

**Talks of His Eminence Cardinal Oswald Gracias at  
31st Annual Conference of the CLSI at Madurai.**

**GENERAL PRINCIPLES FOR ADMINISTRATION OF TEMPORAL GOODS OF  
THE CHURCH**

– His Em. OSWALD CARDINAL GRACIAS

“Temporal Goods of the Church” is the smallest book in the Code of Canon Law with just 57 Canons. It comprises four sections called titles and there is a slight difference between the Latin and the Oriental Codes – the Oriental Code came after the Latin Code and therefore there are improvements made after the experience of application of the Latin Code.

Pope Francis has not spoken much about Temporal Goods. But he did say how he wished that the Church be a Church of the poor, for the poor. Pope Francis communicates a lot through what he does: every action of his has a message.

In the Reform of the Curia the first decision that was taken by him was studying the finances of the Holy See. He started a Dicastery of Finances, appointed a Cardinal Prefect and experts from all over the world to advise and thus we have a good monitoring system. It resulted in the finances improving substantially. This shows how good temporal administration is important for the Church.

The primary question before us is: Should the Church have money at all? There is a school of thought that the Church should not have any property. It is argued thus: Jesus says “one cannot serve both God and mammon”; To the rich man he says “sell all you have and come follow me”. Hence the conclusion that the Church should not own any property. How does one answer that? Jesus had a common purse or fund. Rich people were serving Jesus – Joseph of Arimathea, the rich women including the wife of Herod’s steward. While Jesus did not give priority to material goods he certainly used material things. In the Acts of the Apostles we learn that there was a common fund for Jesus and the apostles. Deacons too were appointed because the Greek speaking widows grumbled they were neglected and so the apostles chose 7 deacons for administration. Therefore there were material things and administration already from the earliest time.

Why should the Church have money? we find the purpose of money in the Church in canon 1254. Church goods should be used for the following four ends

- (a) Regulation of Divine Worship
- (b) Upkeep of the ministers – includes clergy, religious sisters, brothers, catechists etc.
- (c) Apostolate – schools, education institutions, health work, pastoral work etc.

(d) Charity – to take care of the poor and the needy.

When we look at the Church historically, in the beginning the Church was poor. Only after Constantine the Church became more affluent. Looking at history, in the dark ages the Church was the only body which was concerned about and looked after the poor.

Pope Benedict has clarified that the Church is not responsible for all social work. That is the responsibility primarily of the Government. The Church steps in when there is need. Many of the activities that the Church was doing – social welfare, education, health, etc – are now taken over by the Government. Thus we have private and public schools. Even commercial houses and corporates have entered in these fields. We need to adapt our apostolate to the times.

The next question we study now, what are the principles/criteria for Church administration? In the Pastoral Directory for Bishops – five principles are given:

### **1) Pastoral and Technical Competence**

None of us personally handles material administration. We give this to some administrator. Administrators chosen should be pastorally and technically competent. Church property is meant for Evangelization – spread of the Kingdom/spread of the Gospel. The Bishop, Parish priest, Provincial all should be pastorally competent to know what is good for evangelisation and should be technically competent, i.e. know about administration, finances, law, etc.

### **2) The Criteria of Participation**

Decision regarding administration of pastoral goods should be a participative decisions. There should be much consultation. Canon Law has clear norms regarding this. Every juridical body which has got assets must have at least two members to advise on this.

### **3) The Ascetic Criteria**

We are not a profit making corporate body just amassing funds and wanting to keep a big balance at the end of our tenure. The purpose is not to build up a huge Corpus. The spirit of poverty/simplicity is the image the Church has to project to the world. Jesus was with the poor and the Church too should portray the ascetic principle.

### **4) Apostolate Criteria**

What is the mission of the Church – Evangelization. The Church exists to evangelise/to give the Gospel/give Jesus to the world. This is the mission of the Church. Our work should be geared to the apostolate: education, health, social work, pastoral care of our people, etc.

### **5) Being a Good Householder**

Can 1284 details what it means to be a good householder. We must know that the property we have is on “trust”. It is the Church’s/the Lord’s. Three subsections are in the canon which speak of how to be a good householder. There are nine points in the second subsection. It would be good to read all of them. Because of paucity of time, I will not comment on each of them.

Besides these five principles for temporal administration, permit me to share some other general norms which have to be borne in mind:

I) Observance of civil law: Canon Law clearly asks that the Church property should not suffer any loss because of non observance of civil law requirements. We find this also in Canon 1284.

II) Supervision: The Bishop should supervise administration of all parish property. The Bishop himself is bound to the advice of his Finance Committee and College of Consultors. Besides the Bishop sends his statement of account to Rome every year (cf. C 1726).

