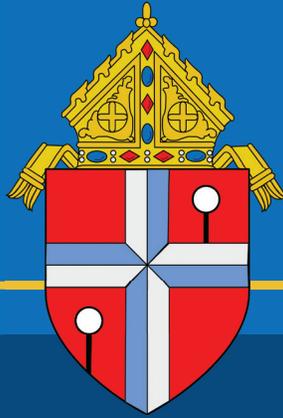


BENCHMARKS FOR A HEALTHY PARISH



ROMAN CATHOLIC CHURCH IN THE STATE OF HAWAII
DIOCESE OF HONOLULU
WITNESS TO JESUS



CHARACTERISTICS

HEALTHY PARISH

HEALTHY PARISHES have at a minimum the following characteristics.

There is active communication and engagement of clergy with parishioners and staff resulting in the participation of the entire faith community in the life of the parish.

There is regular and ongoing leadership formation of clergy and laity essential for a vibrant faith community.

PARISH RESOURCES

People, facilities, and funds are effectively managed in support of the parish vision as articulated and communicated by the parish pastoral council.

Parishes are able to meet their financial obligations and commitments without regular infusions from the diocese.

Parishes are actively engaged with the larger civic community consistent with Catholic social teachings. If the parish did not exist, the parish's absence would impact, be felt, and be missed by the community within which it is located.



Dear Father:

Peace be with you!

Last year, I formed a task force composed of members of the Presbyteral Council and lay representatives to address the serious issue of parishes that struggle financially and become dependent on loans from the diocese to cover their expenses. Because of our limited resources, this situation is not sustainable for the diocese. Good stewardship requires us to consider other remedies to assist parishes in need so they can continue to meet the spiritual needs of the people.

The task force identified several factors that can cause a parish to experience decline, such as changing demographics, poor management, leadership issues, lack of any effort to promote stewardship, etc. To promote strong and vibrant parishes across the diocese, the task force developed ten benchmarks of healthy parishes.

These benchmarks are to be used as a self-assessment tool for you and your parish leadership to assess and monitor the overall health of your parish.

Together with the financial reviews, the benchmarks will also be used by me, our diocesan offices, and the College of Consultors to annually assess the health of each parish and to propose the most effective and timely solutions for parishes in need of assistance.

A copy of these benchmarks and the guiding philosophy of the task force is enclosed. I encourage you to read these documents and share them with your parish leaders.

I am grateful for the leadership of Father William Kunisch and the other members of the Healthy Parish Task Force. I am confident that our mutual attention to the benchmarks will help us to better utilize the resources God has entrusted to us and to strengthen our ministry to Christ's people.

Sincerely yours in Christ,

+ Larry Silva

Most Reverend Larry Silva
Bishop of Honolulu

JOURNEY EACH YEAR



PASTORAL
COUNCIL



PARISH
FINANCE
COUNCIL



PARISH
STEWARDSHIP
EFFORT



COMPETENT
LAY EMPLOYEE
COMPENSATION



REPAIR,
MAINTENANCE,
AND RENOVATION

1

2

3

4

5

This guide is to assist the pastor proactively in the administration of the parish by providing best practice benchmarks to review annually.

TABLE OF CONTENTS

Benchmark 1	Pastoral Council
Benchmark 2	Parish Finance Council
Benchmark 3	Parish Stewardship Effort
Benchmark 4	Competent Lay Employee Compensation
Benchmark 5	Repair, Maintenance, and Renovation
Benchmark 6	Schools
Benchmark 7	The Parish Budget
Benchmark 8	Reporting of Parish Financial Condition
Benchmark 9	Bills are Paid When Due
Benchmark 10	Sunday Giving

PHILOSOPHY FOR ASSESSING PARISH HEALTH

The **PHILOSOPHY** guiding the work of the Diocese of Honolulu is based on the following assumptions.

