

Role and Responsibility of the Treasurer
&
Administration of Goods in the Congregation

Meeting of the Provincial Economes of CEVIM
Zaragoza, January 9, 2007

ROLE & RESPONSIBILITY OF THE TREASURER

Before I begin my intervention I would like all of you to take a few moments to reflect on your responsibilities as provincial treasurer. Then I want you to write down on a piece of paper **five responsibilities or tasks which you feel are the most important things you do in your ministry as provincial treasurer**. Keep the list in front of you as we will look at them later.

Have you ever seen this sign? That's how some confreres identify us as treasurers, but the role of the treasurer is much greater than just that. I would describe the role of the treasurer in this way:

ROLE OF THE TREASURER: to assist the leadership and membership of a religious institute with their call to stewardship of the institute's resources.

All members of the Congregation have the responsibility of good stewardship, but the treasurer is entrusted by the Congregation in a special way to directly manage the material resources of the community which are held in common. In this ministry the treasurer possesses the skills and information to aid the community in making proper decisions in regard to the stewardship of their resources.

It seems to me that there three important aspects we should look at:

STEWARDSHIP - I will treat this at the end of my intervention today when I share my thoughts about the administration of goods in the Congregation. I will say here that good stewardship, which has a biblical foundation as well as a basis in our own Constitutions and Statutes, is an essential aspect to understanding the role of the provincial treasurer.

SKILLS and INFORMATION to help in DECISION MAKING PROCESS - The treasurer is not necessarily the one who makes the decisions regarding the material resources of the province, but rather gives information and input so that good decisions are made.

I often share the story about a conversation told to me by a newly elected Visitor of a province. During his first weeks as Visitor he was trying to get a better understanding of the finances of the province and he had a number of questions for

the provincial treasurer. To all his questions the treasurer simply replied, "Don't you worry about that, Father. I'll take care of those things." Wrong answer. That treasurer clearly misunderstood his role. There may be many reasons why the treasurer developed that attitude. We do not control the finances nor do we make the decisions. But we do play a very important role in seeing that good decisions are made.

COMMUNICATION - Communication is crucial, both with the Visitor and his Council as well as with the confreres of the province, educating them to more skilled stewardship and keeping them informed as to status of the institutional assets. The treasurer must also communicate with professionals whose advice can be helpful in managing the resources of the community, such as lawyers, bankers, investment managers, insurance agents, accountants, other treasurers, and others.

Communication with:

- a) Leadership and membership of the province - helps facilitates decision-making;
- b) Professionals - help us in the areas where we lack the needed skills or knowledge.

This can be a challenge at times, for instance when the Visitor and his Council do not show much interest or understanding in the finances of the province. Your challenge is to make the finances relevant to them. You have to become a teacher in a sense.

I read an article a few years back about the role of the treasurer which provided a description that I have found very helpful. The author spoke about the two main facets of the role of the treasurer as being:

TECHNICIAN and PLANNER

-these two characteristics enter into all the responsibilities of the Treasurer.

-both are important and many skills needed, such as: accounting, investing, budgeting, financial analysis, forecasting, facilities management, law and real estate.

The provincial treasurer does not have to possess expertise in all of these skills, but as these fall under the role and responsibility of the provincial treasurer you should have professionals with whom you can consult in any areas you lack competence.

1) Technician: This facet requires professional skills to do the bookkeeping and to record the transactions regarding payment of bills and bank deposits. It involves record keeping for medical programs, social security, insurance, purchase and sale of property, payment records for employees, for taxes, and for donations or gifts.

-The task of the Technician involves the recording of data, whether by hand or using a computer accounting program, and a knowledge of the double-entry accounting system is important.

- The Technician needs to be detail-oriented and comfortable with numbers.
- The Technician takes care of the day-to-day tasks which maintain a community.

2) Planner: This facet of the role of the treasurer is concerned

- with the future financial needs of the province.

- and with integrating all facets of community life as they relate to financial resources.

For example, being aware of the financial implications of decisions made in the Provincial Council or by the Provincial Assembly.

