

January 19, 2007 - **Tighten financial controls on U.S. parishes, add bishops' oversight, lay experts urge**, Catholic Online

WASHINGTON (Catholic Online) – Tighter internal financial controls, including oversight by bishops and diocesan fiscal offices, are needed for the 19,000 parishes throughout the United States, said an advisory group of lay Catholic experts.

The Accounting Practices Committee, which advises the U.S. Conference of Catholic Bishops (USCCB), offered the recommendations to improve existing diocesan policies on financial governance at the parish level, especially as it relates to the receiving of cash from the Sunday Mass collection plate.

The committee recommendations, released Jan. 18 by the USCCB, come one month after the release of a new study by Villanova University that found that 85 percent of Roman Catholic dioceses in the United States have discovered embezzlement during the last five years, with 11 percent having been embezzled out of more than a half-million dollars each and 29 percent reporting embezzlements of less than \$50,000.

The study, by authors Robert West and Charles Zech, experts in church management and accounting, said the high rate of embezzlement reflected a lack of professionalism in financial oversight, as well as a sometimes-too-trusting attitude toward those handling money.

The survey was launched in the wake of complaints by some lay Catholics that the church's clergy sexual-abuse crisis might have been discovered long ago if the nation's 175 dioceses had made public financial statements showing payouts to abuse victims.

The committee stressed the role of the diocese in providing policies and training for parishes and urging “effective oversight by the bishop for compliance.”

Among the recommendations, which the committee noted should supplement and improve existing diocesan policies on financial governance at the parish level, include:

- An annual letter from the parish to the bishop containing the names and professional titles of the parish finance council members, dates of council meetings the preceding fiscal year and a reporting of when the approved parish financial statements/budgets were made available to the parishioners.
- The delivery of published parish financial statements/budgets to the diocesan bishop.
- A statement signed by the parish priest and the finance council members that they have met, developed and discussed the financial statements and budget of the parish.
- Thorough diocesan training for parish finance council members relative to their roles and responsibilities.
- Establishment of diocesan policies to cover conflicts of interest, protection of whistleblowers and a fraud policy, which would include prosecution of all fraud cases in the diocese.
- Completion of an annual internal control questionnaire by each parish with proper review and follow-up made by qualified diocesan personnel.
- Development of a parish best practices manual.
- Integration of financial training into seminarian programs so that prospective priests will be better prepared to handle parish financial matters.

Acknowledging that many dioceses already have good policies in place, the committee indicated that the recommendations should be viewed as a call for re-doubling of efforts.

It added that the recommendations must be complementary to the work being done by the Diocesan Fiscal Management Conference on the internal audits of parishes, under the auspices of the USCCB Ad Hoc Committee on Diocesan Audits.

“The recommendations are reasonable and helpful,” said Bishop Dennis M. Schnurr of Duluth, Minn., treasurer of the U.S. bishops’ conference, adding that he would work to have many of them implemented in his diocese.

Yet, he did not agree with the need to train seminarians in parish finances.

“Seminary days are jam packed enough, and I am not certain that finances should be added to the schedule,” he said.

“Finance is an area of parish ministry that is wide open for participation of the laity. Members of the laity who have expertise and experience with administration and finance should be invited and encouraged to consider a stewardship of their talents,” he said.

“The message to our seminarians should be that, as parish leaders, they are to recognize, call forth, and coordinate the talents that God has entrusted to a particular parish community,” Bishop Schnurr added.

The Accounting Practices Committee, chaired by William G. Weldon, a certified public accountant (CPA) and chief financial officer of the Diocese of Charlotte, N.C., includes nine CPAs with a diocesan affiliation and four CPA advisers from large public accounting firms.