

# Mission-Driven Stewardship: Why Catholic Organizations Benefit from Independent Financial Consulting

## Introduction

Catholic organizations today operate in not only a complex financial landscape, but one that holds them to different standards. Leaders in parishes, dioceses, schools, and healthcare face rising operational costs, evolving regulations, and intricate investment challenges—all while remaining faithful to Catholic teachings and respectful to their constituents.

Financial management transcends routine administration; it is a profound act of stewardship. Catholic organizations are entrusted to manage their resources with unwavering care, integrity, and commitment to their mission. As Pope Francis reminded us, “money must serve, not rule.” To ensure that every dollar advances ministry objectives, Catholic organizations require partners who embody the same discipline, expertise, and integrity expected of leading corporations, yet are firmly rooted in Catholic values.

Despite limited financial resources and investment capacity, Catholic institutions face the critical challenge of upholding their mission through every financial decision. By partnering with an independent consulting firm that truly understands both the technical demands and the spiritual imperatives of stewardship, these organizations can transform their financial operations—driving greater accountability, transparency, and unwavering alignment with mission values. Such expertise empowers Catholic leaders to maximize every dollar’s impact, ensuring that financial management becomes a force for advancing their sacred mission.

This white paper demonstrates how Catholic organizations can gain significant advantages by partnering with an independent consulting firm. It explores the unique financial responsibilities these organizations face, underscores the value of objective, mission-aligned financial guidance, and highlights the transformative impact of strategic consulting and outsourced accounting. Equipped with these resources, Catholic leaders are empowered to protect their assets, plan proactively for the future, and advance the Church’s mission with confidence and integrity.



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## The Catholic Mission and Financial Management

### *Faith and Fiscal Stewardship*

Catholic organizations have a dual obligation: to fulfill their sacred mission and to manage temporal resources wisely. Financial management is not merely a technical exercise—it is a moral and spiritual obligation. Every dollar received is the offering of the faithful and the trust to ensure that it is invested to promote human dignity, the common good, and the evangelizing mission of the Church.

The U.S. Conference of Catholic Bishops (USCCB) is clear in its Socially Responsible Investment Guidelines, reminding Catholic institutions that Church resources may not be used to support activities that are not consistent with Catholic moral teaching.

### *The Demand for Transparency and Accountability*

In today's environment, Catholic organizations must be at least as transparent and accountable as their secular counterparts. Their stakeholders—congregational leaders, trustees, and donors expect open reporting and moral management.

Financial systems must provide the ability to report consistently across ministries, enable regulatory compliance, and provide leadership with accurate, timely information.

In the meantime, Catholic organizations must ensure long-term sustainability. Because many ministries are ongoing, their financial planning must ensure intergenerational stability. To support the Church's witness for future generations, strategic governance, smart investing, and strict financial management are all necessary.

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## **The Importance of Independence: Choosing the Right Financial Partner**

### ***Why Independence Is Important in Financial Consulting***

An independent consulting firm has only one boss: the client's mission. Unlike firms selling proprietary financial products or investment vehicles, an independent partner provides objective advice without conflict of interest. This independence means Catholic organizations get the advantage of recommendations based only on what is best supportive of their goals, risk tolerances, and moral priorities.

Independence is not just a structural advantage; it is an assurance of trust. For Catholic institutions, independence ensures that financial decisions are based on Catholic teaching rather than the pressure of the economic times. It assures that fiduciary duty is fulfilled with a sense of stewardship, rather than self-interest.

### ***Expertise with Catholic and Faith-Based Clients***

A consulting firm with Catholic or exclusively Catholic and other faith-based clients has a profound understanding of their way of the world, a level that generalist firms are unable to match. Such partners know religious orders, diocesan structures, and canon law requirements. They possess insight into religious congregations, Catholic schools, and foundation governance. Most importantly, they recognize how mission and finance must work together in concert.

### ***Independence in Practice: A Safeguard for Mission***

Consider a diocese seeking to invest endowment assets for long-term growth. A product-oriented provider would steer assets into proprietary investment products that create excess fees. An independent consultant, however, conducts an open manager search, benchmarks multiple providers, and screens alternatives by both performance and religious standards. The result: a moral, transparent decision grounded in mission fidelity and fiscal conservatism.

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## Strategic Investment Consulting Aligned with Catholic Principles

### *Bringing Faith and Finance Together*

Investing according to Catholic principles is not optional, it is stewardship. Catholic institutions have the responsibility to ensure their financial planning is led by both good management and moral intent. This balance requires expertise from professionals who are able to articulate Church teaching into investment strategy.

### *Central Elements of Mission-Driven Investment Consulting*

#### **1. Faith-Based Investment Policy Statements (IPS)**

All Catholic institutions should begin with a well-defined IPS that outlines financial objectives and moral guidelines. The IPS establishes guidelines for asset allocation, defines benchmarks, and integrates faith screens as per USCCB guidelines and can include individual social and ethical screens desired by a Catholic organization.

