

FINANCIAL REPORTING TO THE PARISH COMMUNITY

When a difficult financial situation arises in a parish, the Finance Office almost always asks if the parish finance council and the parishioners are aware of the financial situation at hand. Too often, the answer is no.

Every parish community must be fully informed of the financial situation of the parish. The Finance Council of the parish must meet on a regular basis, review the financial statements, and assist the pastor in conveying important financial information to the parish community.

Every parish in the Diocese of Cleveland is required to have a Parish Finance Council. The Code of Canon Law mandates a Finance Council in each parish (Canon 537). The Finance Council is a consultative body which makes recommendations to the Pastor. The Pastor is to consult the Parish Finance Council on matters of a major financial concern. Additionally, the finance council should assist the pastor in dealing with financial planning, policies, and procedures. Specifically, the council will assist the pastor with financial plans and policies to:

- ♦ Set a basic financial direction and select the best strategies to promote this direction;
- ♦ Provide a guide for future actions that impact upon parish finances;
- ♦ Provide clear direction while allowing room for creative, flexible action by those who will implement policies.

The Code of Canon Law requires an annual report. Diocesan policy requires that financial information be fully disclosed to the Finance Council and the parishioners. The following information should be disclosed to the parishioners:

- A complete accounting of all parish receipts and expenditures, with reasonable summary groupings of revenue and expense categories.
- A listing of all the parish assets, including a summary of all checking, savings, and investment accounts, including any school or parish endowment or foundation accounts.
- The total amount of indebtedness or other financial obligations of the parish, including any amounts owed to vendors or the Diocese of Cleveland for past due obligations, if applicable.

On the reverse side is an example of a good basic financial trend summary to present to the parish community in addition to the regular yearly financial report. Showing the financial information in a five year summary format (with 2007 to be added when available) will help parishioners to understand the financial position of the parish and to identify trends which may be occurring over time and would not be apparent in looking at a single year report or even a two-year report.

Summary information is best. It is more likely to be read. Details can be made available on request.

Please share this information with your Finance Council. If you have any questions, or need any assistance with a financial matter, feel free to contact the Finance Office. The parish Finance Council should also periodically review your parish copy of the **“Parish Finance Council Policy, Diocese of Cleveland, May 9, 1991”**. Copies of these guidelines are available from the Pastoral Planning Office.

(Over)

Financial Trends Report

Parish Name/City: St. Joan of Arc Parish, Chagrin Falls, Ohio

	2002	2003	2004	2005	2006	2007
PARISH INCOME:						
Weekly Collections	683,555	660,814	664,135	660,613	706,978	756,387
Bequests, Gifts, Restricted Donations	254,889	307,116	345,217	289,299	310,990	358,523
Bingo & Fundraising	37,000	30,000	30,000	25,000	28,100	28,214
Other Revenues	42,540	34,436	29,450	25,422	24,724	43,364
TOTAL PARISH INCOME	1,017,984	1,032,366	1,068,802	1,000,334	1,070,792	1,186,488
PARISH EXPENSES:						
Salaries , Fringe Benefits, & Taxes	336,350	359,860	397,350	398,010	400,643	417,141
Utilities	22,198	27,175	27,579	31,464	34,540	33,450
Diocesan Assessments	88,488	87,408	85,716	85,362	86,028	88,620
Capital Expenditures	40,267	101,368	87,111	56,967	58,469	5,550
Other Parish Operating Expenses	178,841	169,339	184,080	154,295	178,774	227,355
TOTAL PARISH EXPENSES	666,144	745,150	781,836	726,098	758,454	772,117
PARISH NET INCOME OR (DEFICIT)	351,840	287,216	286,966	274,236	312,338	414,371
Grade School Income	548,719	634,190	545,184	614,386	628,025	797,620
Grade School Expenses	790,372	811,983	828,434	907,686	948,472	1,027,750
SCHOOL NET INCOME OR (DEFICIT)	(241,653)	(177,793)	(283,250)	(293,300)	(320,447)	(230,130)
TOTAL PARISH & SCHOOL SURPLUS OR (DEFICIT)	110,187	109,423	3,716	(19,064)	(8,109)	184,241
Checking, Savings & Investments	540,530	650,739	653,785	633,886	644,849	835,794
Amounts owed to the Diocese	0	0	0	0	0	11,375
Other Parish Liabilities	0	0	0	0	0	0
Number of Households	1,891	2,233	2,133	2,153	2,088	2,085
School Enrollment	244	250	245	228	222	223

Issue Date: March, 2007

Summary Comments – Key Implications of the Above Trends:

- Note:
- Above figures do not include St. Joan of Arc Burse (recent balance of \$405,417), and accounts of certain organizations affiliated with the church (i.e., PTO).
 - \$75,000 PTO special gift for school technology upgrades included in 2006 school revenues, but related expenses won't be incurred in 2007.

Please Note: These are very basic categories. Sharing basic financial information in a common format will be very useful for meaningful cluster discussions and planning. The sharing of additional financial detail and information may be useful and is strongly encouraged. The report should be meaningful to your parish and cluster community.