- The Planner takes the broader picture of the institute and raises questions which must be answered for ensuring the community's future

For example, a young province often thinks about its formation program since it may be a pressing need. But this young province should also be thinking about a fund for elderly or retired confreres. They have to begin planning now if they hope to have adequate resources in the future to meet those needs.

- The tasks of the Planner involve budgeting, forecasting, long-range financial planning for confrere and ministry needs, investment monitoring, facilities and real estate evaluation.

- The Planner looks to insure the province's financial viability into the future.

- The skills required are: the ability to see the broad picture of the functioning of the province, creativity, the ability to let numbers provide information (budgets, reports, statements), ability to communicate, vision, and courage.

Let's review the responsibilities or tasks which you have written down as being the most important things you do in your ministry as provincial treasurers. We will make a list of them and label them as tasks of the Technician or tasks of the Planner.

I find this distinction between the Technician and the Planner helpful in two ways.

Some of you are in the situation that I was in as General Treasurer. You do not have a staff, no assistant and no secretary, and most of the tasks of the provincial economate are carried out by you as provincial treasurer. The challenge for you is to try and balance these two facets, that of Technician and Planner. The daily details (the tasks of the Technician) cry out for your attention. These tasks often get priority. It is difficult to find time for planning (looking at the broader picture, doing long-range planning, looking at the questions that must be answered to ensure the province's future). But this aspect of your ministry as provincial treasurers is just as important as keeping the books and paying the bills.

Handling the daily details is important, but planning is also critical. You have to balance your time and energy between the two.

Others of you are in a different situation. You may already have lay people who help you in the work of the provincial economate. My question for you is: How are the tasks of the economate divided? Ideally, I think that lay employees, who may have expertise in one or another area, should be engaged more with the technical tasks. This would free up the provincial treasurer, who as a confrere better understands our charism, ministries, and vowed life, to give more of his time and attention to the planning tasks.

I think that in the future we will see more and more tasks of the provincial economate carried out by competent lay people. There are less and less confreres who are capable or willing to carry out this ministry. Also, the work of the provincial economate is becoming increasingly more complex. An increased number of laws and regulations as well as greater complexity in investments and finances in general will require the assistance of competent lay people in handling the work of the provincial economate. That is not to say that there will not be a confrere as provincial treasurer, but the role of that confrere may be very different. Less preoccupied by the daily technical tasks, the provincial treasurer may devote his time and energy more to the planning tasks. Instead of generating the numbers of the provincial economate, the confrere treasurer will spend more time and energy in interpreting those numbers and analyzing what those numbers mean for the future of the province and its ministries.

This change in the economate also means that the training of future provincial treasurers will be different. Instead of emphasizing bookkeeping and carrying out the day-to-day tasks of the office, this training will focus more on how to provide good supervision, how to analyze financial statements, how to do good budgeting and forecasting, and how to do long-range planning.

ADMINISTRATION OF GOODS IN THE CONGREGATION

Good stewardship is a key concept for understanding the role of the provincial treasurer as well as the administration of temporal goods in the Congregation of the Mission. It is clear to me that our Constitutions and Statutes call us to exercise good stewardship in the management of our temporal goods. Furthermore, the wisdom of the Parable of the Talents assures us that this call to stewardship applies whether we are managing large financial resources or very few.

What we find from an examination of New Testament parables and our own Constitutions and Statutes is that good stewardship involves integrity, transparency, faithfulness, prudence, and wisdom. It means being responsible in our administration of the goods of the community, not acting as if we were owners of those goods, but realizing we are acting as administrators of the patrimony of the poor. It also entails accountability, giving an accurate accounting of our administration of that patrimony. In the Congregation

good stewardship includes co-responsibility since our goods are held in common and requires collaboration in our administration of goods. Good stewardship involves a concern for justice, solidarity, and equity. It breeds an attitude of service, not power, in the way we administer.

I would like to share with you some of the elements of good stewardship which I believe we as a Congregation need to be attentive to in the future:

a) Reports and Budgets

Our Constitutions and Statutes clearly outline the frequency with which economies must give an accounting of their administration to their superiors and members of the province. This promotes both transparency and co-responsibility in the handling of financial matters. Though our Constitutions and Statutes remain silent regarding budgets, I have come to see them an essential tool for planning and accountability.

