibility to the Church as an honest and reliable institution, the *Agreement Between the Holy See and the Italian State Modifying the Lateran Concordat* made in June 3, 1985<sup>834</sup> provided a guarantee of transparency and accountability. The following provisions were in place:

The Italian Bishops' Conference (CEI) shall transmit annually to the competent State authorities a financial report concerning the effective use of the amounts referred to in articles 46, 47 and 50, third paragraph, and publish it on the official organ of the same Conference.

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<sup>833</sup> For further information on the *Otto per Mille* System and *Clergy Sustenance System*, cf. CONFERENZA EPISCOPALE ITALIANA (CEI) SERVIZIO PROMOZIONE SOSTEGNO ECONOMICO ALLA CHIESA CATTOLICA (a cura di), *Il nuovo ABC del Sovvenire: Domande e risposte sul sostegno economico alla Chiesa cattolica*, CEI, Roma, Maggio 2015. Cf. also CONFERENZA EPISCOPALE ITALIANA (CEI) SERVIZIO PROMOZIONE SOSTEGNO ECONOMICO ALLA CHIESA CATTOLICA, (a cura di), *Meglio dare o ricevere?* Chiesa, Denaro e Comunità, IV edizione, Mediagraf-Noventa Padovana (PD), Roma 2012. Cf. also [www.8xmille.it/QA](http://www.8xmille.it/QA) [Accessed 14.04.2016].

<sup>834</sup> Cf. *Accordo tra La Santa Sede e La Repubblica Italiana che Apporta Modificazioni al Concordato Lateranense*, (3 June 1985), signed on behalf of the Holy See by Cardinal Agostino Casaroli, Secretary of State of the Holy See and on behalf of Italy by His Excellency, Bettino Craxi, Prime Minister of Italy, AAS 77/6 (1985) 521-578. Also at [http://www.vatican.va/roman\\_curia/secretariat\\_state/archivio/documents/rc\\_seg-st\\_198\\_50603\\_santa-sede-italia\\_it.html](http://www.vatican.va/roman_curia/secretariat_state/archivio/documents/rc_seg-st_198_50603_santa-sede-italia_it.html). [Accessed 13.04.2016].

Such a statement must however specify:

- a) the number of priests who perform service for the diocese;
- b) the amount established by the Conference for their dignified sustenance;
- c) the total amount of the sums referred to in articles 46 and 47 for the sustenance of the clergy;
- d) the number of priests that with such amount was secured with entire remuneration;
- e) the number of priests that with such amount was secured of integration;
- f) the amount of withholding tax and payment contributions operated in accordance with article 25;
- g) financial interventions of the Central Institute for individual institutions for the support of the clergy;
- h) the actions undertaken for the other purposes set out in article 48.

The Italian Bishops' Conference shall disseminate appropriate information on the content of such statement and of the purposes to which these amounts are intended to according to article 47.<sup>835</sup>

Although the said norm is meant to render an account to the Italian State authorities concerning the funds received from the State and its effective use, especially with the new system of tax allocation (*otto per mille*), it equally obliges the Italian Bishops' Conference to have financial reporting to the faithful by publishing the same on the official publication of the bishops' conference, with an exhortation that the report should be disseminated well and should contain adequate information about the appropriate use of the fund received. This requires then each diocesan

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<sup>835</sup> "Norme circa gli enti e beni ecclesiastici in Italia e circa la revision degli impegni finanziari dello stato Italiano e degli interventi del medesimo nella gestione patrimoniale degli enti ecclesiastici", in *Accordo tra La Santa Sede e La Repubblica Italiana che Apporta Modificazioni al Concordato Lateranense*, (3 June 1985), Art. 44, signed on behalf of the Holy See by Cardinal Agostino Casaroli, Secretary of State of the Holy See and on behalf of Italy by His Excellency, Bettino Craxi, Prime Minister of Italy, AAS 77/6 (1985) 521-578. Also at [http://www.vatican.va/roman\\_curia/secretariat\\_state/archivio/documents/rc\\_seg-st\\_19850603\\_santa-sede-italia\\_it.html](http://www.vatican.va/roman_curia/secretariat_state/archivio/documents/rc_seg-st_19850603_santa-sede-italia_it.html). [Accessed 13.04.2016]. These provisions are also reflected in Art. 44, *Legge 20 maggio 1985, n. 222 Disposizioni sugli enti e beni ecclesiastici in Italia e per il sostentamento del clero cattolico in servizio nelle diocesi*, which was published in the Official Gazette, 3 June 1985, n. 129. For further information especially with regard to the content of art. 46, 47 and 50, cf. the aforementioned documents.

bishop to come up with the financial report every year, reflecting the items required by the norm, to be submitted to the bishop's conference and eventually publishing the same in each diocese for the faithful to see.<sup>836</sup> The norm requires the bishops' conference to follow a detailed and precise pattern of accounting on the use of state funds. The problem however with this new system of financial support to the Church is that the amount delivered by the State to the Church as well as the financial data reflecting the fund allocation and the percentages of the choices of taxpayers for the *otto per mille* is not up to date. The amount and the data of the current year is not available to the public. This is due to the fact that the *otto per mille* system as provided by Law 222/85 needs three years to develop, since it started in 1990. Thus, every year the latest data available as well as the financial report of the Church dates back to three years earlier (the 1990 fund for example was only received in 1993)<sup>837</sup> and consequently the accounting of its use comes later. This could elicit some suspicion on the part of the taxpayers. Nonetheless, the Italian bishops' conference on her part, tries its best to render account regularly every year on the use of such funds. Furthermore, they inform the public on the destination of these funds through various channels: a) maintaining an *otto per mille* website – [www.8xmille.it](http://www.8xmille.it); b) displaying posters in the 26,000 Italian parishes on the occasion of the National Day dedicated to 8xmille (first or second Sunday of May); c) print campaign in major newspapers and national Italian periodicals (in May); d) print campaign on more than 100 Catholic diocesan weekly magazines; e) TV spots filmed live representing situations of thousands of interventions in Italy and countries in the developing world supported with the *otto per mille* funds.<sup>838</sup>

Moreover, in view of the conviction of the Italian bishops to guarantee accuracy transparency and punctuality in the management of Church goods, and to educate well the faithful in the true family spirit in the

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<sup>836</sup> This annual report requirement on the diocesan bishops is articulated in the resolution made by the Italian bishops during their XLV Assemblea Generale, to wit: "Dell'avvenuta ripartizione annuale deve essere fornito un dettagliato rendiconto alla CEI secondo le indicazioni date dalla Presidenza medesima, esso è predisposto dall'economo diocesano ai sensi del § 4 del can. 494, verificato dal consiglio per gli affari economici ai sensi del can. 493 e firmato dal Vescovo diocesano. Analogo rendiconto deve essere pubblicato nel bollettino ufficiale della diocesi e fornito al servizio diocesano perchè ne promuova un'adequata divulgazione." CONFERENZA EPISCOPALE ITALIANA (CEI), *Determinazione approvata dalla XLV Assemblea Generale* (9-12 novembre 1998), in NCEI 1998, 10/328-329. Cf. also CEI, *Istruzione in Materia Amministrativa*, Roma 2005, p. 29.

<sup>837</sup> Cf. [www.8xmille.it/QA](http://www.8xmille.it/QA) [Accessed 14.04.2016]

<sup>838</sup> Cf. [www.8xmille.it/QA](http://www.8xmille.it/QA) [Accessed 14.04.2016]

Christian community<sup>839</sup> as well as recognizing the right of the parish community to know its finances and how the available resources are allocated to the needs of the parish in the fulfillment of its mission,<sup>840</sup> the Italian bishops' conference came out with the following 10 practical rules they call *The Decalogue of Transparency in the Parish*, that would guide the efforts of those involved in the management of parish resources:

1. To set up and make effectively operational the Parish Council for Economic Affairs;
2. To respect the civil and tax laws;
3. To enter exactly the goods (so as to prevent that what is of the community will end up with the private person);
4. To effectively allocate the offerings for the purpose for which it was collected;
5. To prepare the budget at the beginning of the year
6. To prepare the financial report at the end of the year
7. To keep books of income and expenditures
8. To distinguish the cash/savings of the community from the personal savings of the pastor
9. To distinguish the offerings to the parish from the personal gifts to the pastor
10. To keep and preserve documents in an archive.<sup>841</sup>

In addition to these 10 rules is the need for public financial reporting as a guarantee of authentic transparency and which gives reason to this decalogue. These 10 practical steps were not legislations of the Italian bishops' conference but rather an articulation of the obligation of administrators of ecclesiastical goods provided for by the Code of Canon Law that would render transparency possible. Knowledge of how the funds

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<sup>839</sup> Cf. CONFERENZA EPSICOPALE ITALIANA (CEI), *Sovvenire alle necessità della Chiesa: Corresponsabilità e partecipazione dei fedeli* (14 Novembre 1988, Roma), art. 16, at [http://www.chiesacattolica.it/cc\\_i\\_new/documenti\\_cei/2013-03/211047/Sovvenire\\_alle\\_necessita'\\_della\\_Chiesa.pdf](http://www.chiesacattolica.it/cc_i_new/documenti_cei/2013-03/211047/Sovvenire_alle_necessita'_della_Chiesa.pdf) [Accessed 10.04.2015]

<sup>840</sup> Cf. CONFERENZA EPISCOPALE ITALIANA (CEI), *Sostenere la Chiesa per servire tutti: A vent'anni da Sovvenire alle necessità della Chiesa*, (Roma, 4 Ottobre 2008), art. 10. [http://www.chiesacattolica.it/cc\\_i\\_new/documenti\\_cei/2008-11/19-3/Lett\\_Sovvenire%2020AnniDopo.pdf](http://www.chiesacattolica.it/cc_i_new/documenti_cei/2008-11/19-3/Lett_Sovvenire%2020AnniDopo.pdf). [Accessed 9.6.2015].

