

## In Des Moines, accounting sets a standard

Tom Gallagher | Mar. 2, 2009



-- Pat Marrin

### Mission Management

*Editor's Note: Good intentions are not good enough. For the church to carry out its mission, it needs management systems, trained personnel, and the oversight and accountability that people in the pews increasingly demand. It must, in short, be a well-run operation. That's what our newest feature, Mission Management, is all about. Here we will explore both success stories -- best practices in church management that can be emulated by others in similar circumstances -- and areas where those on the frontlines can learn from the mistakes of others.*

A parish is many things: a community of believers, the locale where the life of the church is played out daily, a source of attachment to the universal church.

It's also a cash business -- with all the potential pitfalls that entails.

At Our Lady's Immaculate Heart Parish, a bustling church community situated about 10 miles north of Des Moines, Iowa, in 40,000-population Ankeny, Fr. Steve Orr now worries more about tending to his 2,335 families and less about counting collection plate offerings than he used to.

In 2002, the diocese decided to upgrade its standardized accounting and database management system, which, while innovative for its time, was clunking along on an antiquated disk operating system (DOS). It wasn't easy getting 83 parishes where they needed to be: A diocesan-wide committee of pastors, business managers, secretaries and other parish-based green-eyeshade types gathered extensive information on software packages and platforms and sent out a request for proposals. Orr, who does double duty as the diocese's vicar general, was a key player in the procurement process.

Two independent firms provided the kind of software that parishes and the diocese needed: ParishSOFT, LLC, and Church Management Systems. ParishSOFT, the group found, was good at managing parish family data, such as tithing records and scheduling, while Church Management Systems had a superior general ledger package, allowing greater ease of entry and accurate reporting for parish staff.

The diocese began to implement ParishSOFT in 2003 and started using the Church Management Systems software in 2005. Around that time, in a fortuitous merger, the companies combined to create the current ParishSOFT.

Today at Immaculate Heart, Orr told *NCR*, the parish finance committee receives a complete printout of all of the financial data for the parish, which can be analyzed line by line. From these monthly reports, the finance committee provides the parishioners quarterly, summarized financial reports.

Additional benefits to the standardized programs are evident, said Orr. Standardized accounting allows for peer-to-peer dialogue, where one parish business manager can pick up the phone and discuss with a counterpart at another parish how to classify certain expense allocations or how to properly account for investment income.

Further, said Orr, "since pastors move from parish to parish, new pastors can walk into a parish and already know the accounting system and structure, which is very helpful."

Regular training is essential, said Orr. The diocesan finance office offers each parish personalized training, user group meetings every two months, and two-day seminars for more in-depth instruction. In addition, diocesan CPAs are available to parishes, and a number of deacons who are accountants in their secular lives jump in to help as needed.

### **Trust-building exercise**

Overcoming mistrust between parishes and diocesan headquarters is a hurdle that the Des Moines diocese has largely overcome, said Michael Cusick, ParishSOFT's vice president of sales and marketing. Cusick explained that "even within some parishes, data is not automatically shared with other leaders within the same parish and there remain islands of information."

The boss agrees.

"We've experienced a pleasant and unexpected outcome of implementing the current standardized accounting system," said Bishop Richard Pates. "We now have better communication between diocesan finance staff and those in parishes who send us information. We know each other by name. Building these relationships through face-to-face training opportunities has made it easier for either diocesan staff or parish staff and volunteers to pick up the phone and call if there are any questions."

The diocese's chief finance officer, Tammy Mason, concurs.

"We would never have been able to have such good relationships in the past as we do now," said Mason. "As a result of this process, we really know each other pretty well."

Today, the Des Moines diocese has 100 percent implementation by its parishes, as well as in two of its 16 schools. Several of the larger schools use a different software package, but are also independently audited. The diocesan finance office also performs the accounting function for its Catholic Charities agency.

Up next: Mason envisions that the diocese will begin to implement the U.S. Conference of Catholic Bishops' recommendations, which call for the creation of an internal audit function at the diocesan level.

*Tom Gallagher is a regular contributor to NCR. Ideas for a "Mission Management" story? Contact him at tom@tomgallagheronline.com.*

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## **Tips for selecting parish accounting software**

Those on the frontlines of diocesan and parish accounting software procurement processes have, to be sure, had their successes. But they have also had some flops and failures. Best to use the experience of others before jumping in.

Here are some suggestions *NCR* culled in the course of our reporting:

- Undertake a substantial needs assessment by gathering information from both parish and diocesan staff.
- Solicit input from outside accounting professionals to ensure data collection is of as high a quality as possible.
- Contact colleagues in other dioceses to get advice on what works and what does not.
- Undertake a parish personnel assessment to better understand who is really well-versed in accounting and software and who needs more training to come up to speed.
- Include a "request for proposal" in the procurement process as a good tool for gathering vendor information and creating transparency.
- Make sure the software vendor has substantial training and ongoing availability to troubleshoot implementation issues.
- Create a "field team" of accounting professionals who can on a regular or ad-hoc basis be available to assist one or more parishes.
- Adopt a diocesan data-management policy that governs the use and misuse of collecting, securing and distributing personal and financial data of parishes and parishioners. Software can help with password-protected access to data, but this represents only one layer of protection of data, its confidentiality and proper use.

-- *Tom Gallagher*

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