

**ST. THOMAS MORE PARISH  
PARISH COUNCIL MEETING  
Monday, January 20, 2014**

**Council Members in Attendance:** Fr. Bill Wagner, Kathy Hornschemeier, Larry Bush, Sam DeBonis Tom Buchheit, Jim Conrady, and Janet Tate.

**Council Members Absent:** Vic Ivers, John Duncan.

**Others in Attendance:** Dick Berish and Mike Gennett.

The St. Thomas More Parish Council meeting was called to order by Fr. Bill Wagner at 7:00 PM EST. Fr. Bill opened with a prayer.

Fr. Bill introduced Dick Berish as the new Business Manager. Dick is currently the Business Manager at Our Lady of the Sacred Heart in Reading. He is currently working there part time and should be fully on board in February. No official date has yet to be determined when the position switch will take place.

**Pastor's Report** – Fr. Bill gave his update.

A couple of maintenance updates. We have received a bid to **add the church doors to the security system**. All the money to pay for this work has been donated by two donors. We plan to ask the Finance Commission for approval to proceed on Wednesday. All remaining keys for the church would subsequently be turned in. The system can automatically unlock and lock the doors at a specific time which would help resolve a Saturday afternoon staffing issue.

**The gym furnace** (*there are two furnaces in the gym...this is about the one that handles the gym part of the building*) went out on Sunday. Even though the repairs were not major, we have been advised that this furnace is 16 years old plus it was not a very high quality in the first place. The Boosters have expressed interest in adding air-conditioning to the gym at their expense. The gym furnace needs to be addressed first and then add the air to a

newer, more efficient unit. Fr. Bill said he will be asking the Boosters to pay for this work. The parish is still faced with the issue of the south church air conditioners which are now 34 years old. We also exhausted our capital funds when we replaced the air-conditioner in the front part of the church last summer. Bachman's will be coming this week to give us an idea of the cost for a new furnace and a new furnace plus air.

The Boosters have expressed interest in using their own contractor for air. Three bids have to be obtained anyhow, but any contractor that is accepted must meet all the diocese requirements.

The **new HDTV training system installation** has been completed in the Parish Hall. The entire cost of the project was paid for in full by two donors. Total cost was \$8,500.00. Training was conducted last week. When the installation was in progress, it was determined the amplifier had to be replaced. Presenters have been encouraged to "practice" before their first use. General use of the system will be limited to those who know how to use it and keep it secure. We will be adding our door security system scan system to the video control box so we can track who specifically is going into it.

**Christmas went well financially.** Our contribution dollars got caught up to plan.

It looks like **another shortened week in the school.** The weather forecast for the rest of the week calls for snow and more bitter cold.

You will be hearing more about "**Keep the Lights on**". All the church confessionals will be open on Tuesday evening, March 18<sup>th</sup> throughout the diocese.

We are taking **another look at the Deanery regional planning again.** Meetings are planned this week at the diocese.

**Business Manager's report** – Mike Gennett gave the update.

Last month, we presented **the new background check program, selection.com**. Tonight, we will present a brief update as to what we have done to date:

- We have purchased a bank of 100 tokens to allow parishioners to pay the \$25 fee for their background checks.
- We have asked the various parish organizations that work with children to submit the names of all their current volunteers. Once the list is received, we are responding on a spread sheet for each volunteer if they have been Virtus certified and/or are in need of a background check. If a check is required, we then assign a token number to those volunteer names to have the organization ask their volunteers complete the new online check. Instructions are being provided.
  - By going through the organizations, it should help us to get most of our current volunteers with children processed in a timely manner before the cutoff date this summer.
- We have now heard from all parish organizations except for the Parish School of Religion, Mass Coordinators, and the Boy Scouts.
- Employees are handled differently and are all in compliance.

To access the new background check system if they already have had Virtus, one clicks on Toolbox in Virtus and then the first column on the left that states “selection.com background check”. It is easy to fill out the screens. The unique, seven-digit token is entered when prompted for payment.

Each individual can obtain a copy of their personal background check at no extra charge. We highly encourage everyone to do that. We no longer have at the parish level anything we can provide when asked to do so. The background check is sent to the parishioner's home email address.