<sup>841</sup> Cf. CONFERENZA EPISCOPALE ITALIANA (CEI) SERVIZIO PROMOZIONE SOSTEGNO ECONOMICO ALLA CHIESA CATTOLICA (a cura di), *Il nuovo ABC del Sovvenire: Domande e risposte sul sostegno economico alla Chiesa cattolica*, CEI, Roma 1985, p. 45. These norms are deduced from 1983 CIC cc. 537 and 1284.

are used leads to growth in co-responsibility and encourage participation and generosity among the faithful.<sup>842</sup>

## **B. Archdioceses and Dioceses<sup>843</sup>**

It is the competence and responsibility of the diocesan bishops and those who are equivalent to them in law (cf. cc. 381 §2; 368) to lay down norms for the particular Churches entrusted to their care (cf. can. 391 §1). This is clearly expressed by the Second Vatican Council, to wit: “bishops have the sacred right and duty before the Lord to make laws for their subjects, to pass judgment on them, and to moderate everything pertaining to the ordering of worship and the apostolate.”<sup>844</sup> This power to legislate is exercised by themselves alone (cf. cc. 391 §2; 466) and cannot be validly delegated to other persons.<sup>845</sup> With this legislative power, they are to regulate matters and issues not considered in universal law or are relegated to it by the same, including those that may be necessary for the proper care and order of the life of the Christian community entrusted to them.<sup>846</sup> They are tasked to ensure that abuses do not creep into ecclesiastical discipline and in the administration of goods (cf. can. 392 §2). Considering then their serious regulatory responsibility in the proper administration of ecclesiastical goods, there is a need for them to enact particular laws that would guarantee transparency and accountability in their administration.

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<sup>842</sup> Ibid., p. 46.

<sup>843</sup> Although there are several kinds of ecclesiastical circumscription we need to consider in the Church, which according to Prof. Juan Ignacio Arrieta can be classified into 3 categories, namely, those under common law; those in mission territories and the personal ones, and not all of them are considered particular Churches (cf. J. Arrieta, *Governance Structures within the Catholic Church*, pp. 169-170), however, for the purpose of our study, we shall limit ourselves into particular Churches, particularly the dioceses and archdioceses which are the most common ones (cf. can. 368).

<sup>844</sup> *Lumen Gentium*, n. 27.

<sup>845</sup> The diocesan bishop has exclusive legislative power within his particular Church which he may exercise both through diocesan synods (c. 466) or outside of it, through general decrees (c. 29). Furthermore, it cannot be delegated to others as the Code provides that the legislative power lower than the supreme authority cannot validly be delegated unless provided otherwise (cf. can. 135 §2). Cf. V. GOMEZ-IGLESIAS CASAL, “Commentary on Canon 391” in E. CAPARROS, *et al.*, (eds.) *Exegetical Commentary on the Code of Canon Law*, vol. II, pp. 807-815; J. RENKEN, “Commentary on Canon 391” in J. Coriden, *et al.* (eds.), *New Commentary on the Code of Canon Law*, The Canon Law Society of America, Paulist Press, New York 2000, pp. 527-529.

<sup>846</sup> Cf. V. GOMEZ-IGLESIAS CASAL, “Commentary on Canon 391” in E. CAPARROS, *et al.*, (eds.) *Exegetical Commentary on the Code of Canon Law*, vol. II, pp. 807-815.

Specifically, they are to articulate in particular laws what the universal law enjoins to be established in order to guarantee the same, and this includes Canon 1287 §2, which warrants transparency through financial reporting to the faithful.

Thus, this section shall look into the efforts made by some individual bishops with regard to the articulation of Canon 1287 §2 into particular laws, realizing the universal mandate for financial reporting to the faithful in the proper context and circumstances of their respective particular Churches. Six archdioceses and four dioceses that have established particular norms, guidelines and best practices regarding financial transparency to the faithful in the parishes are featured in this chapter. These could serve as models for other particular Churches to follow in terms of proper management and also in realizing the mandate of Canon 1287 §2 for transparent financial reporting to the faithful.

## **1. Archdioceses**

### **a) Archdiocese of Chicago<sup>847</sup>**

One of the archdioceses in the United States of America that has a well-organized financial management system is the Archdiocese of Chicago. Its archdiocesan policies and procedures are classified into five volumes structured after the first five books of the 1983 Code of Canon Law, the book five of which deals with the Administrative, Financial and Legal Matters of the Archdiocesan temporal goods. Although there is a section on Bookkeeping and Financial Reports, it mainly refers to financial reporting to the superior authority.<sup>848</sup> The provision on financial reporting to the faithful can be found rather in their policy regarding Fundraising Appeals to the

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<sup>847</sup> The whole data about the Archdiocese of Chicago was taken from [www.archchicago.org](http://www.archchicago.org)

<sup>848</sup> The Archdiocesan Policy and Procedures require the parishes to submit annual and quarterly financial reports to the Archdiocesan Pastoral Center, i.e. to the superior and not to the faithful, although it made mention that the Archdiocese is also to issue financial report composed of consolidated financial information coming from its parishes Cf. ARCHDIOCESE OF CHICAGO, *Archdiocese of Chicago Policies and Procedures, Book Five – Temporal Goods of the Church (Administrative, Financial and Legal Matters)*, Policy 500 – Bookkeeping and Financial Reports, particularly §§505.1 and 505.3 (Adopted on 19 Dec. 1996 and made effective on 1 July 1997) at <http://policy.archchicago.org/LinkClick.aspx?fileticket=tiDJWKMqRCc%3d&tabid=10170>. [Accessed 19.04.2016].

Faithful, particularly as procedures of the policy on oversight.<sup>849</sup> The following are the procedures:

- a) Reports of the general financial condition of a parish and all parish fund-raising projects in particular are to be published and prepared in scope and design to meet the particular concerns of those to whom they are due: 1) the parishioners and other donors to the church at least annually; 2) the finance council (and school advisory board) at each meeting and the pastoral council at least quarterly; 3) the beneficiaries of the funds raised at least annually; and 4) the Archdiocesan Finance Department, semi-annually after the end of the second quarter and annually at the end of the fiscal year.
- b) Each January for the preceding calendar year, in accord with IRS requirements for donors (Publication 1771 revised: <http://www.irs.gov/pub/irs-pdf/p1771.pdf>), parishes are to send statements of contributions to donors.
- c) Parishioners are to receive a written report, at least in summary form, of the assets, income and expenses of the parish on an annual basis shortly after the end of the fiscal year. Likewise parishioners and parents are to receive a similar report for a school.<sup>850</sup>

In addition, its Archdiocesan Financial Services issued a *Parish Best Practices Manual for Internal Control* in 2011 to promote good stewardship in the management of the parishes in the archdiocese.<sup>851</sup> It was an updated

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<sup>849</sup> Their policy on oversight provides: 1) “Competent authority is to ensure that fund-raising organizations: a) make available fund-raising reports to benefactors on a regular basis or upon reasonable request; b) provide their governing bodies with an annual financial statement prepared in accordance with generally accepted accounting principles and, where size warrants, by a certified public accountant” (3007.1); 2) “In response to formal complaints, competent authority is to promptly investigate charges, remedy abuses and, when necessary, terminate the fund-raising program” (3407.2). Surprisingly, the procedures following these policy provisions refer to financial reporting to the faithful. Cf. ARCHDIOCESE OF CHICAGO, *Archdiocese of Chicago Policies and Procedures, Book Five – Temporal Goods of the Church (Administrative, Financial and Legal Matters)*, Policy 3000 – Fundraising Appeals to the Faithful, §3007 (Approved and made effective on 22 May 2009) at <http://policy.archchicago.org/LinkClick.aspx?fileticket=tiDJWKMqRCc%3d&tabid=10170>. [Accessed 19.04.2016].

<sup>850</sup> ARCHDIOCESE OF CHICAGO, *Archdiocese of Chicago Policies and Procedures, Book Five – Temporal Goods of the Church (Administrative, Financial and Legal Matters)*, Policy 3000 – Fundraising Appeals to the Faithful, §3007 (Approved and made effective on 22 May 2009) at <http://policy.archchicago.org/LinkClick.aspx?fileticket=tiDJWKMqRCc%3d&tabid=10170>. [Accessed 19.04.2016].

<sup>851</sup> Cf. ARCHDIOCESE OF CHICAGO DEPARTMENT OF FINANCIAL SERVICES - MARY ANN MURPHY, *Archdiocese of Chicago Parish Best Practices for Internal Controls*,

version of the *Archdiocese of Chicago Business Administration – Best Practices Manual* issued on February 2005, after the archdiocesan policies and procedures have been completed. The following are the pertinent provisions for financial reporting:

a) Record financial transactions and prepare financial statements

Financial transactions are recorded and monthly financial statements are prepared using the Archdiocesan standard chart of accounts in QuickBooks. The current chart of accounts and class code list is posted on the Archdiocesan website

b) Financial records

All financial records documenting transactions (including payroll, tax filings for bingo and other fundraisers) should be available to the parish as needed. Records should not be kept offsite at the residences of employees or volunteers where access to the financial records may be limited. Financial records are the property of the parish and must be kept on the parish premises; this includes back-up copies of all financial records.

c) Parish financial reports

The parish budget and annual report should be reviewed and discussed by the pastor, principal, and finance council as evidenced by appropriate signatures, prior to submitting to the VAC who will provide a copy to the Department of Financial Services, Quigley Center. The parish interim report should be submitted on-line via the third party hosted customized reporting tool.

d) Regular report preparation

Financial reporting is made regularly and timely to facilitate control and corrective action. The financial reports should be presented in detail capturing all bank accounts held at local financial institutions and Archdiocesan accounts (not just operating accounts) and debt obligations. Financial statements should contain all activity including programs managed outside the general ledger via a checkbook or other software. Any details or clarifications, such as activities of auxiliary groups

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Chicago, May 2011 at [https://www.archchicago.org/departments/financial\\_services/documents/Parish%20Best%20Practices%20for%20Internal%20Controls.pdf](https://www.archchicago.org/departments/financial_services/documents/Parish%20Best%20Practices%20for%20Internal%20Controls.pdf). [Accessed 19.04.2016]

and other programs should be identified in footnotes on the financial statements.

e) Communication of results

Parish financial results are reported to the Pastor and the Finance Council and the Parish Council, school principal and the school board on a regular basis (at least monthly). In addition, results are shared with parishioners on at least an annual basis including sources and amounts of income, parish debt obligations, unpaid bills, and parish savings and investments.<sup>852</sup>

These best practices in terms of financial reporting together with the established policy procedures provide a clear indicator that transparency in financial reporting to the faithful is seriously considered and implemented. It also considered the parochial school as a stakeholder in communicating parish financial information.

