Diocese of Rockville Centre

DATE: May 6, 2014

TO: Pastors/Administrators and School Principals

FROM: Kevin T. Murphy

SUBJECT: PARISH/SCHOOL SOFTWARE SELECTION

In early February I wrote advising you of the need to transition many of our locations to a new General Ledger software.   LOGOS Church Management Software has been acquired by a new entity, and will no longer be supported in 2015.   Additionally, there are still some of our parishes and schools using the Macola General Ledger software package which can no longer be supported.

The committee that was formed to examine the needs of our parishes and schools and select an appropriate package has completed their evaluation process.   The committee comprised of Diocesan, parish and school representatives and hands-on users, all worked diligently over these past few months researching, reviewing, and evaluating several products to replace LOGOS and Macola.

There were numerous selection criteria that the committee felt was paramount for a successful transition, and their selection was determined on how well the software met the requirements that they defined, which included strength of system controls, security, ease of use and affordability. Additionally, once the selection was narrowed to two viable alternatives, we engaged an independent accounting firm to test the criteria that the committee had established.

I am pleased to announce that the committee has recommended CathoNet hosting services of Intuit's QuickBooks Pro.   CathoNet will provide a reliable and secure "cloud-based" platform to host QuickBooks.   They have a successful track record providing services to many Archdioceses and Dioceses throughout the country.   Many of our parishes already have familiarity with the QuickBooks product, and the transition to a secure hosted environment will be relatively seamless for these locations. Parishes who are currently using LOGOS, Macola, or any other product will find learning the new software very easy.   Included in this announcement is information about the CathoNet product (attachments).

Regarding the cost of the product – the initial purchase of the Intuit software license (QuickBooks Pro) will be about $200, and the cost of the hosted desktop access will be $54.99 per month per hosted user. CathoNet is waiving the initial setup fee for those parishes and schools that will complete desktop setup prior to October 2014.   Additionally, CathoNet will provide discounted software license purchase if the Diocese has sufficient involvement in the new transition.

With the selection now in place, we are focusing on the next step – ensuring that our parishes and schools currently on LOGOS transition to CathoNet prior to the start of our September 2014/2015 fiscal year.   The LOGOS database will no longer be available to you in 2015.   The LOGOS users should immediately:

- ✓ Begin making backups of your financial records – review record retention recommendations and make sure you have back-up copies of your data.

- ✓ If you wish to transition to the CathoNet product, please contact Mary Anne Coleman (mcoleman@drvc.org).   She will provide you with their Services Agreement and assist you in contacting the vendor, training needs, and implementing the product.

Making a successful transition requires time, planning, and patience.   The LOGOS users will obviously be given priority in this transition, but it is hoped all our Diocesan parishes and schools will review this product offering and agree with the committee that this is the best step to move our Diocese further along towards standardization of our software and accounting practices and procedures, including integrity and security of our financial data.   We believe strongly in the importance of this initiative and are prepared to support your staff in moving toward CathoNet/QuickBooks.

As always, thank you for your cooperation.

CathoNet™

Aligning Mission, Ministry and Technology

Cloud-Based Hosted Accounting

Our Mission

CathoNet partners with clergy and staff to provide easy-to-use, affordable information management tools and process expertise that strengthen parish administration, support the sacramental and pastoral mission, and connect us all in greater service to the Church.

Who We Are

CathoNet aligns mission, ministry and technology to better serve the North American Catholic Church.

We deliver effective, easy-to-use, affordable information management solutions that help parishes, dioceses, schools, and other faith-based organizations maximize their sacramental and pastoral mission.

What We Do
Simplicity and Value Start Here

CathoNet delivers technology that enables clergy and staff to work together easily throughout a diocese by making industry leading software securely available through a familiar desktop computing and collaboration environment.

CathoNet brings you the benefits of cloud computing with easy setup, rapid deployment, no up-front capital outlays, low pricing, automatic software upgrades, and dramatically improved security, reporting, auditability, and usability.