**Finance Update - First Half 2013-2014** - Here are some highlights of our parish finances from July 1 through December 31, 2013:

- The Sunday collection is down 2.3% to last year but the budget was planned accordingly for a slight drop. We are up 1.4% over budget. Sunday collections have taken a hit earlier this fiscal year everywhere and no one knows why. One collections have been much stronger the last couple of months.
- Bank interest earned is down because the bonds rate at Fifth Third keeps dropping as they roll over. The rate is a result of the Federal Reserve's on going low funds rate that has now been very low over the past five years.
- Our 2014 festival license has been approved by the Ohio Attorney General's Office and is now on file.
- All the parish organizations are doing better than a year ago except the PTO. But keep in mind the PTO heavily funded the school library/computer lab remodel and the security system. I suggested to the PTO they do not commit to any new projects until their funds have been replenished. The PTO has been very generous to our school and helps to improve it year after year!
- The Cafeteria had a loss of \$5,179.99 in the first half. The loss is due to four issues: major repairs to the dishwasher, the walk-in cooler repairs, a missing \$1,400 check from April that did not clear until July, and the ongoing drop in the number of lunches being served. The lunch number drop is due to the government's mandate for healthy lunches. The kids don't want to eat tofu, steamed veggies, and fruit. Further mandates are coming including a ban on snacks. The cafeteria will be a financial challenge in the future that will have to eventually be addressed. We use to serve lunches to 75% of our kids and the number is down some days to as low as 25%. Many locations have stated their cafeterias are already out of money and they have to subsidize the cafeteria out of parish funds. This issue is not unique to our school.

The financial issues facing the cafeteria were openly discussed by council. It was suggested that a task force be put together to explore a resolution. Resolutions discussed including ending government subsidies and managing the cafeteria on our own. Nutrition checks and reduced or free lunch reimbursements would no longer be available. Another suggestion was to ask the PTO to subsidize the shortfalls in the cafeteria. Dick Berish would form a task force to look into the issue. Nothing probably can be accomplished for the rest of this school year.

- Overall school expenses are up by 4.9% but most of that can be attributed to the pre-school start-up costs and the new security system. Parish expenses are down by 1.9%. Thus, the overall expenses to last year in the first half are flat.

Year to date through December 31, there is nothing out of the ordinary to report. Winter heating and snow/ice removal costs could end up being a wild card.

**Archdiocese Audit** – On December 18<sup>th</sup>, I asked the diocese to audit my office prior to my retirement. They agreed and conducted a three day fiscal and procedural audit January 8, 9, and 10. A great deal of work had to be done in advance of the audit. The following processes were audited;

- Accounting controls currently in place
- Technology, server management, & and file backups
- Sunday collection counting procedures and security bag policy compliance
- Disbursement procedures
- Deposits
- Journal entries
- Mass stipend procedures
- 401k processing
- Wedding & Funeral financial logs and procedures
- Ensuring the Pastor has full control on all accounts & systems
- School tuition financial management and procedures
- Controls and management of the US Mail
- School programs ~ collection procedures and management of

- Cafeteria income and disbursements
- Personnel file management regarding diocese policies including a “selected” file audit
- Fair Trade management (not applicable to us)
- Financial Management of all parish organizations
- Cemeteries (not applicable to us)
- Festival licensing and festival management
- Gaming & gambling
- Security: Keys and security access control management
- Virtus & Child Protection (not done, but was told will be added in the future audits)

The report from the diocese states:

The auditor looked at the last 18 months of transactions (they keep going back further if they find issues). He tested the bank reconciliations, deposits, payrolls, disbursements, credit cards, personnel records, parish council & finance minutes, journal accounting entries, as well as other tests. A long list of documentation had to be pulled and made available prior to the start of the audit. A detailed 14 page set of spread sheets with questions regarding current procedures in place for the list noted above had to be completed prior to his arrival and signed by the Finance Commission members. The auditor requested total access on his own to all parish files. **Based upon the tests conducted, he found no exceptions from the items tested as a result of these procedures.**

The diocese auditor also is recommending additional procedures and changes be put into place. Our parish is required to respond to the auditor’s recommendations. The auditor will be meeting with the Finance Commission on Wednesday of this week to discuss the report and recommendations. Some of the recommendations requested to be put into place include (*comments are in italics*):

- Finance committee needs written guidelines and procedures; be more hands on regarding the parish finances (*the diocese is working on a policy for all locations to use*)
- Finance committee needs to elect officers and write up minutes of their own meetings and publish them

- *Someone will need to be appointed to write the Parish Council minutes once Mike retires ~ The diocese did ask to see the Parish Council minutes to ensure they were being done and made available ~ it was easy to direct him to the parish web site.*
- Journal entries need periodic review by someone other than business manager (*it is viewed we have too many journal entries even though the ones reviewed were all in order. We do a lot of electronic transactions which results in these journal entries*)
- The Sunday collection counting process needs to have written procedures on file
- Need two Sunday collection count teams; possibly splitting up the current team
- Someone needs to be appointed to compare PDS collection donation envelope entries to the collection report numbers to ensure they match
- Add the security collection bag # to the count report and the number of signatures on each bag (*already started*)
  - *We continue to have problems at one of the Masses where some of the ushers refuse to initial the collection bags when they put the collection in the security bag*
- Someone needs to be appointed to double check all the payroll entries made by the Business Manager
- Need written document approval by the Pastor of all pay increases or by the finance committee (as noted in their written minutes) plus interim changes signed by the Pastor in advance of the change
- Need inventory of all parish physical assets (detailed video would be accepted). (*Sacred Vessels & Vestments is on file at the diocese*)
  - *It was suggested that high school students needing service hours could be brought in to take the physical inventory*
- Need regular inventory of PTO scrip receipts and disbursements; monitored and kept on file in Bus Mgr office