**b) Archdiocese of Seattle<sup>853</sup>**

Another archdiocese in the United States of America that has clear and well-articulated policies and procedures is the Archdiocese of Seattle. It's "Many Gifts, One Spirit: Pastoral and Sacramental Policies for the Archdiocese of Seattle" promulgated on March 29, 2007 and came into force on July 1, 2007<sup>854</sup>, contain the following provisions for financial reporting:

AF1. Each parish and archdiocesan institution shall make an annual financial report to the Archdiocese (CIC, c. 1287, §§1-2)

- 1.a. The forms for the financial report are included in the Archdiocesan Annual Report that is distributed by the Chancery to each parish and faith community in June.

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<sup>852</sup> ARCHDIOCESE OF CHICAGO DEPARTMENT OF FINANCIAL SERVICES - MARY ANN MURPHY, *Archdiocese of Chicago Parish Best Practices for Internal Controls*, Chicago, May 2011, pp. 2-3 at <https://www.archchicago.org/departments/financial-services/documents/Parish%20Best%20Practices%20for%20Internal%20Controls.pdf>. [Accessed 19.04.2016]

<sup>853</sup> The whole data regarding the Archdiocese of Seattle is taken from [www.seattlearchdiocese.org](http://www.seattlearchdiocese.org). [Accessed 19.04.2016]

<sup>854</sup> A. BRUNETT, *Letter of Promulgation of Pastoral and Sacramental Policies for the Archdiocese of Seattle*, March 29, 2007, at <http://www.seattlearchdiocese.org/Archdiocese/Policies/default.aspx>.

- 1.b. The completed report for the fiscal year (July 1 through June 30) must be returned to the Chancery by August 15.
- 1.c. At the end of the fiscal year and in cooperation with the Parish Finance and Pastoral Councils, the pastor, priest administrator, or other appointed pastoral leader will see that a report is made to the parish as well as to the Archdiocese.<sup>855</sup>

**c) Archdiocese of Vancouver<sup>856</sup>**

In Canada, one of the archdioceses that has clear norms on financial reporting is the Archdiocese of Vancouver. It established its own Archdiocesan Policies on the Administration of Temporal Goods: Volume 1 in order to streamline the parish processes and to ensure that all parishes manage equally well their temporal goods. It was promulgated on January 17, 2011 and came into force on February 17, 2011.<sup>857</sup> It serves a dual purpose: 1) to help the newly appointed Pastors to assume administration duties more quickly as the processes themselves are consistent; and 2) for the Archdiocese to be able to provide direction, instruction, and support that applies to all its parishes.<sup>858</sup> In its Accounting Policy Section, it contains the following provisions on financial reporting:

There are two types of financial reports: 1) Statement of Revenue and Expenses (Profit & Loss); and 2) Balance Sheet. The parish bookkeeper should supply both financial reports to the Parish Finance Council, at least quarterly (for the periods ending in March, June, September and December).

For the Statement of Revenue and Expenses, the report should show the actual expenditures against the parish budget.

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<sup>855</sup> ARCHDIOCESE OF SEATTLE, “Annual Reports” in *Many Gifts, One Spirit: Pastoral and Sacramental Policies for the Archdiocese of Seattle, Revised Edition*, Policies for Pastoral Ministry: Many Gifts, *AFPM* p. 5.

<sup>856</sup> The whole data about the Archdiocese of Vancouver is taken from [www.rcav.org](http://www.rcav.org).

<sup>857</sup> J. M. MILLER, *Decree of Promulgation of Policies on the Administration of Temporal Goods: Volume 1*, Vancouver, January 17, 2011, at <http://rcav.org/wp-content/uploads/Administration-of-Temporal-Goods-Volume-1-Revised-May-8-2014.pdf>.

<sup>858</sup> Cf. ARCHDIOCESE OF VANCOUVER, *Archdiocesan Policies on the Administration of Temporal Goods: Volume 1*, Vancouver 2014, at <http://rcav.org/wp-content/uploads/Administration-of-Temporal-Goods-Volume-1-Revised-May-8-2014.pdf>. It underwent some revisions, the revised version of which is the one available on their website was published on May 8, 2014.

Every parish is required to submit an annual parish report to the Finance Office. The format and information required is established and communicated by the Finance Office. The report must be submitted by the end of February following each December 31 fiscal year-end. The annual parish reports are used by the Archbishop:

- *to assess the Archdiocesan levy, calculated as a percentage of regular collections;*
- *in a consolidated Archdiocesan report sent to Rome every five years;*
- *to fulfill his obligation pursuant to Canon Law (see can. 1276)*

In the event that there is a change in Pastor, the outgoing Pastor is to provide the parish report as at the last day of the month prior to his departure. For example, if a Pastor's last day is July 5, then his parish report should show all information up to and including June 30.

The parish is required to present an annual financial report to the faithful (see Canon 1287 §2). This report can be written or oral, included in the bulletin or not. According to the Third Synod, 1959, paragraph 529.3, the report is to be presented "to the people at all Masses some Sunday during the month of January." It is recommended that the format of the report be a condensed version of the annual report sent to the Finance Office.

Openness and accountability must be the guiding principles in the preparation of any financial report.<sup>859</sup>

#### **d) Archdiocese of Ottawa<sup>860</sup>**

The Archdiocese of Ottawa in Canada also issued a Protocol for Parish Financial Administration, in the aim of assisting pastors, parish administrators and moderators in their responsibility as "diligent

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<sup>859</sup> ARCHDIOCESE OF VANCOUVER, "Art. 6.7 Financial Reporting" in *Archdiocesan Policies on the Administration of Temporal Goods: Volume 1*, Vancouver 2014, Section 6-2.

<sup>860</sup> The whole data regarding Archdiocese of Ottawa is taken from [www.catholicottawa.ca](http://www.catholicottawa.ca).

householders”. It came into force on January 1, 2012.<sup>861</sup> The following items can be deduced from the Protocol referring to the financial reporting to the faithful:

- a) Objectives of Parish Financial Reporting
  - To accurately and completely report the financial activity of the parish on a timely basis;
  - To summarize financial transactions in a simple, concise and consistent manner; and
  - To provide a “benchmark” in conjunction with the financial statements in the form of a budget so that readers of the statements have a basis of comparison for assessing financial activity
- b) Accounting Principles
  - 1. Receipts/Revenue
    - Revenue is to be recorded when received, not on the basis of a pledge or other commitment
    - Custodial Receipts: Receipts over which the parish has no discretion as to their use (e.g. donations for special collections; offerings for the poor; refugee sponsorship donations) represent custodial transactions and are to be recorded as a liability (custodial obligation) until paid. This includes receipts from national and diocesan special collections and payments for mass intentions.
  - 2. Expenses/Liabilities
    - Expenses are to be recorded when incurred (upon receipt of merchandise and when services are rendered) and recorded as a liability (accounts payable) until paid.
    - Payments that will be reimbursed are to be recorded to accounts receivable until reimbursement is received. This includes sales taxes paid to a vendor that are eligible for refund from the federal or provincial governments
  - 3. Budgeting
    - Prior to the beginning of the fiscal year and in anticipation of the filing of the Annual Financial Report to Diocesan Administration, a financial budget for the upcoming fiscal year is to be prepared. Parish budgets must be balanced, it

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<sup>861</sup> T. PRENDERGAST, *Letter on the Implementation of Protocol for Parish Financial Administration*, Prot. N. D. 31/2011, Dec. 20, 2011, at <http://catholicottawa.ca/documents/administration/parishfinanceprotocolpkg.pdf>. [Accessed 20.04.2016]

being understood that budgeting for deficit operations is not permitted. The Finance Council must participate in developing the annual budget, with input from the Parish Pastoral Council and must recommend the final budget for approval by the Pastor. The members of the Finance Council should also participate in the communication of the annual budget to the parish community.

- During the fiscal year, the Pastor and Finance council must review actual revenues and expenditures against budgeted amounts on a monthly basis. Any material variance should be investigated and resolved as soon as possible. Monthly reports must be timely, not later than the end of the month following the month being reported (i.e. not more than 30 days after month's end)

c) Those Responsible for Financial Reporting to the Faithful

As soon as possible – and not later than 90 days - after the close of the parish financial year, the members of the Parish Finance Council shall prepare and present to parishioners a written summary report of the parish's financial statements for the year just ended, as well as a budget for the current year. In addition to the written version, it is recommended that a verbal presentation of the financial statements and budget be made to parishioners.

The Finance Council is to consider the advisability of more regular reporting to parishioners concerning any temporal matter, including the state of ordinary and/or extraordinary revenues and expenses.

d) The Manner of Reporting to the Parish

A financial report is to be made to the parish Pastoral Council at least semi-annually. In addition, a written year-end financial report is to be presented to the entire parish community, as soon as possible after the end of the fiscal year. As a minimum, this must consist of a Balance Sheet and Statement of Revenues and Expenditures, actual and budgeted. The format of this report may vary from that which is submitted to Diocesan Administration; however, all the major elements of the financial report are to be covered. In addition, the annual budget is to be presented to the entire parish community,

preferably before the beginning of the fiscal year or early in the new year.<sup>862</sup>

#### **e) Archdiocese of Adelaide**

In the Archdiocese of Adelaide, Australia, the provisions on parish financial reporting to the faithful are contained in their *Parish Administration Manual: Parish Finance Council Constitution & Regulations* as part of the duties of the Parish Finance Council. The following are the provisions:

3.16 To advise the Parishioners of the financial situation of the parish on a regular basis, and annually, within three months from the end of the calendar year.