CathoNet's cloud-based Accounting Platform delivers **Standardization without Centralization**. This effective approach enables parishes and schools to maintain control over their accounting while enabling dioceses to establish financial standards thereby achieving excellent visibility, oversight, and fiscal control. Like no other solution, CathoNet brings dioceses together smoothly and easily.

How We Are Different

As participants and leaders, we have walked in your shoes and we understand your challenges and the importance of making the right technology choices.

By cloud-enabling familiar desktop applications, CathoNet saves dioceses tens of thousands of dollars and countless hours that it would otherwise spend training staff to use solutions that are not used anywhere outside the Church.

By committing to standard applications, CathoNet gives you confidence that your technology investment is backed by industry giants that serve millions of users world-wide.

By leveraging ubiquitous applications, CathoNet enables dioceses, parishes, and schools to leverage the expertise already present in their membership. With CathoNet, your diocese can literally be in the cloud in weeks, just like many CathoNet dioceses that we already serve.

Benefits

• Fiscal Controls and Transparency with Full Audit Trails
• Full FASB 117 Compliance for Fund-based Accounting
• Standardized and Consolidating Reporting
• Proven Accounting Applications including QuickBooks
• Fully-Managed, Secure, Enterprise-Class Solution
• Realize Benefits for your Entire Diocese Within Weeks

Introducing the Future of Church Fiscal Management

CathoNet provides Internet-based cloud computing services through our cloud-based Accounting Platform solution along with our highly-affordable, scalable, user-based subscription model. As the following graphic demonstrates, cloud computing is like an advanced electricity grid—an outsourced technology that provides shared software, information, and related resources securely and on-demand to client computers and devices.

To ensure success, our expert process review brings together faith community stakeholders to help parishes, dioceses, and schools identify and prioritize their evolving fiscal management and administrative needs. The result is a Process Improvement Blueprint designed to improve parish and diocesan procedures and overall effectiveness.
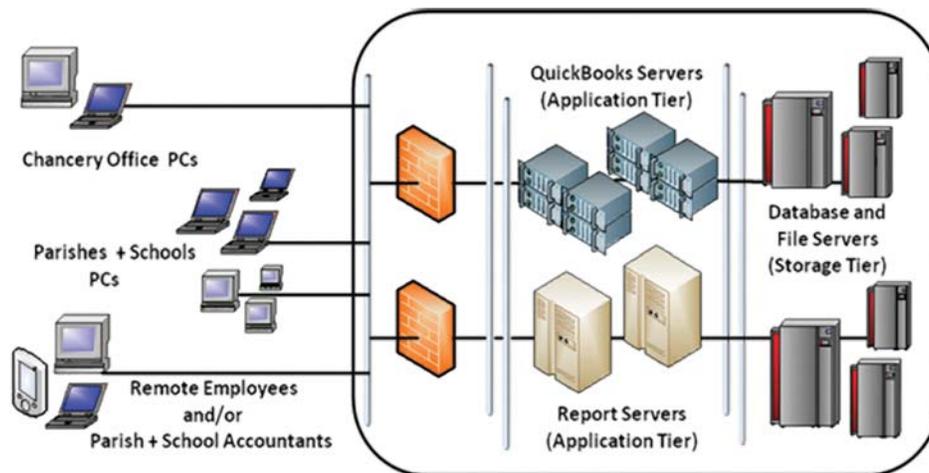
What's Included

CathoNet's cloud-based Accounting Platform leverages the phenomenally successful hosted accounting and financial reporting solution originally offered by Right Networks—now available exclusively to the Catholic community through CathoNet.