III) Just remuneration: The social teaching of the Church is to be observed in the payment of a just, family wage to all our employees (C 1274 § 5)

IV) Intention of Donor: We are morally bound to respect the intention of the donor. If there is some difficulty about this and the donor has passed away, his / her heirs should be contacted (C 1267 § 3)

V) Principle of Subsidiarity: This has already been followed in the 1983 Code. Episcopal Conferences are empowered to set the limit for ordinary and extraordinary administration for alienation etc. The Bishop should not micro-manage parish temporal administration.

There would be other principles for temporal administrators but then these suffice. We will conclude this evening with Church norms for Canon Law. Thank you.

## TALK 2 – Tuesday, 6.00 pm

This morning I gave you some general criteria and principles which should guide us in administration of temporal goods. Let me now come to another element in Church administration-the structural elements. If they are in place and working well, our administration of temporal goods will go well. To get their involvement, they must be competent. They must be listened to with an open mind. This is important for bishops and also for Provincial Superiors.

**Some elementary thoughts:** The Church acquires immovable property. You retain it, you administer it and then you can alienate it. Alienation is divesting the patrimony of a diocesan or an ecclesial body. Two limits are to set for alienation (C 1792)

- Minimum: value of the property below which you don't need the consent of any body. But it is advisable to always consult. This is prudent.
- Maximum: between the minimum and the maximum, you need to get the consent of the Consultors and Finance Committee. Above the maximum you have to go to Rome also for consent.

**Consent:** you must get the okay from the body concerned otherwise you cannot alienate it. An act will be invalid if you have not got consent when you need to get it. Consult you must ask them – if you don't, though you are not bound to follow their advice, the act is canonically invalid. If the act has already taken place it is canonically invalid though it may be civilly valid. Coming to the individuals. A key person is the Bishop. He is the Chief administrator of the church property (not the owner). It is his responsibility to make sure that they are used keeping the criteria which the Church has for the use of temporal goods. For finance he has to have two basic consultative bodies.

The Finance Committee and the Diocesan Consultors. The principal advisory body in these matters for the Bishop is the Diocesan Finance Committee. We also have here the principle of the involvement of the laity. Lay experts should be on the Committee.

How does the Bishop have to deal with this body so they are given their due importance and significance? The Bishop must formally convoke these bodies. It is good to do this in writing. It is helpful to have an Agenda. They should know what they are going to discuss. Approach them with an open mind. Make a serious effort to get the mind of all members. When the bishop/general/provincial has to get their opinion he cannot put a casting vote in a divided house.

He either postpones the meeting and reconvenes it. Everyone is bound to give their honest opinion. It is important to keep a clear record of the minutes of the meeting and how the voting went. If he only has to consult, the Bishop/provincial etc. is not bound by the vote of the body but the Code clearly says that he should not go against the unanimous vote of all (c 127).

**The Two bodies:**

a) The Finance Committee: This is a body of experts. This is the place where lay people should be selected. There is no specific number mentioned though theoretically you cannot have less than two. Yet it should not be too large. This body carries on for five years even if the see is vacant.

b) The College of Consultors: (Can 502). This is a body which has to advise the bishop on financial matters. There has been an evolution in the functioning of this body. Earlier we had Cathedral Chapters: They were the Bishop's Advisors. This vanished gradually as the bishops felt this body was getting too powerful. It began in the US that they asked for some priests Consultors. Rome gave permission to elect some priests. Gradually the Consultors took the place of the Cathedral Chapter. They were appointed for a fixed term of office. (unlike the Cathedral Chapters).

In the 1917 Code they were already mentioned as advisors to the Bishop – his core cabinet. In Vatican II we had the principle that the presbyterium is the body that helps the Bishop in the governance of the diocese. The discussion was what to do? Should we suppress the Diocesan Consultors? The Code Commission said that there would be some items to be discussed, meetings at short notice, confidential matters etc. and so there was the need of a smaller body. To combine the two it was decided the Bishop appoints the Consultors from the Priests Council (Can 502). The number should be not less than six and not more than twelve. They have a five year term. In CIC 1983, their role is very much focussed on temporal goods. They are so important that if the Bishop does not appoint a new body their office continues beyond the five years. When the See is vacant they are the ones who take charge of the diocese. Within 8 days they have to elect a diocesan Administrator.

What is the difference between these two bodies? One should not be a rubber stamp of the other. The finance Committee's role is technical. The Consultors have a more pastoral thrust. It would also be inappropriate to call both at the same time in order to pass the issue. Neither should feel pressurized.

**Priests Council and Diocesan Pastoral Council** Priests Council – This body has to be consulted by the Bishop for important matters. It is good for the bishop to tell them about the big projects coming up. Diocesan Pastoral Council – It is also good to tell the Pastoral Council about the projects and to take them on board.

