



Financial Advisor to Catholic Institutions

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Effects of Sarbanes-Oxley Heighten Importance of Financial Disclosure

While parishes and most other nonprofits are not generally included under the Sarbanes-Oxley Act mandating public financial disclosures and do not have to implement the requirements of this legislation, most experts agree that its effects are reaching into those areas. Sarbanes-Oxley, instituted after the Enron collapse, is changing the way the American public thinks about disclosure of finances and management practices.

Because of this new public attitude, it is important to realize that parishioners may have heightened expectations about their parishes being completely transparent in their financial and business transactions. In the future, accurate and timely financial reporting and the effective communication of these reports to parishioners will likely be considered minimum requirements. As the public becomes more accustomed to the mandated disclosures of public corporations, they will come to expect no less from their parishes and favorite charities. CFC has provided assistance to parish Finance Committees seeking to better understand their financial condition and communicate it clearly to their parish community. Please give us a call if you would like help in this area.

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