3.17 To assist in the preparing of the annual audited parish financial report to the archbishop, within three months from the end of the calendar year.

3.18 To inform the archbishop regarding financial trends which could affect the stable patrimony of the parish.<sup>863</sup>

#### **f) Archdiocese of Napoli**

In the Archdiocese of Napoli in Italy, in its established *Norme essenziali per l'amministrazione della parrocchia*, which was enacted *ad experimentum* for 3 years<sup>864</sup>, parish financial reporting to the faithful is part of the role of the Parish Finance Council. The following are the provisions related to financial reporting:

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<sup>862</sup> Cf. ARCHDIOCESE OF OTTAWA, *Protocol for Parish Financial Administration*, Ottawa, January 1, 2012, pp. 10-11, at <http://catholicottawa.ca/documents/administration/parishfinanceprotocolpkg.pdf>.

<sup>863</sup> ARCHDIOCESE OF ADELAIDE, *Parish Financial Administration Manual: Parish Finance Council Constitution & Regulations*, January 2004, p. 4 at <http://www.adelaide.catholic.org.au/files/f/8311/Parish%20Finance%20Administration%20Manual.pdf>.

<sup>864</sup> Cf. C. SEPE, *Lettera della Promulgazione delle "Norme essenziali per l'amministrazione della parrocchia"*, Prot. N. 747/11, Napoli, 21 ottobre 2011. Although these norms are *ad experimentum* for three years, according to Fr. Jonas Gianneo, Vice Moderator Curiae of the Archdiocese of Napoli, in his response to the inquiry of the author via email whether these norms have been updated, these norms are still in force and that no updating has been effected.

## 10. The Budget and Financial Report

The parish, like any public juridical person subject to the diocesan bishop, is required to submit each year an administrative report to the ordinary, which must be examined by the Diocesan Finance Council. The canonical legislation provides two accounting tools to ensure proper management of the parochial goods: the budget and the annual report.

The accurate and faithful preparation of the annual report is the best evidence of fair and orderly parish administration. The report, among other things, allows the bishop to carry out his task of vigilance in the administration of the parish. The annual report must be prepared according to the form set by the curia, it must be signed by the members of the Parish Finance Council and must be delivered on the date established. The code also establishes for the parish that "administrators are to render account to the faithful of the goods they themselves offered to the church." The Parish Finance Council is to present to the Parish Pastoral Council the annual financial report and bring to the knowledge of the parish community the income and expenses.<sup>865</sup>

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<sup>865</sup> "10. Il bilancio preventivo e consuntivo. La parrocchia, come qualsiasi persona giuridica pubblica soggetta al Vescovo diocesano, è tenuta a presentare ogni anno il rendiconto amministrativo all'ordinario, che lo deve fare esaminare dal Consiglio degli affari economici della Diocesi. L'ordinamento canonico prevede due strumenti contabili per garantire una corretta gestione dei beni parrocchiali: il bilancio preventivo e il rendiconto annuale. La redazione accurata e fedele del rendiconto annuale è la prova più evidente di un'amministrazione parrocchiale corretta e ordinata. Il rendiconto, tra l'altro, permette al Vescovo di svolgere il proprio compito di vigilanza nei confronti dell'amministrazione della parrocchia. Il rendiconto annuale deve essere redatto su apposito modulo predisposto dalla curia, deve essere sottoscritto dai membri del Consiglio parrocchiale degli affari economici e consegnato entro la data stabilita. Il codice stabilisce anche per la parrocchia che "gli amministratori rendano conto ai fedeli dei beni da questi stessi offerti alla chiesa". Il Consiglio per gli affari economici presenti al Consiglio pastorale parrocchiale il bilancio consuntivo annuale e porti a conoscenza della comunità parrocchiale il bilancio consuntivo annuale e porti a conoscenza della comunità parrocchiale le entrate e le uscite." ARCIDIOCESI DI NAPOLI, *Norme essenziali per l'amministrazione della parrocchia*, 21 ottobre 2011, at <http://www.chiesadinapoli.it/napoli/allegati/37682/4.%20Norme%20essenziali%20per%20l'amministrazione%20della%20parrocchia%20%282011.10.21%29.pdf>. [Accessed 20.04.2016]

## 2. *Dioceses*

### a) **Diocese of Patti**

The Diocese of Patti, Italy in its aim to guide its parish pastors on proper management and administration of a parish, has established its own handbook on administration of the parish titled *Amministrazione della Parrocchia: Vademecum*, published on June 2009. Among the items that the handbook stipulated is concerning Canon 1287 §2 especially on the manner of doing the financial reporting to the faithful. The following are the provisions provided:

Canon 1287 §2 establishes also for the parish that “administrators are to render accounts to the faithful concerning the goods which the faithful have given to the Church, in accordance with the norms to be laid down by particular law”.

The mode in which each parish must fulfill that duty may be:

- posting in the parish bulletin
- insertion in the local page of the monthly Letter to Families
- publication on the website of the parish Internet
- distribution of brochures suitable to the faithful

The mode can be so different, but all are aimed at reporting to the faithful to what has been offered and how it was administered.

At the same time, this information can help to sensitize people to the generosity and involvement for the concrete needs of the parish.<sup>866</sup>

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<sup>866</sup> “Il canone 1287 §2, stabilisce anche per la parrocchia che: “gli amministratori rendano conto ai fedeli dei beni da questi stessi offerti alla Chiesa, secondo norme da stabilirsi dal diritto particolare”. Le modalità con cui ciascuna parrocchia deve adempiere a questo dovere possono essere:

- Affissione nella bacheca parrocchiale;
- Inserimento nella pagina locale della *Lettera mensile* alle famiglie;
- Pubblicazione nel sito internet della parrocchia;
- Distribuzione ai fedeli di apposito dépliant.

Le modalità quindi possono essere diverse, ma tutte sono orientate alla rendicontazione ai fedeli di quanto è stato offerto e di come è stato amministrato.

Nello stesso tempo, tale informazione può contribuire a sensibilizzare la gente alla generosità e al coinvolgimento per le necessità concrete della parrocchia.” DIOCESI DI

## **b) Diocese of Madison**

One of the dioceses in the United States of America with well-articulated policy for financial reporting to the faithful is the Diocese of Madison, Wisconsin. It has a Parish Manual of Financial Policies and Procedures issued on January 2013 and updated on December 2015 which contains a clear and detailed policy on financial reporting to parishioners. It includes a format of the financial report, a sample letter that should accompany the annual report to the parish and the instructions on the significance, timing, content and manner of communicating the accompanying letter, to wit:

### **a) On Policy for Financial Reporting to Parishioners**

A key to effective management of any organization is the timely dissemination of relevant information to the correct users. This is particularly true with regard to financial management in a parish. The key words in that management principle are timely, relevant, and correct. The basic reason for the financial report, especially the annual report, is to provide evidence to the parishioners that the parish is being operated in a financially responsible manner. The annual report is directed to the parishioners.

The amount of detail to be provided to parishioners varies from parish to parish as does the frequency with which the information is provided. As a general rule, the more frequent the report to the parishioners, the less comprehensive is the data that is provided. Most parishioners prefer brief summary data and do not bother to read more detailed financial reports.

Many parishes find it useful to provide weekly information to parishioners on revenues, indicating the revenue received and the revenue that had been anticipated in the budget. The assumption is that there is a balanced budget, and the implication then is that if revenues are less than anticipated, the parish won't be able to meet its obligations. An obvious additional reason for presenting these data when the actual revenues are less than anticipated is to encourage parishioners to increase their contributions. This kind of report is often included in the parish bulletin and has the following format:

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PATTI, *Vademecum per l'Amministrazione della Parrocchia*: UAD, Patti 2009, art. 4. "L'informazione ai fedeli".

	Actual Revenue	Budgeted or Prior Years Revenue	<i>(If using Budget Figures)</i> Over/(Under) Budget
Last Week	X	Y	X minus Y
Year to date	W	Z	W minus Z

In addition to the simple revenue report, parishes may choose to provide other interim reports, perhaps monthly or quarterly, that summarize revenues and expenses. Depending on the amount of information provided, this can be included as a brief paragraph in the bulletin or as a separate insert. The basis for this kind of report is the interest of the parishioners, or the interest of the parish leaders, to make sure the parishioners are aware of the parish's financial condition.

It is recommended that parishes issue an annual financial report to the entire parish community. This report should be a comprehensive summary of the past year's financial activity. There are two major components to this report: the statement of financial position (balance sheet), and the statement of activity (income statement). The statement of financial position should summarize the assets, liabilities, and net assets or equity of the parish. While the statement of financial position must address the financial condition as of the end of the Fiscal Year (June 30), a parish may wish to include a comparison column for the previous year. Most entries on the statement of financial position are straightforward. The value of plant and property is usually included under fixed assets.

The statement of activity should include the parish financial activities for the period and may be used for reconciling the beginning and ending net assets or equities. The revenue section should include all parish revenues with a rough breakdown by category. There are several ways to display the expenses. One way is to indicate expenses by account categories. This is a more traditional approach. A second way is to list expenses by program. This provides meaningful feedback related to the mission of the parish. It is more common to include previous year and budget comparisons for the revenues and expenses.

Any data on the statement of financial position or the statement of activity that is not clearly described by the titles or accounts used should be disclosed in notes to the financial

statements. This might include special restricted funds or other items that would otherwise fall in a more general category.

The annual financial report to the parishioners should be issued no later than three months after fiscal year-end, or September 30.<sup>867</sup>

b) On the Letter Accompanying the Annual Report to the Parish

A letter accompanying the annual report to the parishioners is an excellent tool for encouraging greater stewardship. The letter to annual report to parishioners should combine a parish financial statement with other information on parish giving, highlights of the past year, comments from the pastor and a discussion of parish volunteer efforts, missions and ministries. With careful planning a powerful message can usually be delivered in one page.

