

5 Things TO KNOW

BY CHRISTOPHER GUNTY
editor@CatholicReview.org

FINANCIAL *Transparency*

The Archdiocese of Baltimore strives to ensure good stewardship of the funds entrusted to its parishes, schools and central services. From the point of collection, through accounting systems, and to the groups that help advise pastors, principals and archdiocesan leaders on how to allocate funds, many people are involved in ensuring oversight of donations that help support the church's mission and ministries.



1 PARISH SYSTEMS

Consistency in information systems around the archdiocese makes it easier for the archdiocese to provide checks and balances. It also allows pastors who may move from one parish to another or pastors who oversee more than one parish to work with the same systems and reports. The archdiocese provides support for systems across all parishes and schools for accounting, human resources management, tuition management, student management, student inquiry and parishioner management.

The archdiocese employs eight individuals who focus on parish and school financial and operations management. These individuals help locations with accounting, budgeting, internal controls, operations analysis, etc.

The archdiocese endorses and supports several programs used throughout the parishes and schools which allow locations to collect funds electronically.

Utilizing a hotline platform developed by EthicsPoint (www.archbalt.org, then click on Ethics Hotline at the top of the page), employees, volunteers, parishioners, vendors and other interested parties are able to report concerns about suspected financial, professional and personal misconduct, and if they choose, to do so anonymously.

2 COLLECTIONS AND COUNTING

When you drop a check or cash in the collection basket, what happens next? Archdiocesan policies require that ushers place the receipts in tamper-evident bags, two people place the sealed bags into a drop-safe where they are kept until opened, counted and deposited. According to the policy, each parish should have four counting teams, consisting of at least three individuals (all unrelated), and the teams should be rotated weekly.

Funds should be transported to the bank by at least two unrelated people using a locked bank bag or tamper-evident bag containing the funds, deposit slips and adding machine tapes.

At the archdiocesan level, gifts to the Annual Appeal for Catholic Ministries, for example, are processed in a secure-access counting room at the Catholic Center. Gifts mailed directly to the Appeal Post Office lock box at M&T Bank are deposited and recorded electronically by M&T Bank personnel and reconciled each business day by the AOB Development team.

Electronic giving to parishes and the archdiocese also helps to ensure the integrity of the donation's receipt.



3 AUDITING

The archdiocese performs internal audits on the internal controls of parishes and schools on a rotational basis. The results of each audit are provided to the pastor and/or principal, pastoral council and/or school board chairperson as well as the finance committee chairperson and corporators.

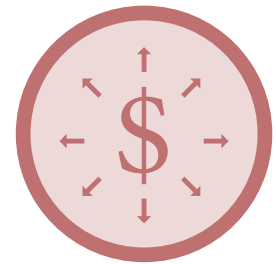
The Archdiocesan Audit Committee, comprised mostly of lay people with financial or business expertise, reviews the following at its meetings throughout the year: annual audited financial statements and management letter; annual budget and budget vs. actual results; quarterly financial statements; parish and school annual operating results; internal audit results; archdiocesan high school financials; and risk and legal exposure.

The Archdiocesan Central Services Annual Audited Financial Statements are posted online each year.



4 ALLOCATIONS

In addition to required oversight boards (see below) on matters of general business consideration, Archbishop William E. Lori has established the Allocations Oversight Committee, also comprised of lay people, to ensure that the annual appeal proceeds are used consistent with campaign case statements, that is, that the funds are used for the intended purposes. Additionally, the Allocation Oversight Committee reviews the reasonableness of the costs of administering the annual campaign.



5 OVERSIGHT

Every diocese in the world is required to have a finance council. In the Archdiocese of Baltimore, the Board of Financial Administration (BOFA) is that body. BOFA is made up of Lay professionals in the fields of accounting, investments, education, engineers, legal and insurance. Subcommittees help the Archbishop in areas of certain expertise including: Audit Committee, Investment Committee and Building and Real Estate Committee. This board serves as a “check and balance” to ensure appropriate fiscal practices by the archbishop and the diocese.

BOFA and the College of Consultors (a body of priests required in each diocese) review and approve the annual financial statements audited by Grant Thornton, LLP, as well as the annual Central Services budget. The archbishop must seek BOFA’s advice on alienation of property or debt of \$250,000 or less and must receive consent from a majority of BOFA members on alienation of property or debt greater than \$250,000.

Voice of the Faithful, an independent lay group that advocates for church accountability and transparency, has consistently rated the Archdiocese of Baltimore among the top tier of dioceses on the basis of its criteria. The investment committee, in addition to having fiduciary responsibility of the assets in the retirement, insurance and other operating trusts, also requires any asset manager they employ to certify each quarter that the assets under their management comply with the USCCB Socially Responsible Investment guidelines. Within this certification they are asked to identify any companies removed, the reason why and if any replacement company was added as a result.