Features include:

- Parish/Diocesan Administrative Process Review
- Parish/Diocesan Accounting
- Anywhere Anytime access to Fiscal Data
- Fully Managed Service
- Full Daily Data Backups with 90 day Retention
- Not-for-Profit Consolidated Reporting
- Export, Print, and Save reports to MS Excel and Word
- Business Applications that you Already Know How To Use

Easily Manage Your Financial Records

CathoNet's hosted solution enables geographically dispersed organizations to collaborate as a coordinated team. Rather than having to copy data, send it through unsecured e-mail, reorganize and standardize data after-the-fact, CathoNet enables multiple viewers in multiple locations to securely access, edit, and view critical data together in real-time—parish and diocesan leaders can manage their accounting data with maximum ease, financial savings, and impact.

Our goal is to enact positive change and to strengthen public trust in the Catholic Church. We also save you time and money otherwise spent managing:

- Secure Sharing of Financial and Other Information
- Standardizing Software and Procedures Diocese-Wide
- Implementing Business Continuity and Reliable Computing

Quickly Report on Finances at the Parish, School and Diocesan levels

As partners, we know that our Church clients have a critical need for better clarity, coordination, and consistency in how parishes, dioceses, schools, staffs, volunteers, and ministries coordinate and report on financial and accounting activities.

To help Church leaders and staff accomplish this, CathoNet's enterprise-class, not-for-profit reporting solution aggregates data across all the parishes and schools hosted in the cloud and provides consolidated fiscal reporting at the click of a mouse. CathoNet provides Bishops, Pastors, School Superintendents and Principals with timely and accurate information enabling them to be better stewards of the sacred resources entrusted to their care.

Clearly Communicate Across Your Community, Parish, Diocese, and School

Maintaining timely and accurate financial data and reporting are critical objectives for parishes.

CathoNet solutions provide unsurpassed financial information integration and the ability to consolidate accounting data from across multiple parish and schools throughout the diocese in a timely, cost-effective manner.

In addition, through consolidated reporting, data standardization, and financial report submissions, CathoNet solutions also enhance the level and quality of communication between parishes, dioceses, and schools.

CathoNet™
Aligning mission, ministry, and technology

An Entire Network of Providers at Your Service

In order to meet the needs of dioceses across North America, CathoNet has created the CathoNet Partner Alliance, a consortium of best-of-breed organizations that work with CathoNet's acclaimed accounting and collaboration platform.

Combining the strengths of industry leaders, the CathoNet Partner Alliance delivers the best solutions for accounting, fiscal oversight and controls, standardized financial reporting, diocese-wide collaboration, tuition management and payment processing, payroll services, property/casualty and risk management, health insurance enrollment, and more.

The Business of the 21st Century Catholic Church

Technology Can Help Manage the Business of the Church Without Turning the Church into a Business

Deacon Bill Koniers - Roman Catholic Diocese of Bridgeport, Connecticut - President, CathoNet, LLC
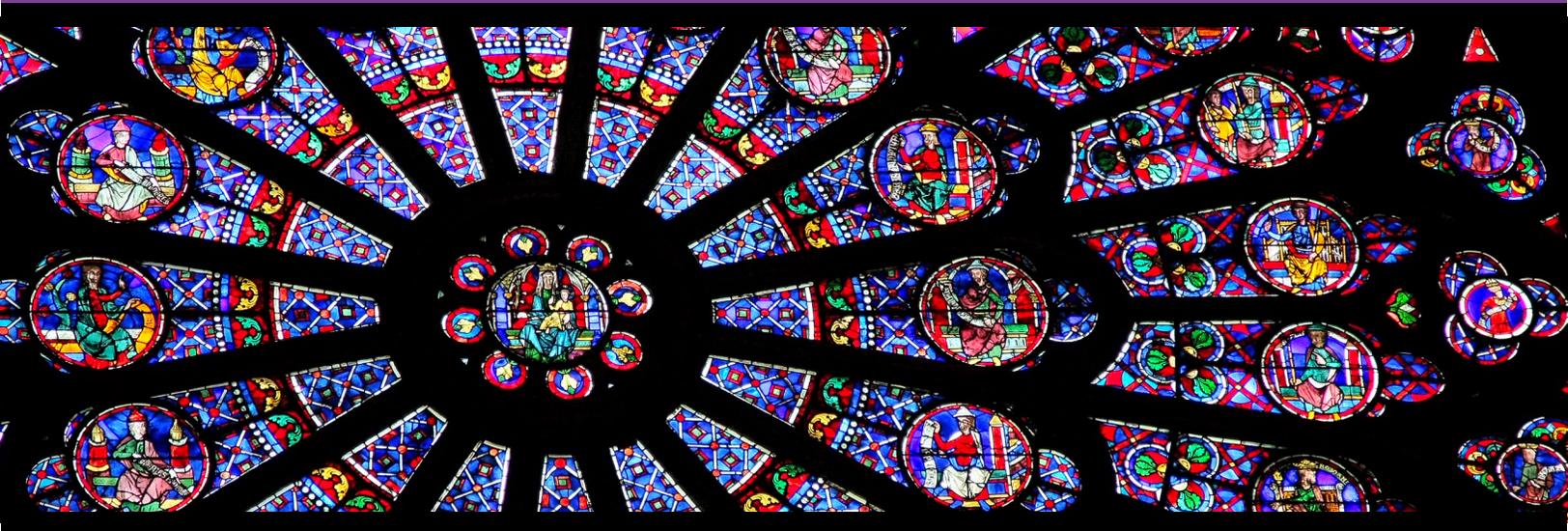
Update 2013