Significance

One of the primary reasons Catholics say they do not support their parish is because they do not know or understand how the money is used. A parish annual report should clearly answer that question. It should also provide enough information about the work that is being done in the parish to motivate parishioners to become involved and invested in that work.

Timing

The best time to distribute your letter and the parish annual report is right after the fiscal year-end. The combination of the financial needs and accountability that is found in an annual report along with the spiritual call to give which is found in a stewardship message from the letter can be most compelling.

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<sup>867</sup> DIOCESE OF MADISON, *Parish Manual of Financial Policies & Procedures/Policy for Financial Reporting to Parishioners*, Jan 2013/Updated December 2015, Tab 10 at <http://www.madisondiocese.org/LinkClick.aspx?fileticket=N0h3dPfd11s%3d&tabid=2317&mid=7046>. [Accessed 20.04.2016]

## Content

Begin by thinking of the information you think good stewards would want to know about the parish they are supporting. Consider including highlights from the last year, facts on envelope usage, revenue from all special events and how it was used, a listing of parish ministries, statistics about the parish, information on planned giving and endowment funds.

## Communication

When properly written, the letter accompanying the parish annual report can be your most important communication tool of the year. Therefore, you should plan to distribute it as an insert in the church bulletin. Other means of distribution include the parish website or in welcome packets for new parishioners.<sup>868</sup>

### c) Sample Letter Accompanying the Annual Report to the Parish

“Dear Parishioners:

On behalf of our Parish Finance Council, I am pleased to present the St. Joseph Parish Annual Report. This report covers the finances of our time, talent, and treasure between July 1, 20XX and June 30, 20XX.

We are blessed that our parish has many activities throughout the year. In the two pages of this report, you will not only find the financial numbers from our parish operations of the past year, but various other auxiliary groups that relate to the life of our parish. All of these facts and figures help bear witness to the great work that occurs within our parish!

It is very clear that there are truly many ways that we use our God-given gifts and talents for the betterment of our community and each other. Since my arrival in October, I have enjoyed meeting you and am very proud to be a member of this community! I am grateful for what you have done in the past and I look forward to the many ways that we will work together in the upcoming years.

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<sup>868</sup> DIOCESE OF MADISON, *Parish Manual of Financial Policies & Procedures/Letter Accompanying the Annual Report to the Parish*, Jan 2013, Tab I at <http://www.madisondiocese.org/LinkClick.aspx?fileticket=gwqNXCtoiOk%3d&tabid=2317&mid=7046>. [Accessed 20.04.2016]

Your generous response to the Annual Catholic Appeal along with careful management by the Parish Finance Council of the routine parish running costs enabled us to clear all of our outstanding debt to the Diocesan Assessment. This allowed us to undertake the recent renovations with a clean slate and a projected annual surplus of \$100,000. In addition to this, your response to the Church Renovations Campaign has been equally magnificent.

Our beautiful church was opened in 1866 which means that we will be celebrating its 150<sup>th</sup> Anniversary in 2016. I hope that over the next four years we will be able to do all that is necessary to bring our buildings, our grounds and our parish administration to the highest standards so that we can be justifiably proud of the parish and the church we have inherited from our predecessors in faith. With God's help, 2016 will be a special year of celebration for our parish and among other plans is the publication of an illustrated history of the church.

In conclusion, I would like to thank you for your loyal and generous support of your parish and your priests down through the years. I would also like to express my thanks to Monsignor George Richardson, Sister Bethany and Sister Fiona for all that they contribute to the life and ministry of our parish. I also thank the Parish Pastoral Council, the Parish Finance Council, the parish staff and the many other groups and individuals who support the parish in various different ways.

The members of the Parish Finance Council, parish staff, and I, welcome any and all questions or comments that you may have. Please do not hesitate to contact us through the parish office at 333.666.5555.

God bless,  
(signature)  
Father Jones<sup>869</sup>

### **c) Diocese of Joliet**

Another diocese in the United States of America with a clear and well-articulated policy and procedure on financial reporting to the faithful is the Diocese of Joliet in Wisconsin. It has its own *Diocese of Joliet Financial Policies and Procedures Manual for Parishes* which came into force on December 1, 2006 and which includes objectives and the manner of doing parish financial reporting as well as sample format of the report. The following are the provisions:

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<sup>869</sup> Ibid.

a) Statement of Policy on Financial Reporting

Financial reporting is the key in communicating the financial condition of the parish to its members and contributors

The primary objectives of parish financial reporting are as follows:

- To accurately report the financial activity of the parish on a timely basis;
- To summarize financial transactions in a simple, concise and consistent manner; and
- To provide a “benchmark” in conjunction with the financial statements in the form of a budget so that readers of the statements have a basis of comparison for assessing financial activity.

b) Parish Financial Reports

b.1 Statement of Policy

All parishes, together with their operating units, shall report periodically and annually the results of their financial operations.

b.2. Provisions

1. The parish financial report shall reflect a complete and accurate accounting of all parish financial transactions.
2. Each parish and their operating units shall use the uniform financial report.
3. The parish's financial reports should be reviewed and approved by the pastor and Finance Council President. The signed reports shall be submitted to the Diocese of Joliet Finance Department no later than September, or the specified date established by the Finance Department
4. The parish financial reports shall be reviewed by the Diocese of Joliet Finance Department as to their correctness, completeness, and accuracy
5. The Diocese of Joliet Finance Department has the authority to return parish financial reports for corrections and adjustments or to require additional information as deemed necessary based on the review of the parish financial reports.
6. Parishes and their operating units shall provide periodic (monthly and/or quarterly) financial reports to their Finance Council and Parish Council.
7. The total offertory from the prior week is to be published in the bulletin on a weekly basis.

8. The annual financial information should be published in the bulletin each year by December. The bulletin report should detail the sources and amounts of income, expenses, parish indebtedness, unpaid bills, and parish savings and investments.<sup>870</sup>

c) Sample Bulletin Report Formats (for both regular and small parishes)<sup>871</sup>

#### **d) Diocese of Charlotte**

Another diocese in the United States of America with a policy on financial reporting to the parish faithful is the Diocese of Charlotte, North Carolina. It's *Financial Policy Manual: Including Financial Procedures for Parishes, Missions and Schools*, articulates a rather brief provision on reporting to the parish, to wit:

A financial report is to be made to the parish council at least four times annually. In addition, a mid-year and year-end financial report is to be presented to the entire parish community. The "Report to Parishioners" is a standard report that can be automatically generated in ConnectNow Accounting. The report was designed to meet the semi-annual reporting requirement to parishioners. This report should be made available to parishioners within 60 days after the end of each period. In addition, the annual budget is to be presented to the entire parish community within 60 days after the beginning of the fiscal year.<sup>872</sup>

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<sup>870</sup> DIOCESE OF JOLIET, *Financial Policies an Procedures Manual for Parishes*, December 1, 2006, Policy C <http://www.dioceseofjoliet.org/financeparish/sectioncontent.php?secid=6>. [Accessed 20.04.2016]

<sup>871</sup> For the sample bulletin report formats cf. DIOCESE OF JOLIET, *Financial Policies an Procedures Manual for Parishes*, December 1, 2006, Policy C-1.1 & 1.2 at <http://www.dioceseofjoliet.org/financeparish/sectioncontent.php?secid=6>. [Accessed 20.04.2016]

<sup>872</sup> DIOCESE OF CHARLOTTE, *Financial Policy Manual: Including Financial Procedures for Parishes, Missions, and Schools*, Revised Nov. 2015, p. 81. <http://www.charlottediocese.org/images/main/finance/FMan20151231.pdf>. [Accessed 20.04.2016]

### **C. Some Best Practices of Financial Reporting to the Faithful Done by Parishes**

After having presented various particular laws that were enacted and guidelines that were made to realize the mandate of Canon 1287 §2 on transparency through financial reporting to the faithful in their own particular context, this section shall present how it is being practiced in two parishes (among many others) that are able to provide information on their best practices in providing financial report to the faithful.

#### ***1. St. Cyprian Church, Riverview, Michigan***

The St. Cyprian Church is one of the parishes of the Archdiocese of Detroit that has best practices of financial reporting to the faithful. It maintains a website and also publishes weekly bulletin.<sup>873</sup> Its website reflects the parish events, services offered, the parish staff and the program of activities of the parish as well as the financial status of the parish which contains the weekly Sunday collection called “Weekly Sunday Stewardship”, the Current Financial Statement – Profit and Loss compared to Budget, the Parish Savings and Annual Report to Parishioners. It also features the Annual Financial Report of the Archdiocese of Detroit.<sup>874</sup> Its Parish Weekly Bulletin which can be viewed also on this website includes Parish Weekly Financial Report.<sup>875</sup> Its Annual Report to Parishioners contain the following items on finances: a) Financial Highlights reflecting the Church Operating and Non-Operating Income and Expenses, Parish Savings and Loans; b) Five-Year Statistical Summary Graph of the Performance of the Parish; c) Financial Statement on Profit and Loss and the Comparison of the Current Budget to Prior Year Actual; and 5) the members of the Parish Finance and Pastoral Councils, and all staff and volunteers of the parish.<sup>876</sup> Together with the annual financial report are the activities and programs accomplished by the parish for the whole year.