Financial Administrator c.494 He has to be appointed. He could be a lay person, a religious sister or a clergyman. The Oriental Code gives more details of the role of the Financial Administrator. He is a key man in the Church administration. He does not make policies but he executes the policy of the Bishop. The Finance Committee will plan the budget and he will execute it. He is supposed to report to the financial committee, how the work is going on etc. While the other institutions – e.g. seminary, pastoral centre etc. have their own Rector/Administrator the Code suggests that the Financial Administrator could be delegated to oversee this. Canon 1281-88 speaks of the responsibility of these units.

It is important that there is good administration at the parish level. The parish priest's function is mainly pastoral but he also has to take care of temporal administration at the parish level. In the Code one of the reasons why the parish priest can be removed is on account of mismanagement of ecclesiastical goods.

Another body in the parish – Canon 537 – is the Parish Finance Committee. There should always be more than two members. These are appointed. The real danger is that they could become yes men. It would be good that the diocesan bishop makes statutes/rules for the finance committees and then have some formation for their functioning.

The Parish Pastoral Council has nothing to do with financial matters but it is good to tell them about big projects. Their scope is pastoral and not financial. At the Archdiocesan level we have a Financial Administrator. Would a parish need a parish financial Administrator? This is a possibility in bigger parishes.

### TALK 3 – Wednesday, 9.00 am

To conclude these reflections on temporal goods, I will speak on taxation that can be imposed by the bishop and then about ordinary and extraordinary administration.

**I – Tax:** This has been a much disputed matter. There has been a lot of discussion about this. Canon 1263 speaks of the diocesan Bishop (hence not an auxiliary, or the V.G.) having authority to impose a tax, under what conditions and on whom? The Bishop has by Canon Law the right under certain conditions to impose a tax on Public Juridical Persons subject to his authority. A tax is some amount in cash or kind which he can demand from some juridical person. The procedure is to first consult the Finance Committee and the College of Consultors. Therefore if he has not consulted them and yet imposes a tax it is invalid and the Public Juridical Person is not bound to pay the tax. Also, this excludes the religious of Pontifical Rite since they are not totally subject to his authority. This tax should be moderate and not excessive. It should be proportionate to their income. Therefore this allows the Bishop to have diversified tax i.e. those who have less income can have a smaller tax and a higher tax for those with a greater income. It should be for the needs of the diocese.

**“For a grave necessity”:** Once again he must consult both bodies. He can impose a tax on even religious congregations of Pontifical Rite (e.g. a cyclone damages the Cathedral, the seminary needs urgent repair, a Papal visit etc. where big expenses are incurred) when there is grave necessity. He can also tax other associations : S.V.P. Legion of Mary, Neo-Catechumenate if there is a grave necessity for money in the diocese. This was an area of great dispute immediately after the Code was promulgated.

**II – “Extra-ordinary and Ordinary Administration” Canon 1277.** There is distinction between three types of administration. Ordinary, acts of major importance and Extraordinary administration.

**Administration:** spending the money of the diocese. Below a certain amount fixed by the Episcopal Conference and approved by Rome is Ordinary Administration – day to day work of the diocese, maintenance, purchases, regular running of the houses etc. Today it is Rs. 15/- lacs. This the bishop can approve by himself. For expenditure above this the bishop has to put the matter to the Finance Committee and the College of Consultors and get their consent. The criteria we have now is: the expenditure above Rs.15/- lacs is extraordinary administration. There can be a discussion if we should also study the nature of the Project. e.g. if You get into a lawsuit where more money may have to be spent in future; you take a loan of Rs. 10/- lacs but I have to pay the interest and one does not know for how long, and how one will repay the capital.

Should this not also be a matter of extraordinary administration? Mortgage where money is not spent but I am putting at risk a whole building or some land. Therefore money may not be the only criteria we should have.

**Leasing:** The property belongs to me and another uses it. In India it is practically alienation. o the same rules as for alienation need to be applied for leasing according to the norms established by the CCBI and approved by Rome.

**Acts of Major Importance in the diocese – Canon 1277** This is below the amount for Extraordinary administration, and each diocese must decide for itself. For these acts consultation of the Finance Committee and the College of Consultors is needed. The Bishop may decide that certain acts are of major importance and he binds himself to consult the Finance Committee and the College of Consultors for these acts, e.g. employing a large amount of people in the parishes, making changes in the salary structure etc. – these have long term effects. To conclude, it is important that the Church is able to use its finances for evangelization. Pope Benedict XVI started to put matters in order. Pope Francis in the very first meeting of the G8 took up the issue of finance. Experts were called, committees were appointed etc. A council for the Economy was formed towards achieving transparency and accountability. The Pope was very keen to improve the image of the Church. The same thing should happen in the dioceses, parishes and Church offices.

As I conclude, I'll like to mention that in many places in the world there is clamour for more transparency and accountability. The Church should give an example of this in our Church administration. We need to put our house in order and ensure that both Canon Law and Civil Law is carefully observed. If so we will ensure transparency and accountability. We can have a brief discussion and suggestions for this. Thank you,

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