Well over a year ago, we published this white paper as a means to communicate to the clergy and employees in positions of leadership in archdioceses and dioceses around the nation the urgency needed to address the dynamic changes in our country and Church. Our economy and especially the uncertainty of the implementation of our government's Affordable Health Care Act are two factors that continue to provide challenges to businesses and organizations, especially in the nonprofit world.

As a result, our Church Leadership is recognizing the need to sharpen her management skills and to leverage technology that can provide the standardization of best practices and processes that will provide information in virtual real time. So the use of the words such as cloud technology, data analytics, metrics and risk management need to continue to become the vernacular of those individuals responsible for supporting the sacred mission of our Church.

21st Century Challenges

How can Diocesan Financial Administrators better support the Pastoral, Sacramental and Educational Missions of our Catholic Church in the modern world?

Enabling Good Decisions and Empowering Good Management

It is no secret that we are living in difficult times. Many economists suggest that our nation has not yet recovered from the recession of the last several years. Savings and pensions have been dramatically reduced. Many are frightened by the number of businesses and banks that have failed. Cities and towns are on the edge of bankruptcy. More and more people are surviving on government subsidies and entitlement programs. Unemployment remains high and too many people are jobless. Our Church has not escaped this economy.

Parishes and schools across the country are closing at an alarming rate due to a lack of parishioners, students, and money. Inconsistent financial and administrative environments are common across many of the 195 dioceses, 19,000+ parishes, and 7,500+ Catholic schools throughout the United States. Critical financial and operational data is often not shared with the right people and, when it is, it is reported long after time-sensitive decisions need to be made. This environment leads to a lack of accountability, transparency, internal controls, and data sharing amongst key parish and school stakeholders.

Our faithful are saddened by occasional misuse of the temporal goods in some parishes around the nation. Every time that such troubling news is reported, the laity (who are also our donors) become more disillusioned, more questioning. "Why can't our parishes do a better job managing our Church?" they ask.

As an example, many Pastors do not know how much cash is in the bank, how many bills are due for payment or how many parishioners are registered in their parishes. Catholic School Administrators often struggle to understand their school's financial condition and to track their school tuition payments. The current systems do not provide an efficient means to manage funds or provide proper financial transparency.

While there are many approaches to addressing this problem, all successful solutions include standardizing the processes and systems for managing financial data. We need to provide our good Bishops, Pastors, School Superintendents and Principals with useful management and timely information tools so that they can become better stewards of the sacred resources entrusted to their care. If we don't, we jeopardize the spiritual, pastoral and sacramental mission of our Church. I learned many years ago while working at General Electric that we all must share a common vision that "Information is the basis on which good decisions are made."