This is something I promoted on all my visits to our provinces. I imagine your provinces are using financial reports and budgeting on both the house and provincial level. If you are not, you need to incorporate them. They are fundamental tools for good stewardship. If you are already doing reports and budgeting on the house and provincial levels you may want to evaluate your use of them and seeks ways to make them more effective in your management of the provincial resources.

b) Observing our Constitutions and Statutes and Provincial Norms regarding permissions

Again this may seem very basic and obvious. However, it has been my experience as General Treasurer that most of the financial scandals we have had in the Congregation these past years could have been avoided if the permissions regarding temporal goods, as outlined in our Constitutions and Statutes and Provincial Norms, had been observed.

c) Laity in the Provincial Economate

The work of the provincial economate has grown increasingly more complex and in many cases it is not reasonable to think that one confrere, no matter how well trained, can handle adequately all the diverse tasks that the provincial treasurer must deal with. As I mentioned earlier, I think it is inevitable that we will see more and more lay people assisting us in the work of the provincial economate.

This does not mean that a competent lay person will replace a confrere as provincial treasurer. I believe that the responsibility for the administration of the temporal goods of the Congregation needs to be a member of that Congregation. While I agree that we can delegate tasks (and could argue that we need to delegate more tasks of the provincial economate to qualified lay people), we cannot delegate the responsibility.

d) Internal Controls

I recently read in an article that 85 percent of dioceses in the United States, which participated in a survey on internal financial controls in the Catholic Church, detected embezzlement or theft of Church funds in the past five years. I do not think that this is a phenomena limited to the United States, nor to just diocesan institutions.

Implementing internal controls does not indicate a lack of trust in a confrere or lay employee, nor is it an implicit accusation of fraud. It is simply taking prudent measures to insure that we are being responsible and accountable in our management of our financial resources. While no system of internal controls can give a 100 percent guarantee against fraud, implementing some kind of internal controls is important for good stewardship. I think this is an area that needs more discussion and implementation both at the provincial level and the level of our works and ministries.

e) Training of Provincial Treasurers

One of the primary elements in long-term planning for the provincial economate is the training of future provincial treasurers. Not only does this need to be a part of a province's overall long-term plan, we also need to consider what kind of training would be most helpful. As I mentioned before, the increasing use of competent lay people in the provincial economate will change the role of the provincial treasurer. This will require that future provincial treasurers be formed in skills appropriate to that changing role.

f) Finance Committees

I will not go into any detail about this subject since there will be a treatment of this topic on Thursday. Besides being mandated by an ordinance of the Superior General, I think finance committees are a good idea because they can be a forum for listening to opinions and ideas from people who may have expertise in areas of finance that we find lacking.

g) Long-range Planning

Many provinces in Europe are facing a similar situation, declining vocations and a rising median age. The province may look very different 10 or 15 years from now in terms of personnel and ministries. One way to look at that future, at least from a financial standpoint, is to do an actuarial study. An actuarial study of this type not only looks at the number of confreres in the future, but it also looks at future income and expenses. It can help a province find some answers to questions like: Do we have enough resources to care for our sick and elderly in the future? What are the trends in the financial situation in the province and what do these trends mean in terms of the future resources the province will have available to carry out its ministries?

An actuarial study is not the only tool one can use for long-range planning, but I think it can be a very helpful one. While an actuarial study may not reveal anything we did not

already suspect, it can give some concreteness to our suspicions and provide greater clarity in planning for the future.

I want to thank you for inviting me to come and share my thoughts with you today and for the opportunity to participate in this meeting. It has been a joy working with all of you as General Treasurer and I sincerely appreciate all your collaboration with me. I will continue to join you in ministry as in March I begin my new assignment as provincial treasurer of the Eastern Province of the United States. Please feel free to come and visit me in Philadelphia. You would be most welcome.

If you have any comments about the role of the provincial treasurer or about the administration of temporal goods in the Congregation, we could use our remaining time to share those thoughts and ideas.