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Packs of $100 bills are seen in this photo illustration. (OSV News/Reuters/Kim Hong-Ji)

Gina Christian

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In the wake of recent high-profile cases of financial mismanagement at parishes, experts said transparency, accountability and greater involvement of finance councils in parish business operations can head off losses in money — and in pastoral trust.

On Nov. 18, the Diocese of Brooklyn announced it had removed as pastor Msgr. Jamie Gigantiello, who had without notification or permission transferred close to $2 million of his parish's funds to several companies affiliated with a Brooklyn business attorney.

Related: NYC priest, relieved of parish duties, accuses Brooklyn Diocese of 'witch hunt'

Four days earlier, former bookkeeper Heather Derrey was sentenced to 27 months in federal prison for wire fraud, after embezzling more than $875,000 from her Florida parish — where she had worked for more than 25 years — to use for mortgage payments, vacations, car and boat loans, clothing and concert tickets.

In July, Kristen Battocletti, an administrative assistant at St. Francis of Assisi University Parish in Tuscaloosa, Alabama, pled guilty to stealing $300,000 from her church to purchase digital gift tokens for TikTok content creators.

A few months prior, Archdiocese of Philadelphia priest Fr. Lawrence Kozak was arrested and charged with felony theft for spending $40,000 in parish monies to play cell phone games such as "Candy Crush" and "Pokemon GO."

Understanding the risk factors for financial malfeasance, while consistently applying common sense controls and making use of an array of professional resources, can help parishes avoid such situations, two experts told OSV News.

"Embezzlement and misuse of funds usually occurs when need and opportunity meet," explained Matt Manion, professor of practice and faculty director of the Center for Church Management at Villanova University's School of Business. "An employee or volunteer has a need for more money that is often caused by an addiction of some kind — to alcohol, gambling, shopping, drugs, etc. They see their

employer, in this case the church, as a source of money to fill that need."

In such instances, an employee would "assess how easy or difficult it would be to siphon off some money," and "if the opportunity to steal is there, they will often take it," said Manion.

He stressed that while "churches cannot necessarily reduce the need risk," they can mitigate the opportunity risk through "better accountability, transparency and financial controls."

Regina M. Haney, executive director of the National Association of Church Personnel Administrators, or NACPA, agreed, telling OSV News that "a lack of oversight" is a major factor in cases of embezzlement and other forms of financial mismanagement.

Based in Alexandria, Virginia, NACPA promotes the integration of Catholic social teaching with best practices in human resources, finance and administration, infusing Gospel values into the church workplace. The organization offers a number of certifications, publications and webinars for church staff.

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Haney said that isolation in personnel structures can spell financial trouble, and stressed the importance of "having a team that understands law and that understands their finances."

She also urged parish finance councils — which along with diocesan finance councils are required under canon law — to take a more active role in monitoring expenditures and stewardship.

"When they get reports, they ought to ask [questions], and they ought to study them," said Haney. "Many times, people sit on the committee, but they don't prepare."

Ideally, those serving on a finance council "should have a financial background," she said — and they should be willing to speak up.

"Some of them think, 'Well, you know, it's not respectful,' or, 'Father knows it all,' " said Haney. "They should not be afraid to ask questions of a pastor."

"From a transparency standpoint, staff and finance council members should follow the mantra to 'trust but verify,' " Manion said. "They should audit the process for receiving and disbursing funds at least once per year. They should require detailed financial reports each month to ensure nothing out of the ordinary is happening."

He listed a number of practical steps that can safeguard against financial loss, such as having rotating teams and non-related people count the collection each week, which would reveal irregularities over time; reducing the number of bank accounts a parish uses; requiring documentation on every transaction, especially as electronic payments predominate; and separating financial duties.

"The person who makes the payments for the parish should not also be the person who reconciles the bank statements and prepares the reports for the pastor and finance council," said Manion.

Performance reviews for parish staff are also key, said Haney, who recommended "periodic check-ins."

"Do you know who your employees are and what they're doing?" she asked.

In addition, audits — which are required of parishes by dioceses — are crucial, she said.

Manion noted that dioceses can support their parishes in financial management by training parish staff in "best practices for accountability, transparency and financial controls."

For smaller parishes, which often lack sufficient personnel and resources, dioceses can provide "strategies to separate as many duties as possible with limited staff and volunteers," he said.

Manion pointed out that "a number of dioceses now use a shared accounting platform that provides real time data to the diocesan accounting office from every parish."

While "this can be perceived at the parish level as a type of 'big brother' surveillance," Manion said he "would encourage parishes to view it as more of a resource to protect them and their people from possible theft and mismanagement."

Healing from the wounds of parish financial mismanagement is "similar to the healing process for any other crime against trust," he added.

"Embezzlement by clergy or staff is a crime against the community. In many ways it is an act of violence against the trust and goodwill of the people," said Manion. "Parishes need to be open about what happened, acknowledge what went wrong, apologize for the harm it caused, and communicate what will be done differently in the future to ensure this never happens again."

The process entails "a visible commitment to greater accountability and transparency," as well as a spiritual approach, he said.

"I think a time of prayer for healing and forgiveness is also critical," Manion said. "We are all sinners, and praying for the recovery of the one who stole can also be helpful for a Christian to move forward."