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<sup>873</sup> Cf. <http://www.stcyprian.com>. [Accessed 21.04.2016]

<sup>874</sup> Cf. <http://www.stcyprian.com/finances/> [Accessed 21.04.2016]

<sup>875</sup> Cf. <http://www.stcyprian.com/parish-bulletins/> [Accessed 21.04.2016]

<sup>876</sup> A sample of their Parish Annual Report can be viewed at <http://www.stcyprian.com/wp-content/uploads/2015/01/2013-14-Annual-Report.pdf>. [Accessed 21.04.2016]

## **2. *St. Francis of Assisi Parish, Sacramento, California***

The St. Francis of Assisi Parish is one of the parishes of the Diocese of Sacramento in California that has best practices of financial reporting to the faithful. It maintains a website and also publishes weekly bulletin which is published also in their website.<sup>877</sup> Its website reflects the parish mission statement, the activities and services offered by the parish and the parish council by laws, officers and activities. In terms of parish reports, aside from the parish weekly bulletin and annual parish report, it also features a Quarterly Financial report and an annual pastoral plan.<sup>878</sup> Its weekly bulletin includes a financial report on two kinds of income: a) the regular offertory; and b) the designated donations.<sup>879</sup> Its Annual Report to Parishioners contains the following items on financial report: a) Capital Improvements; b) Income Statement; c) Balance Sheet; d) Operating Income by Source; and e) Donations shared with others.<sup>880</sup>

## **Conclusion**

Particular law is necessary in “putting flesh” and contextualizing what is stipulated in the universal norms, as a way of fostering the life of the people of God in a particular area and circumstance. In the context of Canon 1287 §2, establishing and articulating its mandate of financial reporting to the faithful in particular law and diligently observing it, manifests the visible commitment on the part of the administrators to live up to transparency, accountability and proper management of church goods. It also brings the local community closer to the church hierarchy and vice versa, creating a real atmosphere of active participation, co-responsibility and communion.

In the course of our research for particular laws, the few results we were able to collect reveal the lack of implementation of the mandate of Canon 1287 §2 in the different regions and particular churches, if not well-understood. The data from the complementary norms of the bishops’ conference all over the world show that most of them have no provisions

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<sup>877</sup> Cf. <http://www.stfrancisparish.com> [Accessed 21.04.2016]

<sup>878</sup> Cf. <http://www.stfrancisparish.com/communications.htm>. [Accessed 21.04.2016]

<sup>879</sup> For their weekly bulletin cf. Ibid.

<sup>880</sup> A sample of their Parish Annual Report can be viewed at [http://www.stfrancisparish.com/PDF/SFAP\\_Annual\\_Report\\_2015.pdf](http://www.stfrancisparish.com/PDF/SFAP_Annual_Report_2015.pdf).

about it and those few who made reference to it understood it in the context only of special collections (cf. can. 1262) and not on the whole offerings of the faithful, both special or regular offerings. Some particular norms and guidelines consider it even as one of the duties of the parish finance council rather than that of the administrator.

In general, the frequency of the financial report of the samples we have studied is annually, although there are others that observe weekly, monthly or quarterly reporting on revenues and expenses and sometimes in comparison with the anticipated budget or with the previous week or month's financial condition. There is also a variety in the manner of reporting depending on whatever means of communication are available and affordable for the public juridical person concerned. Some have verbal reporting during Sunday Masses, online reporting through their website, or written publications and posting on the parish bulletin, enclosure in the Letter to Families and in the parish brochures. The forms of reporting may vary from one entity to the other but the prime objective is to communicate to as many parishioners or members of the faithful concerned as possible the financial condition of the faith community. The financial report should be made in a manner that will show the link of the faithful's contribution to the furtherance the mission of the Church to demonstrate their active part on it and to motivate them to become proactive participants in the Church. Thus, a narrative information about the programs and activities accomplished or plan to accomplish should accompany the financial report in order to provide meaning to the figures reported. The content of the financial report also varies. Some recommend a detailed report while others recommend a brief summary data only but should be done more frequently. But in general, what must be shown basically are the income and its sources, the expenses and debt obligations as well as the savings made, if there are any. The principle that must be kept in mind in doing the financial report is that it must be complete and concise, accurate, clear and understandable, regularly made and published on a timely basis.

There is still so much work to do. It is still a long way for the Church in terms of living up to transparency in her management of her temporal goods. Formation and education is necessary for administrators as well as for seminarians – the future administrators in terms of honest and diligent stewardship and the faithful in terms of active participation and co-responsibility in the Church. The Church would become more credible, more prophetic and faithful to the mission entrusted to her by her Founder if only this principle of transparent financial reporting to the faithful is faithfully articulated and carried out by the different particular churches throughout the world.



## **SUMMARY AND GENERAL CONCLUSION**

This work has endeavored to feature the nature and significance of Canon 1287 §2 as the most prominent transparency mechanism in the 1983 Code in the realization of the proper administration of the Church's temporal goods, as well as in providing samples of its concrete application in the temporal management of different public juridic persons in the Church. In summary this research has provided the following findings and conclusions, answering the sub-problems posed at the beginning of this research:

Chapter I establishes the general concept of transparency, its limits and purposes, and how it is understood and applied in the context of the Church's temporal administration. As a concept, transparency belongs primarily and properly to physics. It is a property of a material object to allow light to pass through it without distortion making other objects beyond it entirely visible. However, it is commonly used today in its metaphorical sense of being "easily seen through" or "clearly visible" and is closely associated with candor, openness, predictability, clarity, integrity, honesty, truthfulness and full disclosure. Since it encompasses a lot of meaning, it is being applied to almost everything in human affairs, and is now gaining ground as an ideal principle or value most sought-after in organizational management both in government and non-governmental sectors as well as in interpersonal and social relationships. However, due to its all-encompassing significance, there is no consensus as to its exact and exhaustive definition and how it should be measured. We can only identify elements and characteristics that bring about transparency.

For transparency to be present, there must be five elements, namely, 1) information to be disclosed; 2) actor or agent that would make transparency possible (he can make transparency possible in two ways, i.e. voluntary disclosure or by imposition of another actor; 3) observer or external actor, who is the recipient of transparency; 4) internal workings or the mechanisms and processes designed to guarantee transparency of information and actor-performance; 5) means of observation or the criteria or published norms that would serve as gauge of the transparency effort of the individual or institution. Moreover, for a disclosed information to be truly transparent, it has to have five characteristics: openness, clarity, comprehensibility, informational efficiency (quality and accuracy of information) and honesty. These elements and characteristics constitute

what transparency is all about, encompasses any definition of it, and is applicable to any endeavor.

Applying it in the framework of the Church particularly in her financial affairs, these elements can be understood as the following respectively: a) the information the Church needs to disclose for the benefit of the community as well as to others in order to achieve its mission; b) the administrators of public juridical persons in the Church, the individual public juridic persons themselves, and all those directly involved in their administration according to law or their statutes. They can create transparency through voluntary disclosure by the individual administrators or by imposed obligation of disclosure by the Superiors, *i.e.* the Roman Pontiff and the Ordinaries on inferior administrators; c) the different publics that need and deserve different degrees of information disclosure, *i.e.* the faithful, the individual or group donors who could either be members or non-members of the Church, the civil society, and the media; d) the mechanisms, requisites and procedures involved in the performance of ordinary and extraordinary administration, administrative acts of major importance and alienation which makes Church's financial administration visible, predictable and verifiable; e) the 1983 Code of Canon Law particularly its Book V which concerns the administration of Church goods, the particular laws and proper statutes of various public juridic persons, civil laws canonized by canon law, as well as codes of conduct, best practices and international standards applicable to the Church. Moreover, since the information to be disclosed by the Church is for the benefit of the community and for the achievement of its mission, it should be distinguished also by openness, clarity, truthfulness, comprehensibility and accuracy of information.

Transparency works in four directions, referring to the flow of information within and outside direction, namely: a) transparency upwards or information disclosure by a subordinate to a superior within an organization; b) transparency downwards or information disclosure by superiors to their subordinates or by the agent to the principal or the administrators to the stakeholders or owners within an organization; c) transparency outwards or the ability to see clearly outside the sphere of the organization; and d) transparency inwards or the condition of allowing those outside to observe the happenings within the organization. When these four movements converge and are present simultaneously, full symmetrical transparency is achieved.

In the context of the Church, the upward transparency refers to information disclosure from pastors and administrators of public juridic persons to their hierarchical superiors while the downward transparency refers to the flow of information from the administrators to the faithful and other stakeholders in the Church. Outward transparency speaks of the openness of the Church to tap and adapt modern management standards and techniques as well as other inventions of human endeavor for a better pursuit of its mission while inward transparency refers to the openness of the Church to allow outsiders (non-members, critics, sympathizers, media and even spectators) to look into her systems and structures of governance, her life and teachings. With these four transparency movements present in the Church, the Church may be distinguished in her integrity and fidelity to her mission, and become a credible witness of truth in the world.

Despite the seemingly boundless application of transparency and its promising benefits, there are some limitations or disadvantages to its excessive use. There is a danger of: 1) information overload, making it difficult to decipher which ones are significant and beneficial from those that are not, and making it too costly and burdensome. Too much data disclosed can also be used by others against the one who disclosed or may be used also to hide something from the others' view; 2) the incomprehensibility of information due to technical language; and 3) the loss of privacy and security of each individual. Transparency should then be limited to those matters which concern public interest or common good, which should be clearly demarcated by law from mere arbitrary curiosity, so as to avoid breach of individual privacy and safeguard each one's security.

For the Church, these limits to transparency should serve as warning signs and guidelines to make every effort to make its financial information disclosure simple, clear, meaningful and timely as far as possible and always tailored according to the context of its audience. Moreover, since individual privacy, security and good reputation are valued highly and legally protected as well in the Church, it is incumbent upon church administrators to exercise great prudence in determining which information need to be disclosed and which should not for the common good of the Church and with due respect to individual's rights and duties. Consultation is necessary on this matter, as well as adherence to proper guidelines and norms that regulate disclosure, in order to achieve just and proper results.