- Need written accounting policies and procedures for the parish
- Need written policies and procedures for JulyFest; especially the cash office and the flow of money through the festival.
- Need to precisely follow diocese filing and record retention policy (*too many old records were found to be on file*)
- Parish secretaries need to log in all on spread sheets all cash, checks, and invoices (in detail) that come in the mail or at the office before giving to the Bus Mgr. Someone needs to check against this log to ensure these receipts were properly processed/deposited
- Someone need to audit the school office to ensure field trips student purchases, etc. are indeed all paid for
- Someone besides the Business Manager needs to sign operating account checks in addition to the Pastor. Business Managers should not be on the parish operating account (*Bus Mgr seldom signs checks unless there is a rare emergency*). Pastor or Business Manager co-sign all organization checks and this was viewed as in compliance with diocese policy
  - Cafeteria changes were discussed including better detailed documentation of purchases and disbursements
- The Archdiocese must approve all transactions over \$25,000. No one is allowed to approve any projects (including the Pastor) of this amount or higher without the Archbishop's approval in advance. The parish did not obtain approval in advance for the new handicap ramp. The front church air conditioner cost more than \$25,000 but was viewed as maintenance emergency and thus exempt. The original bid for the first phase of the security project was under \$25,000 and the unforeseen subsequent additions to the project allowed for an exemption. The files on all three projects met diocese policy because they included three bids, permits,



disbursement documentation, signed contracts by the Pastor, and all related fees.

- *The opinion was expressed to the auditor that this amount for a parish this size is not reasonable. The diocese \$25,000 limit policy is a "one size fit all" for every diocese location.*

We fully understand the need for controls. The problem that comes into play is we don't have the staffing levels to get everything done now let alone add in these controls. Sadly, the diocese is finding too much fraud and theft in many parishes. These recommendations are in good faith and their suggestions help to ensure our parish never has another problem. We must look at controls in this vein.

The Finance Committee, Fr. Bill, and Dick Berish will need to respond to the audit and prepare a written response. As most of you know, auditors do return and they bring the previous audit with them looking for the agreed recommendations to be in place. You can't respond to the audit and say we aren't going to do it. We were told that would be a serious problem in the eyes of the diocese. The next steps would be to determine how Finance wishes to proceed.

No large parish can continue to expect one person to handle all the changes that have been added over the last couple of year. No one will want the job. Days off and vacations are no longer being taken just to keep one's head above water. One works at home on the weekends. Additional help is needed. This is not just true here.

The most recent audit is an example of the increased expectations that is being set by the diocese. More is probably going to be expected, not less.

**Farewell** – Mike Gennett wished council farewell and thanked them for their support over the past 14 years. Fr, Bill has asked Mike to stay on in a part time capacity. That has yet to be finalized, but it would entail non-financial and operational duties such as the Safe Environment Coordinator and the web site (Both of these are time consuming and having one person

concentrating on them would be a plus. We are going through major change now on Virtus and the background checks with a cutoff date looming.) Mike feels very strongly that he cannot be involved in any way with the duties of the new Business Manager unless a procedural question on how something was handled in the past was being asked only by the new Business Manager. Requests for all assistance will automatically be forwarded to Dick Berish. Plus, one cannot retire from the diocese and work anymore than 19 hours a week. Whatever is finally decided must carefully be crafted to allow the new Business Manager to fully function and not have the outgoing manager involved.

Mike wishes to cut back and not continue to work full time. Part time behind the scenes is doable....and if doesn't work out, another person can be hired. That has to happen anyhow and may happen differently once Dick Berish determines what the needs are for him to be successful. At that time, further changes may be needed.

### **New Business**

Larry Bush asked it was possible to include color pictures or parishioners, etc., in the bulletin as other parishes are now doing.

Jim Conrady said he has brought this up before, but the content in some of the songs in the hymnal are objectionable. The words have been changed in some cases from their original composition. He would like to explore a hymnal change and he might be able to help support it financially. Something more traditional is needed. Fr. Bill responded that our hymnal is mainline and is used in a lot of churches. It was suggested that Jim start by discussing this with the Choir Director and the Worship Committee to see if a change is warranted.

The meeting was adjourned at 8:30 PM. Fr. Bill led the group in a prayer.

**NEXT SCHEDULED MEETING IS MONDAY, FEBRUARY 17<sup>TH</sup>.** Watch the emails for confirmation of this meeting.