In order to enable good financial decisions, the critical information on which these decisions are made must be readily available. Businesses are increasingly benefitting from new technologies to address these same needs. One of the most important of these technologies is "Cloud Computing" and, based on the success that my diocese has enjoyed through cloud technology, I believe that the Church should apply this technology more broadly especially with diocesan, parish and school financial systems.

In addition, proven management processes must be in place so that this key information is applied in full support of the mission of the Church. These processes include standardization, accountability, training, and the sharing of best practices across the many functions of management.

Improving Technology through Cloud Computing

"Experts in the field of computing generally state that by 2020, almost all companies, including faith-based organizations will access software and share information through the use of remote cloud server networks."

Cloud computing, in its most basic terms, refers to the transfer of the normal work processing and data file storage from residing on our local personal PC's and laptops over to secure outsourced data centers that now manage our applications and files over the Internet. These services are offered from data centers all over the world, which collectively are referred to as the "cloud."

The use of the word "cloud" is helpful when describing to people, the network connections and computer systems used for hosted applications and web-based environments. Many network diagrams use cloud images to represent the global internet. These images symbolize the Internet's broad reach around the world while simplifying its complexity. Any person with an Internet connection can access the cloud and its services. Since these services are often connected, computer users and organizations can share information between many systems and with other users.

Experts in the field of computing generally state that by 2020, almost all companies, including faith-based organizations will access software and share information through the use of remote cloud server networks. The cloud will supersede the use of information processed and stored on individual, personal computers that are not connected with each other or to their parent organizations. This anytime, anywhere access continues to open a new world for our Catholic Church. Parish and school leaders will be allowed to enjoy the ease of access and flow of information that will allow parish and school leaders to be more effective in making decisions on the important work of building the Kingdom of God in our real-time society. In case you were wondering, the results in the Diocese of Bridgeport CT and under the leadership of Most Reverend William E. Lori were amazing. Since 2007, their experience has been repeating itself in many other dioceses across the nation, too.

Cloud computing is now beginning to transform how dioceses manage their temporal goods. It is a fact that good and reliable financial systems are the central nervous system of parishes, schools and dioceses. A good standardized accounting system in each parish and school must be easy to use and deploy and easy to train for those who will use it. The supposition is that new technology and processes will streamline our Church in the 21st century. The integration of best-in-breed accounting systems, payroll, tuition management and school information systems, risk and benefits portfolios and investment asset management systems are critical for future dash-board reporting at the Diocesan level.

Cloud technology provides the Catholic Church with the following benefits:

Anytime/Anywhere Access: Cloud computing is "always on," making it easy to support clergy, employees, Finance Councils, Principals, or school boards because people can access the cloud anytime from anywhere around the globe, 24/7.

Data Security: The level of security, immediate availability, disaster recovery, and data back-up provided by outside technology vendors exceeds that which parishes or schools can provide for themselves. We only need to recall Hurricane Katrina and the devastation of the archdioceses and dioceses across our Southern states that lost all of their critical data. Data security "in the cloud" can protect parish data from tornados and floods that have become more prevalent in recent years.

High Uptime Availability: Cloud architectures are designed for maximizing computer and communications performance. The benefits have proven that they can provide better application availability than the conventional technology staffing in each local parish, school or diocese. On-site staffing is becoming more expensive than outsourcing.

Reduced Expense Overhead: Hardware and software upgrades, maintenance, and system upkeep are managed by outside vendors. Parish or school employees don't need to spend unimaginable time as computer engineers while also responsible for overseeing parishes or schools. They don't need to hire outside IT people at $200 an hour to load new software or fix crashed computer systems.

Rapid Deployment: Parishes and schools can be up and running with state-of-the-art financial and information applications, within a few weeks or months, rather than the traditional six to twelve months it would take to install, train, and troubleshoot conventional software on desktop computers.