- A healthy diocese has healthy parishes that provide for the spiritual well-being of its people by making the **Gospel and sacramental life** the core of all parish endeavors.
- **There are no perfect parishes.** Every parish in the Diocese of Honolulu can be a more vibrant, healthy parish. An assessment of parish health must be perceived to be fair, understanding of the diversity and history of the people and communities of the Diocese, and have as its goal the **continuous improvement of parish health.**
- The systematic presentation and analysis of facts and numbers/data — **analytics** — are best considered in the context of **best practices** that have been identified in Catholic parishes elsewhere and refined to fit the Diocese of Honolulu context.
- Analytics accumulated over time can identify **trends**. Positive or negative trends can indicate whether a parish is meeting best practices.
- There is **no one fact/number that defines a healthy or not so healthy parish, but some facts and numbers are more critical than others.** For example, a functioning parish pastoral and finance council are essential for a healthy parish.
- **Narrative parish background combined with analytics** is important to understanding the status of a parish's health. The resulting information gathered over time can guide decisions about a parish's future.
- Taking the above assumptions into consideration, it is then helpful to describe key characteristics of a model healthy parish.

TO A HEALTHY PARISH



SCHOOLS



THE PARISH
BUDGET



REPORTING OF
PARISH FINANCIAL
CONDITION



BILLS ARE
PAID WHEN
DUE



SUNDAY
GIVING

6

7

8

9

10

BEST PRACTICE BENCHMARK CATEGORIES

In “Benchmarks for a Healthy Parish”, each of the 10 benchmarks are accompanied by the following:

1. Best practices that are specific to the benchmark.
2. Parish warning signs that a benchmark is not being met.
3. Diocesan indicators that a parish needs assistance.
4. Diocesan resources that can assist the parish to meet specific benchmarks.

The ideal is that all parishes are healthy entities. Since this may not always be the case, it is helpful to have diocesan principles/policies that can guide decision makers and achieve workable outcomes.

Use of this benchmark assessment tool will allow for the systematic collection and analysis of data that can be aggregated and result in useful information that affirms and identifies parishes that are:

1. **Overall Healthy** according to benchmarks.
2. **Moderately Healthy**, but needing improvement in some areas.
3. **Unhealthy** and needs remedial attention, actions, and a better understanding of the best practice indicators in order to determine whether a healthy parish status can be achieved.

POLICY GUIDELINES

THAT SUPPORT AND ASSIST THE HEALTH OF PARISHES

1. On an annual basis, after reviewing the results of the parish health assessment tool and other narrative information, the College of Consultors advises the Bishop of Honolulu on matters concerning the future of struggling parishes.
2. The Bishop, in consultation with his advisors, assists parishes identified as struggling based on the results of the parish health assessment by implementing an appropriate policy procedure.
 - Acts to assign the appropriate diocesan office to support the area identified as a concern in the review of a parish’s health.
 - Directs neighboring parishes or the vicariate to assist in the support of the struggling parish (“twinning”).
 - Provides a capacity-building grant through the Parish and School Revolving Fund directed at improving specific benchmark/best practice shortcomings.
 - Forms a team of specialists who will work with the pastor to reform the parish and improve its health.
 - Creates an administrative team that would be shared by several parishes.
 - Evaluates the current pastor’s ability to meet the challenges and acts accordingly, including, when necessary, reassignment.
 - Clusters parishes to share spiritual and administrative support.
 - Assigns the struggling parish as a mission of another parish.
 - As a last resort, suppresses a parish.

PASTORAL COUNCIL: BENCHMARK #1

The pastor meets regularly with the parish pastoral council to engage in pastoral planning, monitor the ministries, and assess the current status and changes in the climate of the parish.