Transparency is valued for its two main purposes: instrumental and ideological. As an instrumental value it is an instrument for accountability, participation and collaboration, communication, and establishment of trust

and credibility. As an ideological or intrinsic value, it is considered a right, an obligation and a necessary virtue. These purposes hold true also in the Church especially in terms of her administration of temporal goods. By virtue of the nature of the Church as *communion*, where ecclesiastical goods are supposed to be owned by the Church community and not by any private individual, and thus their administration is in the context of stewardship responsibility on behalf of the ecclesial community who owns them, transparency as an instrumental principle and an intrinsic value, is rather indispensable. Through transparency, Church financial administrators are held accountable for their management, active participation and proper collaboration among the faithful is fostered by making clear the roles and duties of each one in Church's organizational structure and in the decision-making processes, proper and open communication is facilitated between Church leaders and community members and even with those outside the Church. Trust and credibility is also established both on Church administrators and on the institution as a whole, as transparency which is about truth-telling, engenders integrity and consistency of Church's teaching and practice. Accordingly, in the framework of Church's temporal affairs, this can be seen in the sincere commitment of the Church to diligently take good care of her goods by employing professionalism and best management standards, in view of the effective realization of her mission. Thus, with these effects that transparency bring, the spirit of communion in the Church is nurtured and strengthened and consequently motivates the faithful to support wholeheartedly the programs and objectives of the Church.

Moreover, in the spirit of communion, transparency comes not just as an instrumental value but as a right of the faithful to be informed on the financial condition of the community and on the status of their offerings to the Church. The exercise of this right inevitably imposes an obligation on the administrators to inform them on these matters on account of their stewardship responsibility on ecclesiastical goods that they administer. However, effective and efficient exercise of this obligation and right happens only when transparency is imbibed and practiced as a virtue by administrators as well as by other stakeholders in the Church, going beyond mere legal compliance and employment of best standards and technology, but rather, witnessing truly to Church's mission of proclaiming the truth and living faithfully the demands of Christian discipleship with integrity.

While the secular society may have been well-advanced in developing and observing this organizational principle, the Church does not yet have a well-developed stand on transparency, neither the current Code has an explicit discussion about it. It has however, emplaced mechanisms,

requisites and procedures that would ensure its presence and observance in the administration of ecclesiastical goods among which are structures of consultation and participation. Included in these structures are the finance council, college of consultors, presbyteral council and pastoral council that would ensure collaborative and participative decision-making process in Church administration; the vigilance and regulatory power of the Superiors for surveillance and control in management; the requirement of inventory of church properties at the beginning of a new administration to clearly establish what are the assets of the Church and to ensure that these assets are well-taken care of, protected, and used appropriately; the drawing of annual budget that would make transparent the priorities and programs of the administrator as well as the resources allocated to realize them; and ultimately, the financial reporting especially to the faithful that would make visible the financial condition of the Church to its members. It is up to the administrators to carry them out seriously and for Ordinaries to fulfill their task of vigilance and control, issuing particular norms and specific instructions to ensure that the best standards are observed in Church's financial administration.

Chapter II traces how transparency came about and developed in Church's temporal administration and how it became enshrined in the Code as Canon 1287 §2. It showed that from the very beginning of Church's existence, she has always been keen with her use of temporal goods. Although she recognizes the indispensable role of these goods in the furtherance of her mission in the world, she is also aware that these goods could be harmful to the faith community, to those who administer them and eventually to the mission of the Church, once they are not handled with care. On this account, Jesus and his apostles, as well as the early Church fathers have unceasingly warned against the danger and the temptations surrounding their use and have set the ideal qualities for those who would administer them, *i.e.* that they be found trustworthy, honest and not lovers of money. The reason for this is that the goods offered by the faithful are owned by the Christian community and are intended to address the needs of the Church, especially of her poor members. The Church ministers are considered only as stewards of these goods so that these goods can be directed to their proper purposes. Thus, the Christian community, banking on the honest, effective and diligent stewardship of their ministers, entrust the goods to their disposal, hoping that they will be properly and efficiently appropriated to the intended purposes of the Church.

With this framework in mind, the Church down through the centuries, despite various problems and difficulties including different forms

of excesses and abuses in financial affairs, strived to put in place necessary measures, structures and mechanisms to provide proper management to these goods. Transparency is one of them. Particular legislations made like requiring the collaboration of deacons and presbyters in the financial management of the bishop; requiring bishops to make known to their deacons and presbyters the properties belonging to the Church to avoid embezzlement or loss of property in the event of their death; requiring bishops to make an inventory of both his properties and that of the Church; requiring bishops to inform and consult the Metropolitan or their neighboring bishops prior to alienation to assist them in deliberating the case at hand or at least to stand as their witnesses in their decisions; requiring the clergy to ask permission from the bishop on matters of alienation as well as the need for the bishop to inform his clergy on plans of alienation; subjecting bishops to investigation and obligation of accountability in the event of suspicion of misappropriation of funds; and the establishment of the office of the Oeconomus, removing from the hands of the bishop the direct administration of goods; even liturgical practices like public announcement of offerings and their donors during Sunday celebrations and the division of gifts in the presence of the donors – all allude to transparency mechanism. Later on, it took the form of annual rendering of account by the bishops to their chapters concerning their administration of goods, as a remedy measure for abuses and neglect of prelates in the care of Church assets. Thus, transparency, even in its nascent dispersed forms, emerges as a viable and indispensable measure in the proper management of Church goods.

Moreover, our simple chronological exposition reveals that transparency, even though it was not yet well-articulated nor legislated at the beginning, it is already a highly esteemed value in the Church since the time of the apostles, not only as a principle for temporal administration but as a fundamental ethic of Christian discipleship – truthfulness. Each Christian is expected to be truthful in his relationship with God and in his dealings with others. And as a principle of administration it is all the more expected of those who administer the goods of the community. It comes as a mechanism that could guarantee the presence of justice in the administration of Church goods, *i.e.* administrators are to give what is due to the community who owns the goods. It is considered to be a standard measure to preserve the moral integrity, trust and credibility of the administrators as well as a mechanism to prevent scandal and suspicion among the faithful. Later on, it became a remedy measure for averting abuse and misuse of temporal goods and a safety measure that ensures the just appropriation of

temporal goods to the proper purposes intended by the Church. Thus, the Church cannot do away with transparency if she is to be true to the teachings of her Founder and faithfully carry out her mission, much less in the management of her resources.

The word transparency cannot be found in the 1983 Code of Canon Law, but as a principle of financial administration, it found its way in Canon 1287 §2, which speaks of rendering an account to the faithful about the goods they have offered to the Church. Its formulation and insertion in the present code is unique and unprecedented. In fact, it totally changed the emphasis and the meaning of its canon of origin in the 1917 Code, *i.e.* Canon 1525 §2. The former canon emphasized the centralized administrative accountability of Church financial managers to the local Ordinary (that is, even if administrators are bound to render accounting to others, they are to include also rendering an account to the local Ordinary), however, in the current provision, there is a shift of emphasis to the accountability obligation of administrators to the community of the faithful (the accountability obligation to the local Ordinary being provided already by Canon 1287 §1) – an articulation very much reflective of the concept of the Church as communion and reminiscent of the mind of the primitive church in dealing with temporal goods. Moreover, our research on the redaction proceedings of the canon at hand show that the rendering of account to the faithful, despite the fact that it is not mandated by the 1917 Code, is already been in practice for some time in several local Churches of varied regions. This was due to the influence brought about by the growing prominence of transparency as an organizational principle in the different sectors of civil society at that time, which the Church cannot just disregard but must also adopt in order to be attuned to the call of the times. This paved the way to the birth of Canon 1287 §2 as a universal norm and brought in the explicit and clear expression of transparency in the financial management of the Church.

The introduction of Canon 1287 §2 as a universal legislation in the Church is the best summary articulation of what the Vatican II Council upholds – *i.e.* the concept of the Church as communion; the call to witness to poverty and attitude of detachment from material goods especially among the clergy in view of emphasizing and prioritizing the mission of the Church which is religious in nature; and the active participation of the lay faithful in the affairs of the Church, particularly in her temporal concerns which is usually the ambit of their competence. This makes transparency a very important and integral principle in terms of living out the direction and

thrust that the Vatican II Council would like the Church to tread in the world today.

Although the principle of transparency has been obscured several times in the long history of the Church, it still finds its way back to the life of the Church, for it embodies justice and truth which are indispensable to Christian life and relationships, and much less in the Church's temporal affairs, where it is a necessary element in ensuring that what is due to the community is rendered well and rightly by their administrators and vice versa. Thanks to those who drafted the Book V of the 1983 Code, it is now enshrined as a universal law in the Church in Canon 1287 §2.

Chapter III provides us with what Canon 1287 §2 consists of and what does it mandate as a universal norm. Canon 1287 §2 is seen as a totally new legislation in the 1983 Code. It has no precedence in the old Code. Although it does not have the word transparency in its brief provision, it is the only norm that reflects well the obligation of transparency in the administration of the temporal goods of the Church. Its provision consists of elements that articulate the presence of transparency in a certain organizational structure, *i.e.* a) object of transparency or information necessary – the offerings of the faithful; b) actor or the subject-agent of transparency – the administrators of ecclesiastical goods; c) the observer or the subject-recipient of transparency – the faithful; d) the means of observation and internal workings of transparency – the particular laws and guidelines established and the mechanisms and processes set by these laws and guidelines in order to realize transparency in the system in a regular and stable manner. And as a universal norm, it imposes an obligation upon all the administrators of ecclesiastical goods to render an accounting of all those goods which the faithful have offered to the Church. The manner however of realizing it is left to the determination of the particular law in consideration of the peculiar circumstances and laws of each region. Thus, reflecting well the obligation of transparency of the administrators to the faith community who owns those goods, in view of their stewardship responsibility.

Those who are bound by this provision are the administrators of ecclesiastical goods, both cleric and lay, which in the mind of the Code are the ones with direct power of governance over the public juridic persons that own those goods unless a different arrangement is stipulated. This includes the Roman Pontiff, being the supreme administrator and steward, diocesan bishops, parish priests and parochial administrators, and other administrators of other public juridic persons in the Church as determined by their proper

statutes (including episcopal conferences which are also public juridic persons in the Church and have their own assets to administer in pursuit of their proper purposes). With reference to the diocesan finance officer, his role is to assist the diocesan bishop in fulfilling his task of diocesan financial administration by taking care of the day-to-day management of the goods of the diocese, according to the plan of the diocesan finance council and under the authority of the same bishop. Thus, he should see to it that the diocesan bishop, who is bound by this provision of transparency, is able to fulfill it.