Subscription-based Pricing: Organizations pay as they go on a monthly basis, unlike conventional IT systems where dioceses are required to fund a huge up-front investment in licenses, hardware and software. Our Church benefits from better cash flow, sharing of communications and data and far greater IT flexibility.

Improving Management by Improving Processes

Accounting: Business managers and bookkeepers that have discovered the power of the cloud are operating their parishes and schools with timely, accurate information and the best systems leverage leading accounting applications to leverage knowledge already present in a diocese. Standardized charts of accounts across a diocese enables Diocesan CFO's, Pastors, School Principals, Parish Councils and School Boards to compare "apples-to-apples" when managing finances and provides a common vocabulary so parishes and schools can share best practices and work together to develop excellence in a diocese. Standardized reporting allows Catholic Parishes and Schools to manage their finances with the same tools used by Fortune 500 companies affordably.

Payroll: Tremendous advances have taken place inthe world of payroll where cloud technology streamlines the relationship between in-house payroll data management and experienced payroll vendors. Today's payroll can be outsourced and integrated easily with an accounting solution at a very reasonable cost. The outcome is that time and attendance processes realize time and money savings coincided with increased payroll accuracy. Pastors or School Principals can return to managing their most valuable resource in the Church – people. Managing federal, state, and local tax and other withholdings such as Social Security, Medicare, pension contributions is simplified. Payroll today should be a no–brainer for our Church through outsourcing a gold-standard vendor in the cloud.

School Tuition Management: Parochial School System Superintendents and Principals are keenly aware of their modern day challenges. In Catholic Education, tuition revenue is the fuel that keeps our school doors open. However, the fact is that our administrators and educators are focused on developing students, rather than chasing tuition payments. Many catholic schools today use a mix of various school tuition vendors. Unfortunately, the widespread use of tuition management standardization across an entire diocesan school system has been slow to develop. Individual schools in the past have been left to choose their own tuition management provider without grasping what I describe as "the common good" for all schools. Forward thinking diocesan school systems must now take the time to determine best practices amongst all schools. The good news is that several forward thinking dioceses are now beginning to understand the benefits of cloud technology and standardization by selecting one high-quality tuition vendor. The result is that a common platform of data information across all schools is available for making decisions for the common good of all schools. This trend must continue to grow in years to come in order Catholic Education to maintain its presence across the nation.

Property & Casualty Insurance and Risk Management: The Church will always need insurance, but the 21st century has afforded us great tools (actuarial, risk management information systems (RMIS), online training, to name several) and committed partners to manage this differently, with prudent self-insurance enabling the diocese to reclaim dollars for ministry over the long term. The creation of a loss fund across all lines, and having up-to-date appraisals online, accessing and closing out claims real time, separate from the carrier, will together create a financial picture that needs to be proactively managed in order to maximize cash flow and return dollars to ministry. Balancing this will be a desire to invest in the infrastructure and people or to strengthen and improve outcomes and reduce the cost of risk. Dovetailing this tactical information with an overall diversified and layered risk financing strategy will also insulate the diocese from the instability, unpredictability and volatility of the insurance marketplace over time. You create and endow a profit center for protecting your ministry long term versus purchasing insurance per se.

Benefits and Wellness: Our people, clergy and lay employees, are the heart of our evangelization. The 21st Century once again has given us tools to better control the cost of healthcare through collaboration in self-insured programs, analytics and carefully carved-out networks that support our mission. This independence, gained through self-insurance and prudent management of the claims coupled with an investment in proactive wellness will produce independence, cash flow, investment and strategic decisions that will help reduce the cost over the long term.

HR & Employee Benefits Enrollment & Administration: The ubiquity of cloud computing offers benefit plan administrators an unparalleled opportunity to easily incorporate best-practices, operational standardization, and cost-controls into their employee benefits enrollment and administration programs. Modern employee benefits administration systems, particularly those solutions positioned as cloud technologies, empower employees and administrators with self-service while providing controls for the employer's & insurers' eligibility rules and regulators compliance requirements. The remarkable complexity of today's benefit plans, which include a wide array of plan options, eligibility rules, premium cost sharing arrangements, billing strategies and compliance, all drives plan costs. The administrative mistakes, legal actions, and enrollment inaccuracies are analogous to the old expression of leaving millions of dollars on the cutting room floor. Today's benefits administration systems can virtually eliminate the expenses while empowering all stakeholders to partake in the enrollment and administrative process.