#### **2. Individualized Asset Allocation Plans**

Investment portfolios need to consider the risk tolerance, time horizon, and liabilities of each institution, from operating reserves to long-term pension obligations. Individualized asset allocation ensures mission needs and financial realities stay in balance.

#### **3. Liability-Driven Planning and Risk Management**

Consulting partners help anticipate future liabilities—such as retirement funding, capital projects, employee benefits, or ministry expansion—and design assets to be able to sustainably support them.

#### **4. Manager Search and Due Diligence**

External consultants allow for open, objective searches for fund managers that meet performance needs and Catholic social values. This includes quantitative and qualitative testing, fee disclosure, and continuous monitoring.

#### **5. Faith-Consistent Screening and Engagement**

Screening out investments that do not follow Catholic guidelines (e.g., abortion, pornography, weapons manufacturing). Catholic investors go a step further, engaging corporations to promote ethical values in labor practices, the environment, and human rights.

#### **6. Regular Monitoring and Reporting**

Intervals of regular monitoring, analysis, and documentation ensure accountability. Risk, return, and compliance with faith norms need to be clearly communicated to financial councils or boards.

Through disciplined leadership and moral wisdom, Catholic institutions can invest with confidence, knowing their portfolios are structured to further their mission while following Catholic guidelines and meeting their financial objectives.

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## Enhancing Financial Operations Through Consulting Services

Good financial management demands good financial operations. Decentralized systems, outdated technology, and poor forecasting capabilities are the issues many Catholic institutions experience. All can be revamped by focused financial consulting.

### ***Building Stronger Financial Foundations***

A comprehensive operational review closely scrutinizes inefficiency issues, internal control deficiencies, and opportunities for system consolidations. To make sure that all business aspects meet professional as well as Catholic standards, best practices may be suggested on areas like financial reporting, risk management, and audit readiness.

### ***Core Consulting Services***

An independent consulting firm should offer:

#### ▶ **Financial Systems Review and Integration**

Integrate and review the accounting systems of religious congregations, schools, parishes, or ministries to achieve consistency in reporting and better oversight.

#### ▶ **Forecasting and Budgeting Models**

Create models showing how budgets can be traced to strategic objectives over a period of several years, giving leaders better financial insights.

#### ▶ **Compliance and Regulatory Support**

Make certain that payroll, retirement, and benefit plans are in compliance with federal, state, and diocesan laws and regulations.

#### ▶ **Scenario Modeling and Strategic Planning**

Provide leaders with fact-based decision-making on cash flow analysis, resource allocation, or financial forecasting.

Catholic organizations can oversee their resources in an open and accountable way when their financial operations are optimized.

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## Outsourced Accounting: A Mission-Driven, Scalable Solution

Catholic organizations have a limited pool of in-house accounting talent. Outsourcing is a cost-effective solution that allows internal staff to tend to ministry needs without compromising high standards.

### *The Benefits of Outsourced Accounting*

An independent consulting firm can operate as you external accounting department, which provides:

- ▶ **Accounts Payable Management**  
Management of vendor payment, compliance, and recordkeeping.
- ▶ **Monthly Reconciliation**  
Reconciliation and analysis of bank, investment, and asset accounts on a monthly basis.
- ▶ **General Ledger Control**  
Posting of financial transactions, journal entries, and accruals.
- ▶ **Financial Reporting**  
Accurate and timely monthly or quarterly financial reports and variance analysis.
- ▶ **Budgeting and Planning Support**  
Assistance with preparation and upkeep of annual budgets related to strategic and mission goals.
- ▶ **Fractional Staffing On- and Off-Site**  
Able to provide custom-tailored services to all unique needs.

Outsourced accounting services can also be increased or reduced in proportion to need, and thus, organizations can scale up or down the number of services and time that they obtain based on need. Outsourced accounting can provide cost-savings and improve internal controls, while offering professional monitoring.

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## The Measurable Benefits of a Catholic Partnership

Partnering with an independent, Catholic-focused consulting firm achieves quantifiable organizational benefits:

### 1. Improved Financial Transparency and Management

Regular, objective assessments assure transparency and improved governance. Organizational leadership makes well-informed, mission-driven decisions.

### 2. Increased Efficiency at Lower Costs

Outsourcing and streamlining services simplify administration and increase efficiency that saves time and money in the long term.

### 3. Aligning with Mission and Ethical Integrity

Everything in managing money—planning, accounting, and investing—is grounded in Catholic and moral values.

### 4. Scaling and Flexibility

As organizations grow, their consulting partnerships adapt to meet their needs, offering modular services that may range from simple accounting to full strategic advice.

### 5. Accountability and Trust

Catholic leaders have a real partner who is like-minded when it comes to morality and respects the Church's own code of governance and stewardship rules.

