

St. Jerome Finance Committee Minutes Meeting of January 26, 2010

In attendance for the parish: Jim Alvord, Father David Blanchfield, Bill Florio, Bill Groener, Jerry Holdridge, John Kuczo, Dan Loch, Dick Vicenzi, and Dom Vento

In attendance for the diocese: Deacon Bill Koniers, Diocesan Director of Parish Finance Services; Tony Fazio, Diocesan Auditor, Parish Finance Services; Stephanie Maletta, Auditor, Maletta & Company, CPA

Fr. David began the meeting at 7:11 pm with a prayer for the parish and for the work of the committee.

Purpose of This Meeting

This meeting was convened to review with the St. Jerome pastor and Finance Committee the 16 findings and recommendations of the May 5 and 6, 2009 diocesan procedural audit of St. Jerome Church. This audit, performed by Stephanie Maletta, a non-profit audit specialist with Maletta & Company, CPA, examined the parish's compliance with the revised diocesan financial procedures promulgated on February 15, 2008.

Opening Remarks

Deacon Koniers began the meeting by observing that in the three years since the parish's last procedural audit in July 2007 there had been a financial "culture change." The new financial policies and procedures instituted by the diocese in February 2008 were designed to increase accountability and transparency. He mentioned that as a result there have been numerous success stories at parishes where financial procedures have been turned around and successfully improved by the new diocesan requirements.

Deacon Koniers next discussed the effect of the current adverse economy on the diocese. While most other agencies – such as the Red Cross and Scouts – have experienced as much as a 10% decrease in donations, Offertory income at the 87 parishes of the Bridgeport Diocese has increased 2.5% in the past year. Although local unemployment has grown to 7.9%, up from the July to December 2008 unemployment rate of 6%, Offertory income is rising at the diocese's 87 parishes.

Overview of St. Jerome Statistics, Projects, and Initiatives

Fr. David said that St. Jerome's Offertory income has been helped by having 104 families subscribe to Faith Direct electronic giving and by two generous bequests, one of \$101,000 and the second of \$72,000.

Fr. David recounted that at the December 2009 Finance Committee meeting the parish took advantage of CL&P's offer of a 40% reimbursement for installing energy-efficient lighting in the church. The Finance Committee approved funding a new lighting system for the church and a new part-time bookkeeper to assist in ensuring compliance with the diocesan financial procedural requirements of February 2008.

Fr. David related that 397 parishioners took the detailed Congregational Life Survey in March 2009 and the results showed that two of St. Jerome's strengths are its youth programs (REACH and TOTAL) and its community outreach.

Fr. David next opined that as good as the new diocesan financial policies and procedures manual is, he and the pastors with whom he has spoken all say they are far-reaching, exceedingly zealous, and anxiety-provoking. They almost require that a parish use its Offertory income to pay a full-time or at least part-time financial person to comply with, thus the parish's hiring of a part-time bookkeeper to ensure compliance.

In reply, Deacon Koniers said that the credibility and respectability of the new diocesan policies and procedures are high, and that human error and incorrect financial entries are down almost to zero, especially with the use of the new diocesan financial online software, ParishSoft.

Presentation of Summary Financial Information

Deacon Koniers distributed to the Finance Committee a 14-page packet of summary financial data for St. Jerome parish. He explained that a key ratio on which to focus is the percentage of parish expenses to Offertory income. The average of the diocese's 87 parishes is 135%; some are at 250%, some at 175%, and only six or seven parishes are at the logically-desirable 100%. St. Jerome's five-year average is 120% and its July through December 2009 ratio is 127%, which, Deacon Koniers said, is very good.

In answer to questions about diocesan assessments, Deacon Koniers said that the diocesan school fund assessment on the parishes is 8% of Offertory income and that the corporate assessment of the Cathedralicum is 6.5%. The Cathedralicum pays for such items as the bishop's office and its staff and the insurance for the diocese and its parishes.

Findings and Recommendations of the May 2009 Procedural Financial Audit

Maletta & Company distributed a three-page summary of its findings, complete with a one-page list of the parish's financial information reviewed and eight pages of supporting data and charts.

Fr. David distributed a one-page sheet that outlined the steps the parish has taken and will be taking to ensure compliance with the 16 findings of

the May 2009 procedural financial audit of the parish. 15 of the 16 findings have been or are being addressed.

Stephanie Maletta praised the parish for its prompt actions and in particular praised the posting of the minutes of the Finance Committee on the parish web site, which she felt was the best web site in the diocese with plenty of content that is easy to navigate.

The remaining procedural audit finding of filling out timesheets for each parish employee provoked discussion. Deacon Koniers explained that timesheets are necessary to protect against lawsuits. Fr. David explained that all the personnel at St. Jerome's except for the custodian are on salary, have been with the parish longer than he has, consider their roles not a job but a ministry, and that the diocese does not require him to fill out a timesheet.

A question was raised about the necessity for the quarterly balance sheet that is required to be distributed to the parishioners. Several Finance Committee members felt this balance sheet's statement of total assets is misleading because its data has remained unchanged since 1996 and because the assets of some \$3.4 million (the church buildings and land) is not liquid (i.e., easily converted into cash). Deacon Koniers acknowledged that the diocese has not depreciated assets for a number of years and said that St. Jerome's will be the first parish to have its assets depreciated.

The meeting ended at 8:25 pm with a closing prayer by Fr. David.

Submitted by:
Dan Loch, Finance Committee Secretary
May 21, 2010