BEST PRACTICES THAT ARE SPECIFIC TO THE BENCHMARK

- Each parish has numerous, often unique characteristics that affect the current status of the parish. All of them hinge on the level of trust between the lay faithful and the parish leadership.
- Each parish will have a parish pastoral council that meets at least quarterly.
- The parish pastoral council's primary responsibility is planning and creating the vision for the future of the parish. The council is consultative and advisory to the pastor. Members prayerfully investigate and discern issues of concern to the whole parish and make recommendations to the pastor for goals and actions.
- The parish will have a parish pastoral plan that is reviewed and updated on a regular basis.
- The parish council should have bylaws by which it operates that are approved by the pastor.
 - Regular ministry fairs or stewardship renewals.
 - Regular spiritual formation opportunities for all ages.
 - Regular spiritual and social events for families.
 - Youth and young adult participation in parish ministries and leadership.
 - Regular community outreach events.

PARISH WARNING SIGNS THAT A BENCHMARK IS NOT BEING MET

- Declining mass attendance measured by October counts.
- Declining participation in ministries.
- A decline in collaboration between pastor, staff, consultative bodies or parishioners.
- Lack of communication among parish leadership bodies (parish council, finance council, leadership council).
- Apparent decline in health/attitude of pastor.
- Failure to monitor safe environment guidelines.

DIOCESAN INDICATORS THAT A PARISH NEEDS ASSISTANCE

- Significant change in parish profile.
- Increased complaints from parishioners and staff.
- Increased turnover of parish and school staff.

DIOCESAN RESOURCES:

- Vicariate Vicar Forane
- Vicar for Clergy
- Diocesan Finance Officer

- Director of Stewardship and Development
- Diocesan Priest Personnel Committee

NOTES:

PARISH FINANCE COUNCIL: BENCHMARK #2

The pastor meets regularly with the parish finance council to ensure the sound financial operation of the parish.

BEST PRACTICES THAT ARE SPECIFIC TO THE BENCHMARK

- Canon Law requires that all parishes have a finance council to advise and assist the pastor in fulfilling his responsibilities (Canon 537, 1280).
- The purpose of the parish finance council is to **advise and assist** the pastor in the administration of the temporal goods of the parish.
- Specific duties include: an advisory and analytical role in the preparation of the annual balanced budget, quarterly review of the parish financial records, review and sign the annual financial report submitted to the Diocesan Finance Office, review the annual financial report presented to the parishioners, three to five year financial plan for funding operational and capital needs, and advise the pastor in regard to stewardship and development.
- The parish finance council is to meet at least four times during the fiscal year.

PARISH WARNING SIGNS THAT A BENCHMARK IS NOT BEING MET

The parish finance council meets infrequently, irregularly or only one time at the end of the fiscal year to sign the parish annual financial report.

- The members of the finance council are not well-formed or informed about parish finances, (e.g. declining offertory, outstanding parish debts, unpaid bills, endowments, etc.).
- Annual financial report is not submitted by September 30.

DIOCESAN INDICATORS THAT A PARISH NEEDS ASSISTANCE

- The parish did not submit the budget certification by June 30 and/or the annual report certification by September 30 with the pastor and the current finance council chair's signature.

DIOCESAN RESOURCES:

- Diocesan Finance Officer
- Parish and School Financial Review

NOTES:

PARISH STEWARDSHIP EFFORT: BENCHMARK #3

Parish clergy, staff, and parishioners are engaged in an Annual Commitment Renewal of their time, talent and treasure to God and the mission of their faith community. Parishioners are regularly informed of the financial and human resource (paid staff and volunteers) status of the parish.

BEST PRACTICES THAT ARE SPECIFIC TO THE BENCHMARK

- Pastor fully understands and personally commits to the concept of stewardship as a disciple's faith response.
- Pastor recruits/supports a Stewardship Committee to help educate and motivate the parish to action.
- The parish stewardship plan is based on these four pillars: hospitality, prayer, formation, and service – all which entail our mission to evangelize.
- Annual Commitment results are recorded, reported, and reviewed for action and improvement.