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## Choosing the Right Consulting Partner for Your Organization's Needs

In choosing an independent consulting firm for your organization, Catholic leaders should favor firms exhibiting:

- ▶ Proven independence and objectivity
- ▶ Extensive experience serving Catholic organizations
- ▶ Familiarity with Catholic governance structures
- ▶ Ability to integrate faith-based principles into financial strategy
- ▶ A broad approach that incorporates both investment and operational expertise

Organizations such as Christian Brothers Services (CBS) provide one example of how consulting partnerships can incorporate Catholic values into a professional financial support structure.

**CBS Consulting Solutions** serves Catholic ministries with integrated investment consulting, financial operations support, and outsourced accounting designed for mission-focused organizations. Each service is structured to serve religious institutes, schools, and ministries. CBS integrates expertise with a deep understanding of Catholic values and governance.

While this paper uses CBS as an example, the key principles in it are broadly applicable to selecting any qualified and mission-aligned financial partner.

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## Summary Checklist of Next Steps

- Clarify Mission and Stewardship Principles**
  - Reaffirm your organization's commitment to faith-driven financial stewardship.
  - Ensure all financial decisions align with Catholic teachings and the organization's mission.
- Assess Current Financial Landscape**
  - Review operational costs, regulatory requirements, and investment challenges.
  - Identify areas where financial management can be strengthened.
- Enhance Transparency and Accountability**
  - Implement systems for consistent financial reporting across ministries.
  - Establish clear processes for regulatory compliance and stakeholder communication.
  - Plan for long-term sustainability and intergenerational stability.
- Engage an Independent Consulting Partner**
  - Seek a consulting firm with deep experience serving Catholic and faith-based clients.
  - Prioritize independence to avoid conflicts of interest and ensure mission-aligned advice.
  - Evaluate potential partners for understanding of diocesan structures, canon law, and Catholic governance.
- Develop Mission-Driven Investment Strategies**
  - Create or update a Faith-Based Investment Policy Statement (IPS) that integrates USCCB guidelines and includes custom social and ethical requests from organizations.
  - Design individualized asset allocation plans based on risk tolerance and mission needs.
  - Implement liability-driven planning and risk management for future obligations.
  - Conduct open manager searches and due diligence for fund selection.
  - Apply faith-consistent screening to exclude investments contrary to Catholic teachings.
  - Schedule regular monitoring and reporting to financial councils or boards.
- Optimize Financial Operations**
  - Conduct a comprehensive operational review to identify inefficiencies and control gaps.
  - Modernize financial systems for better integration and oversight.
  - Build forecasting and budgeting models linked to strategic objectives.
  - Ensure compliance with federal, state, and diocesan regulations.
  - Use scenario modeling and strategic planning for informed decision-making.
- Consider Outsourced Accounting Solutions**
  - Evaluate the benefits of outsourcing accounting to free internal staff for ministry work.
  - Select a partner that offers scalable services, including:
    - Accounts payable management
    - Monthly reconciliation
    - General ledger control
    - Financial reporting
    - Budgeting and planning support
- Measure and Monitor Partnership Benefits**
  - Track improvements in financial transparency, efficiency, and governance.
  - Assess cost savings and administrative simplification.
  - Ensure ongoing alignment with mission and ethical integrity.
  - Maintain flexibility to scale services as organizational needs evolve.
  - Foster accountability and trust through regular assessments.
- Choose the Right Consulting Partner**
  - Select a firm with proven expertise in Catholic organizational needs (e.g., Christian Brothers Services).
  - Ensure the partner integrates faith-based principles with professional financial guidance.
  - Confirm the partner's ability to support long-term sustainability and mission alignment.
- Commit to Continuous Improvement**
  - Regularly revisit stewardship practices and partnership effectiveness.
  - Adapt strategies to meet emerging challenges and opportunities.
  - Keep the focus on advancing the Church's mission through sound financial management.

## Conclusion: Advancing the Mission Through Sound Stewardship

The Catholic Church's mission rests on something more than faith; it rests on mission-focused, open, and prudent financial stewardship. At a time of increasing complexity, independence, and accountability, Catholic institutions require competent partners who can bridge financial expertise with religious integrity.

By bringing in an external consulting firm that is sensitive to both business and spirituality, such as Christian Brothers Consulting Solutions, Catholic leadership can maximize controls, optimize performance, and safeguard the historical assets of the Church. The result is a more stable organization, one poised to sustain its ministries and serve its people for many generations to come.

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Kelly Murphy is the Managing Director of Christian Brothers Consulting Solutions. With more than 30 years of experience in financial management and strategic consulting, she has guided numerous Catholic ministries through long-term planning, reconfiguration, and sustainability initiatives. A Bryant University graduate, Kelly combines deep financial expertise with a commitment to mission-driven service, helping clients strengthen their financial foundations and advance their ministries with confidence.



Contact us at 800.652.4873 or [relationshipmanagement@cbservices.org](mailto:relationshipmanagement@cbservices.org) to learn how we can help your mission with its financial consulting needs.

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