Retirement Plans: The work of the church is conducted through our Clergy and Lay employees. As the economic climate continues to be uncertain it is important that the organization has a meaningful and well thought out retirement strategy for both the Clergy and lay population. The challenge to maintain traditional defined benefit plans is increasing as cost pressures to schools and parishes rise further and further. The shift from this form of retirement plan to a defined contribution continues as a general trend, however, the traditional pension plan will remain an important component and will continue to require focus and attention. Further, with employees extending their working life due to their lack of retirement savings it will most certainly have an impact to dioceses' overall costs to provide healthcare, workers compensation as well as compensation/salary. The need for financial and human resource officers to ensure they are not only mitigating their fiduciary and legal risk around their retirement programs but also maximizing the effectiveness of retirement programs. Developing the best strategy to deliver a meaningful retirement benefit and helping employees understand the need to save for retirement is paramount to the financial well-being of each diocese.

Investment Portfolio Asset Management: Many organizations in our Church have seen a decline in giving as the result of the economic conditions in our country and occasional misfeasance and malfeasance. Church leaders must not only provide a financial cushion for our parishes and schools to weather the bad economic times, but also increase the endowments on which our organizations can draw. To that end, parishes, schools, dioceses and all Catholic institutions must invest financial assets wisely and prudently with organizations that can provide transparency for the assets that are managed. All of this detailed, up-to-the-minute information on portfolio management is now available in the cloud. In the Gospel of Matthew, Our Lord uses the parable of the wise servant to make this very point. Knowing that their gifts to the Church are used and invested wisely with good internal controls in place can very often put the minds of donors at ease, and encourage them to support our financial needs more generously. Utilizing good financial advisors that adhere to the socially responsible investment guidelines of our Church is key.

Conclusion

The leadership of Archdioceses and Dioceses now has an opportunity to harness modern day technology and business processes so that the important mission of our Catholic Church can and will continue. They must collaboratively find ways to continue to leverage good technology with the integration of critical financial systems. This goal can only be accomplished by beginning business re-engineering process reviews that will leverage the core competencies of our overall financial platforms into a technologically integrated platforms unlike the Church has ever seen before. If successful, enterprise solutions will be created that will continue to provide accountability, transparency, internal controls, and key metrics dashboard reporting to dioceses that will support the Church's mission for years to come. In short, "Technology can help manage the business of the Church without turning the Church into a business"

Deacon Bill Koniers is a recognized change agent inside the U.S. Catholic Church today. As Director, Parish Finance Services for the Diocese of Bridgeport, Deacon Koniers oversaw the comprehensive re-engineering of parish financial administration to achieve immediate transparency and accountability to parishioners. This major process re-design effort required significant collaboration among Pastors, Parish Finance Councils, lay staff and volunteers across 87 parishes, and became the impetus for a strategic partnership with CathoNet and its rapid application of best practices and secure, affordable cloud technology.

A native of Philadelphia, PA, and graduate of Philadelphia University, Deacon Koniers, 59, has more than 36 years of experience in global corporate management and operations. He spent 11 years in various management positions with General Electric, and another 11 years with Pirelli North America. Prior to joining the Diocese of Bridgeport in 2006, Deacon Koniers held senior executive roles with Air Products Healthcare, a $300 million regional provider of ancillary home healthcare products and services, where he implemented a new order-to-cash revenue cycle and far-reaching company-wide change management.

Deacon Koniers was ordained to the Permanent Diaconate by Bishop William Lori in 2004, and presently serves at Saint Pius X Roman Catholic Parish in Fairfield, CT.

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