PARISH WARNING SIGNS THAT A BENCHMARK IS NOT BEING MET

- Neither pastor nor staff member(s) attend committee meetings.
- Stewardship not included in Parish Pastoral Plan or Mission.
- Stewardship concepts/examples are not included in parish communications: homilies, bulletin articles, website, social media, newsletters, annual report, offertory envelopes, mailings and/or lay witness talks.
- Parish registration process/welcome packet does not include stewardship orientation/introduction.
- Parishioners are not recognized for their contributions of time, talent and/or treasure.
- Parish database not updated, actively managed and/or fully utilized.
- There is no "Annual Commitment Renewal" process.
- Financial and offertory trends are negative.

DIOCESAN INDICATORS THAT A PARISH NEEDS ASSISTANCE

- No formal stewardship committee, contact person and/or plan established.
- Lack of attendance at Vicariate/Diocesan stewardship events.
- Lack of a current Pastoral Plan.
- Declining Offertory Collections.

DIOCESAN RESOURCES:

- Director Stewardship and Development
- Diocesan Finance Officer

NOTES:

COMPETENT LAY EMPLOYEE COMPENSATION: BENCHMARK #4

Competent lay employees are paid just salaries and benefits in conformity with Church teachings on justice.

BEST PRACTICES THAT ARE SPECIFIC TO THE BENCHMARK

- The Church cannot preach social justice unless it practices social justice in its treatment of its own employees. A just salary takes into account the needs of the employee and the employee's family. A just salary also considers compensation paid to persons of similar skills, experience, and responsibilities in the marketplace. In the United States, the National Association of Church Personnel Administrators (NACPA) annually provides guidelines to Church organizations on such matters.
- Employees of the Church should also be provided a reasonable standard of health and financial benefits that are to provide for themselves and their families for current and future needs. These benefits include a retirement program with employer match, health benefits available for the family, life insurance at industry standard amounts, and other industry standard voluntary benefits.
- Employees and volunteers will be in compliance with the Diocesan Safe Environment Requirements.

PARISH WARNING SIGNS THAT A BENCHMARK IS NOT BEING MET

- Eligible employees are denied access to benefits.
- Salaries are dropping behind recommended diocesan ranges.
- Employees receive no raises or raises are consistently below the rate of inflation.
- Employees are hired and terminated without notification to the Diocesan Human Resources Office.
- Staffing structure and amount of staff either exceeds or does not meet the need of the parish.
- Employees do not meet the minimum qualifications for standardized job descriptions.

DIOCESAN INDICATORS THAT A PARISH NEEDS ASSISTANCE

- Proper pay and benefits are not reflected in the Diocesan centralized payroll system.
- Parish does not use the Diocesan standardized job description/pay range report in making hiring and other employment decisions.

DIOCESAN RESOURCES:

- Director of Human Resources
- Human Resources Generalist
- Director of Safe Environment

NOTES:

REPAIR, MAINTENANCE, AND RENOVATION: BENCHMARK #5

The parish schedules regular assessment inspections of the parish facilities and grounds for repairs, maintenance, and renovation projects and budgets for meeting these needs.

BEST PRACTICES THAT ARE SPECIFIC TO THE BENCHMARK

The Five-Year Assessment Free Repairs and Maintenance Budget Plan should be:

- Established and implemented to encourage parishes to identify and perform their repairs and maintenance needs.
- Identify long range future improvement projects.

PARISH WARNING SIGNS THAT A BENCHMARK IS NOT BEING MET

- Parish does not have an updated five-year repairs and maintenance plan.
- The parish does not have an active Parish Planning and Building Commission.
- The parish buildings are not well-maintained.

DIOCESAN INDICATORS THAT A PARISH NEEDS ASSISTANCE

- Repairs/maintenance projects are identified but not budgeted.
- Parish does not have a repairs and maintenance assessment free savings account.

DIOCESAN RESOURCES:

- Facilities Services Manager
- Vicariate Vicar Forane

- Diocesan Planning and Building Commission (DPBC)
- Vicariate DPBC Liaison Representative

NOTES:

SCHOOLS: BENCHMARK #6

Catholic Schools, in collaboration with parents and guardians as primary educators, provide an excellent education rooted in the Gospel. They educate the whole child which includes formation in the Catholic faith and the love and knowledge of the person of Jesus Christ.