These administrators of ecclesiastical goods are bound to render account to the community of the faithful and not just to the donors themselves. This is to be consistent with the nature of the Church as communion, wherein whatever is offered to the administrators for the Church is owned by the whole community and thus, is entitled to the accountability of these offerings. Although the Code speaks of the faithful in general, the financial reporting should be understood as to be directed to a particular group of the faithful or members of the public juridic person concerned, since each faithful belongs to a certain community where he or she exercise his or her proper role and mission in the Church. Moreover, although reporting may be open to all, it has to be contextualized and directed to a particular group of faithful for the purpose of building up communion and co-responsibility among the members themselves of these individual communities. It is necessary also that this financial reporting to the faithful should be accompanied by proper formation on the Church's use of temporal goods so that the faithful would be able to understand better and embrace their vital role and obligation to support the Church in fulfilling her purposes, and take part actively in its programs and activities, and thus, exercise their co-responsibility in the Church.

The obligation of financial reporting provided by Canon 1287 §2 covers only those goods offered by the faithful to the Church. This excludes then other ecclesiastical goods which were not directly offered by the faithful like investment income, money from the sale of assets, grants and other sources of Church revenue. Despite this delimitation, the provision is still generic. It does not specify whether it only covers the current offerings of the faithful or it includes the ancient donations, which would consequently require the inclusion of all other ecclesiastical goods in the financial reporting since they too came from the donations of the faithful in the past.

Although the kind of transparency obligation expected of the Church is much higher than other institutions by virtue of its mission of proclaiming the truth and in view also of its ideal of Christian discipleship which is honestly and integrity, and thus the ideal is complete reporting of all ecclesiastical goods, the Church's purpose of limiting the transparency obligation to the offerings of the faithful is not to control or hide something. The prime intention is prudent consideration of the varied responsibility of each faithful in ecclesial communion, wherein some need more transparency than others, as well as the varied degrees of ecclesial understanding and maturity of each faithful, which actually calls for careful study and proper formation. Moreover, the Church prudently recognizes that total transparency may expose the goods, the Church and administrators to dangers, and can bring more harm than good, considering the delicate issue about finances, although it does not discount the possibility of this total transparency of all ecclesiastical goods in the future. Further thorough study, discussion, and proper formation are needed on this area and the discretion on the matter would be best left to the prudent judgment of the individual diocesan bishops and episcopal conferences.

The canon does not specify the means and the manner of financial disclosure, including its timing and frequency. These are left to the determination of the particular law in consideration of the varied circumstances of different regions and with due respect to the principle of subsidiarity that should govern the Church's temporal administration. As such, the particular legislators are bound to enact particular norms to articulate this universal mandate of financial transparency in their proper context and in response to their proper needs. Failure to do so could lead to damaging or adverse consequences on the goods of the Church, on the fulfillment of her purposes, on the integrity and order of the community, as well as on the credibility of the Church and its ministers as a whole. However, once well observed, it could set an example and offer best practices for other juridical persons in the Church to follow, both private and public. It could also promote Church's credibility and attract increase of support from the faithful. Furthermore, in laying down the particular norms, the particular legislators should avail of the technical and legal expertise of their finance council and the broad pastoral experience of their college of consultors so as to ensure that the professionalism and best standards are observed in the administration of Church goods, and are fair and applicable to their proper context.

Chapter IV presents to us some particular norms and best practices available, articulating the mandate of Canon 1287 §2. This chapter has

shown that there are so far few particular laws made on the matter. The complementary norms to the Code of Canon Law of the conferences of bishops all over the world reveal that most of them have made no provision regarding the said canon and those few who made reference to it, invoked it in the context of Canon 1262 which concerns special collections only and not the whole offerings of the faithful, be it special or regular offerings. Some particular norms and guidelines regard it even as a task of the parish finance council rather than that of the administrator. This only shows that there is a lack of implementation of the mandate of the said canon and perhaps a lack of understanding of the same.

From the samples of particular laws and best practices on financial reporting to the faithful that have been gathered and reviewed, the general trend of the frequency of report is annually, although there are others that observe weekly, monthly or quarterly reporting on income and expenses, which are made by some in comparison with the anticipated budget or with the previous week or month's financial status. The annual trend of doing so, is most probably to be consistent with the annual accountability requirement to the superior mentioned in Canon 1287§1 as well as with the usual practice observed by government and non-governmental entities. The manner of reporting employed varies also depending on whatever means of communication are available and affordable for the public juridical person. Some have oral reporting during Sunday Masses, online reporting through their website, or through written publications and posting on the parish bulletin, or enclosure in the Letter to Families and in the parish brochures. The modes can be so different but the most important thing is that these reports can be communicated to as many parishioners or members of the faithful concerned as possible and inform them of what their contributions have accomplished as a community. The financial information should be accompanied by a narrative information about the programs and activities done or being done by the public juridic person, otherwise they would just be meaningless figures. The contributions of the faithful should always be shown in terms of the fulfillment of the mission of the Church, demonstrating that they are an important part to its accomplishment and so motivate them to become more involved in the Church. The content of the financial report also varies. Some favor a detailed and comprehensive reporting while others favor a brief summary information, but frequent reporting. By and large, however, it should at least reflect the income and its sources, the expenses and debt obligations and the savings if there are any. Furthermore, the guiding principle to be followed is that the financial report

should be accurately complete, concise, clear and understandable, regularly made and published on a timely basis.

With all the aforementioned findings and conclusions, this brings this study to answer the main problem: *What is the obligation of transparency in the administration of temporal goods of the Church in 1983 CIC Canon 1287 §2?*

The transparency obligation in Canon 1287 §2 is primarily an obligation of justice by virtue of the stewardship responsibility of the administrators over the goods entrusted to their care by the Church community who owns them, in view of the nature of the Church as communion. It binds the administrators to render what is due to the faith community, *i.e.* first, to do proper and rightful temporal administration and second, to give an account of their administration of all these goods offered by the faithful to the Church, informing them of the use and status of these goods which they own as a community, in view of the fulfillment of the Church purposes. The manner however of expressing it in the context of each particular community and circumstance falls upon the responsibility of particular legislators who should enact laws to realize it. Secondly, it is an obligation to truthfulness, so fundamental and necessary in the life and relationship of every Christian disciple. Third, it is an obligation of fidelity and integrity of the administrators and the Church institution itself to live up to her mission of proclaiming and witnessing to the truth, in and out of season, both in word and in practice, and not merely as legal compliance or forced by circumstance. And fourth, it is an obligation to promote communion and co-responsibility among the faithful by keeping them informed of the financial condition of the Church as well as the achievement of her proper objectives, so they can exercise their proper participation in the common life and mission of the Church.

Thus, it is necessary that the mandate of Canon 1287§2 be observed and realized in the administration of the temporal goods of the Church in the context of every public juridic person in the Church.

On the basis therefore of the findings, the researcher wishes to put forward the following recommendations:

1. That there should be awareness promotion of the value of this transparency principle in the administration of ecclesiastical goods among the faithful, especially among the administrators,

as well as the proper understanding of the mandate of Canon 1287 §2, for its proper realization in the Church;

2. That the Holy See should issue instructions or guidelines and other documents promoting the rightful observance of Canon 1287 §2 among the public juridic persons in the Church, encouraging particular legislators to enact particular laws articulating the universal norm, and clarifying the limits and scope of its mandate, especially on whether the rendering of account includes ancient donations or only the current offerings of the faithful; whether it requires economic status information only or formal accountability, and other issues on the matter; so that this canon would be properly realized in the financial management of each public juridic person in the Church;
3. That the Conferences of Bishops should also provide some uniform guidelines and concrete rules to assist dioceses in the proper administration of their goods and in the proper observance of the principle of transparency in it, as provided by the said canon. They should also do the same for other public juridical persons under their care, such as national public associations of the faithful, so they could incorporate these rules or guidelines in their proper statutes and thus, observe proper management of their assets;
4. That each diocesan bishop should legislate particular norms articulating the universal mandate for transparency in their particular context and circumstance. In this manner, they will be able to be true to their mandate of ensuring proper administration of temporal goods in their particular churches and eventually bring about the fulfillment of Church's proper objectives;
5. That administrators of Church goods should diligently observe transparency in their management of the assets of the Christian community, according to the mind of the Code, and imbibe the value of honesty and evangelical poverty in all their dealings so that they can be true to their stewardship responsibility in the faith community, and be authentic witnesses of Christian values in the world;

6. That financial management training and formation should be integrated in the seminary formation of seminarians, who would be the future pastors of the Church and administrators of Church goods, emphasizing on the principle of stewardship, transparency and accountability, so that they would be better prepared to handle eventualities in the future and also avoid the mistakes of the past.
7. That there should be proper formation and education of the faithful in the principle of communion, co-responsibility and active participation in the Church as well as on the use of temporal goods in the Church, so that they can truly exercise their proper role in the mission of the Church and contribute abundantly and wholeheartedly to the furtherance of Church's purposes.
8. That canon lawyers and financial management experts should pursue further thorough study and discussion on the proper application of the principle of transparency in Church financial administration as well as the proper interpretation of the spirit and mandate of the canon at hand, in order to have a better appreciation and implementation of it, especially on the issue of full transparency as the ideal norm to be observed.

The Church has still a long way to go in terms of realizing transparency in her administration of temporal goods but Canon 1287 §2 has laid down the ground work. Once transparency is diligently observed, proper management of ecclesiastical goods is not far behind. And once there is proper and diligent management of goods, the Church may be able to effectively carry out her mission of evangelization and salvation in the world with special care for the poor and needy, respond well to the needs of the times, and manifest truly her spirit of ecclesial communion, and thus, stand out as a credible institution faithful and true to her mission and worth supporting for.

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