



## The Antiochian Orthodox Christian Archdiocese of North America

The Diocese of Toledo and the Midwest

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**TO BE DISTRIBUTED BY THE PARISH PRIEST TO EACH PARISH COUNCIL MEMBER IMMEDIATELY**

November 20, 2009

Dear to Christ, beloved clergy and parish councils,

Christ is in our midst! I pray you are having a blessed Fast so far. Earlier this morning I spoke with one of our clergy who informed me that a *highly respected member and hard worker of the church*, the treasurer of the parish took \$110,000 over the last 6 years. Apparently he had a serious gambling problem and no one was reviewing the bank statements, but him. The priest discovered the problem when the parish changed banks. The priest had a credit card, paid by the church in his own name but used for travel expenses to Diocesan and Archdiocesan events. As he wanted to keep his card at the same bank he opened a new account and asked the treasurer to close the old one. Later the priest checked the account and found he had \$300.00 available credit. When he asked the credit card company how much the total line of credit was, he was told \$18,000.00. The treasurer had used the priest's credit card to pay for his own immoral habits. Guess who now is responsible for the \$17,700.00? The priest! The insurance company's 'bonding rider' for the treasurer only covers a \$20,000.00 loss. Guess who is out the \$90,000.00? The church! Now the church only has \$3500.00 in the bank.

Approximately a year ago, another priest informed me the church secretary had been responsible for cash offerings and embezzled approximately \$60,000.00. He said everyone really liked her. She was very nice. His Grace Bishop Antoun told me years ago churches are easy targets as everyone is trusting and believes we are all there for the same reasons. We were discussing a false insurance claim of \$20,000.00 which involved a former pastor, council chairman and treasurer. His Grace Bishop Antoun, quipped, "Some people only come to church to steal." He then proceeded to tell me of other stories of embezzlement. On another occasion a treasurer took \$65,000.00 in CDs from the bank to support his gambling problem. The CD's were still listed on the financial statement, but when another member went to the bank to verify the CDs maturity date, he discovered they were gone. Another parish allowed their priest and certain parish council members to remove cash from the offering plate and replace it with a check. I could keep going but do not wish to think about it any further. Since coming to Toledo, I have heard too much and it breaks my heart as there is so much work to do.

At this point we need to tighten our financial practices as a Diocese. Why tempt even good people with sloppy procedures? Hopefully the problems are not too widespread, but good financial practices are preventative in essence. In order to begin the movement in the proper direction I want the procedures listed below implemented at once. A *Financial Review Committee* must be appointed annually at your General As-

sembly. If your meeting has already taken place, then one must be appointed by the priest and the Parish Council at your next meeting. Members of this Committee must consist primarily of non-Parish Council Members, i.e., from the community at large, in order to give the greatest amount of credibility to the Committee. As a Non-Profit Organization every Parish Council Member has a fiduciary duty to the faithful to follow the “Best Business Practices.” Their responsibility and liability is greater than one who works for “For Profit Entity.” Hopefully, these measures will not only protect the Church, but the priest and Parish Council as well.

On our Diocesan website [http://www.antiochian.org/toledo/parish\\_council\\_guidelines](http://www.antiochian.org/toledo/parish_council_guidelines) you will find the following:

1. Accounting Policies and Procedures
2. Sample Parish Income and expense Reports
3. Sample Cash Reports
4. Financial Review Committee Procedures
5. Sample Financial Review Committee Report 1
6. Sample Financial Review Committee Report 2

Implement these practices immediately. Additionally, your monthly bulletin must include an “Income and Expense Report” as well as a “Balance Sheet”. A complete Financial Report, with all assets, investments and accounts must be posted at least every six months. I have also provided you with links to some wonderful articles on Best Business Practices provided by Church Mutual. Their website is an excellent resource for educating our Parish Council Members on Risks and Liability Issues at your monthly meetings.

THE CHURCH MUTUAL RISK REPORTER has an excellent archive of articles on various risks for churches and non-profits. Please see all the available articles here:

[http://www.churchmutual.com/index.php/choice/risk/page/rm\\_RiskReporter07/id/38](http://www.churchmutual.com/index.php/choice/risk/page/rm_RiskReporter07/id/38)

Church Mutual also has a variety of RISK ALERTS for churches and non-profits here:

[http://www.churchmutual.com/index.php/choice/risk/page/rm\\_riskalert/id/41](http://www.churchmutual.com/index.php/choice/risk/page/rm_riskalert/id/41)

The following are specific articles of importance as we tighten our procedures and increase our accountability for the donation we receive.

FINANCIAL SAFEGUARDS: PREVENTING EMBEZZLEMENT

<http://www.churchmutual.com/riskalert/displaycontent.php?id=29>

FINANCIAL SAFEGUARD: PROTECTING OFFERINGS

<http://www.churchmutual.com/riskalert/displaycontent.php?id=28>

A FINANCIAL PANDEMIC IS SWEEPING THE COUNTRY

<http://www.churchmutual.com/riskreporter/displaycontent.php?id=33&page=feature>

BACKGROUND CHECKS ARE PAYING OFF

<http://www.churchmutual.com/riskreporter/displaycontent.php?id=12&page=risk>

FUND-RAISING FRAUD: PROTECT YOUR ORGANIZATION

<http://www.churchmutual.com/riskreporter/displaycontent.php?id=21&page=feature>

STEPS TO HELP PROTECT YOUR RELIGIOUS ORGANIZATION AGAINST FRAUD

<http://www.churchmutual.com/riskreporter/displaycontent.php?id=25&page=feature>

These articles have all been written for a reason. It is truly sad that an insurance company for churches must provide ways of protecting the church from fraud and embezzlement. Once your Financial Review Committee is appointed please submit their names, contact information and whether they are current Council members to the Diocesan Office for our records. Hopefully at our next Parish Life Conference we can discuss implementation of one accounting program for the parishes of the Diocese, whether it be Quicken or QuickBooks, or something similar. Perhaps we can also address an External Financial Review Committee for the Diocese at that time as well as expanding the content of our Parish Council Workshops to include the Fiduciary Responsibilities of Parish Council as well as Best Financial Practices. Please keep me in your God-pleasing prayers. I look forward to seeing you at the Clergy Retreat in December. Have a blessed Thanksgiving.

Your unworthy father in Christ,

+ Mark

+ Bishop Mark

CC: Most Reverend Metropolitan Philip; Diocesan Clergy; Diocesan Deacons; Parish Councils of the Diocese