BEST PRACTICES THAT ARE SPECIFIC TO THE BENCHMARK

- The school is guided by a clear mission that embraces a Catholic Identity rooted in the Gospel.
- The school has a rigorous academic program.
- The school has an effective school advisory board.
- The school is led by a qualified pastor and principal.
- The school has a strategic plan and is accredited by the Western Catholic Educational Association.
- The school provides co-curricular and extra-curricular programs and services to enrich the academic programs and support students.
- The school has strong financial resources.
- The school operates in accord with Diocesan HR Policies.
- School's cash reserve is at least three months (and should strive to maintain at least six months of cash reserve) of operating expenses.

PARISH WARNING SIGNS THAT A BENCHMARK IS NOT BEING MET

- Accreditation Visitation Team summary reports significant weaknesses in the school's personnel, programs and services.
- Enrollment is declining.
- Little or no parish involvement.
- High-risk rating on financial review.
- No school board or ineffective school board.
- The school has experienced recent deficit spending or has a school budget showing deficit spending.
- The school has a loan.
- School's savings is less than three months of expenses.
- Parish provides income to the school as subsidy or tuition assistance in an amount greater than 25% of the school's yearly expenses.
- Parish provides income to the school as subsidy or tuition assistance in an amount greater than 25% of the parish's yearly income.
- Employees do not meet the minimum educational requirement for their position.

DIOCESAN INDICATORS THAT A PARISH NEEDS ASSISTANCE

- Yearly Budgets and Supplemental Budget schedule information shows a deficit.
- The school is not accredited.

DIOCESAN RESOURCES:

- Superintendent of Catholic Schools
- Parish and School Accounting Manager

NOTES:

THE PARISH BUDGET: BENCHMARK #7

The parish has a balanced budget reviewed with the finance council and other key stakeholders, and is approved and monitored by the pastor monthly to ensure the parish finances are stable.

BEST PRACTICES THAT ARE SPECIFIC TO THE BENCHMARK

- The purpose of the parish budget is to provide the pastor and parish finance council with accurate financial information regarding parish operations, to provide for its continued stability, and to bring income and expenses into alignment.
- The budget is prepared by the pastor with the assistance from accounting personnel in collaboration with the parish finance council. The process should involve consultation with the parish pastoral council, staff, ministries and associations.
- The parish finance council meeting minutes are to summarize the discussion of the proposed budget.
- The pastor and parish finance council chair are required to send an annual budget certification by June 30 to the Diocesan Finance Office.

PARISH WARNING SIGNS THAT A BENCHMARK IS NOT BEING MET

- No written financial budget.
- Budget is either not balanced or not realistic.
- No (or little) involvement by the finance council in review of budget.
- There are significant deviations from the budget without consultation with the finance council.
- Budget is not monitored monthly by the pastor and accounting personnel.

DIOCESAN INDICATORS THAT A PARISH NEEDS ASSISTANCE

- Annual budget certification not submitted to the Diocesan Finance Office.
- Budget not posted to QuickBooks.

DIOCESAN RESOURCES:

- Parish and School Accounting Manager
- Parish and School Financial Review

NOTES:

REPORTING OF PARISH FINANCIAL CONDITION: BENCHMARK #8

Regular and consistent communication with the parishioners addressing the reporting of the financial situation of the parish builds trust among the parish families and informs them about the vibrancy of parish life and how the parish is fulfilling its mission.

BEST PRACTICES THAT ARE SPECIFIC TO THE BENCHMARK

- Each parishioner is invited to share in the support of the parish mission and its ministries sacrificially, proportionately and generously for the good of the entire parish family.
- Parishioners deserve regular, clear, honest and understandable reports through all available communication channels regarding the financial status of the parish and their role in it.
- Clergy are advised and trained to provide the proper communication to ensure the parish builds trust among the parish community.

PARISH WARNING SIGNS THAT A BENCHMARK IS NOT BEING MET

- There is a lack of understanding among parishioners that the fulfillment of the parish mission is ultimately connected to the generosity of each parishioner. This is not only a financial matter, but a matter of living our faith.
- There is little or no communication about the parish budget, weekly collections, or overall financial status of the parish.
- Financial statements of the contributions made by each family in the parish are not mailed to the home on a regular basis.

DIOCESAN INDICATORS THAT A PARISH NEEDS ASSISTANCE

- No parish annual report posted by the December 31 deadline.

DIOCESAN RESOURCES:

- Parish and School Accounting Manager
- Parish and School Financial Review
- Director Office of Stewardship and Development

NOTES:

BILLS ARE PAID WHEN DUE: BENCHMARK #9

Bills are paid when due. The budget is kept in balance. Funds are set aside for accounts payable, deferred maintenance, contingency cash reserve, and future capital expenses. There are no delinquent payments for outstanding loans.

BEST PRACTICES THAT ARE SPECIFIC TO THE BENCHMARK

- The pastor and parish leaders are stewards of the parish resources, and stewardship entails a fiduciary responsibility to manage these funds wisely and prudently.
- The parish actively manages its accounts payable to ensure timely payments of all invoices.
- Parishes should maintain a non-operating cash reserve equal to at least six months of expenses to ensure better monitoring of operating cash flow and maintained with the Parish and School Revolving Fund.

PARISH WARNING SIGNS THAT A BENCHMARK IS NOT BEING MET

- Accounts payable and loan payments are not current.
- Payment of insurance premiums is delayed or unpaid.
- There is a lack of or an inadequate cash reserve.
- There is a lack of or inadequate deferred maintenance reserve.

DIOCESAN INDICATORS THAT A PARISH NEEDS ASSISTANCE

- Unpaid diocesan invoices such as insurance premiums and monthly assessment charges.
- Withdrawal from the parish's PSRF general savings account to cover operating expenses.

DIOCESAN RESOURCES:

- Diocesan Controller
- Parish and School Accounting Manager
- Parish and School Financial Review

NOTES:

SUNDAY GIVING: BENCHMARK #10

The Sunday collection is steadily increasing. If it is not, the causes are promptly determined, analyzed, and addressed.

BEST PRACTICES THAT ARE SPECIFIC TO THE BENCHMARK

- The Sunday collection is the primary source of income for funding parish operations. The overall financial health of the parish is dependent upon the weekly offertory. Just as parishioners have a “need to give,” the parish is responsible for ensuring that the appropriate resources are in place to fund the mission of the parish family.
- A decline in Sunday giving could be an indicator of a challenge that the parish needs to address. It is important that the reason for the decline be analyzed and appropriate steps be taken promptly to address the decline.
- Once the reason for the decline is identified, the appropriate course of action can be developed whether it’s a plan to increase other sources of revenue, or a plan to cut costs.
- The parish budget must reflect any proposed change or course of action.

PARISH WARNING SIGNS THAT A BENCHMARK IS NOT BEING MET

- Decline in Sunday giving from previous year or month over month.
- Sunday offertory is less than what is budgeted.
- Parish savings are funding current operations.

DIOCESAN INDICATORS THAT A PARISH NEEDS ASSISTANCE

- Withdrawal of parish funds from PSRF.
- Diocesan bills are outstanding.

DIOCESAN RESOURCES:

- Director of Stewardship and Development
- Diocesan Controller
- Parish and School Accounting Manager

NOTES:

If you have any questions regarding the benchmarks
email us at CLERGY@RCCHAWAII.ORG
Additional information can be found at CATHOLICHAWAII.ORG

Please be thoughtful about your subject line and leave your contact
information so that the appropriate person can respond to your request.

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*"Go, therefore, make disciples of all nations, baptizing them in
the name of the Father, and of the Son, and of the Holy Spirit,
teaching them to observe all that I have commanded you. And
behold, I am with you always, until the end of the age."*

MATTHEW 28:19-20

