

## ARCHDIOCESE OF PHILADELPHIA

---

222 North Seventeenth Street • Philadelphia, Pennsylvania 19103-1299  
Telephone (215) 587-4507 • Fax (215) 587-4545

OFFICE of the VICAR FOR ADMINISTRATION

February 11, 2008

Vidi  
Fr. Gerlach

Reverend Michael J. Gerlach  
Holy Saviour Rectory  
108 East Ridge Road  
Linwood, PA 19061

Dear Father Gerlach:

Thank you for submitting your Annual Parish Financial Report for the fiscal year ended June 30, 2007. The generosity and faithfulness of your parishioners as well as your own leadership regarding the parish's fiscal and temporal aspects are greatly appreciated. I am also grateful to those parishes which continue to responsibly address financial obligations in an effective manner through debt service plans, loan amortizations, and capital improvement plans.

The Office for Accounting Services has reviewed your report and wishes to convey their own observations listed below. If you have any questions concerning their evaluation of your financial activities, please address your inquiries directly to the Office for Accounting Services at 215-587-2477.

I must remind you of the archdiocesan policy which requires that every parish have an active, competent and informed Parish Finance Council in place and that pastors consult with their Council on significant matters affecting parish finances. Please refer to the document: *Purpose, Principles and Responsibilities of the Parish Finance Council*, and review this document with council members and parish staff (*Additional copies are available through the Office of the Vicar for Administration*). Also, in keeping with good stewardship, all parishes should report the results of parish operations to the entire parish community on a regular basis, at least annually, in a manner most appropriate to your situation. Samples of parish reporting are available in the *Financial and Administrative Resource Manual* or by calling the Office for Accounting Services.

The outstanding archdiocesan obligations owed by a considerable number of parishes is a growing concern. These obligations include the following unpaid billings: priests' automobile, health insurance and pension premiums; parish property and Fleet insurance; lay employees' pension premiums, disability insurance and workers' compensation insurance; and archdiocesan assessments. Satisfaction of the expenses related to insurance and employee benefits is fundamental to a parish's ability to operate in a responsible manner.

Holy Saviour Parish, Linwood  
February 11, 2008  
Page 2

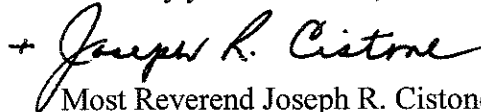
Debt service plans remain the best format for a parish's ability to address outstanding receivables. We are grateful to those parishes which are steadfast in keeping with their plan. If possible, please consider accelerating the retirement of this debt. If you have begun to accrue payables this past year and do not have a debt service plan in place, I urge you to work with us in order to devise a plan as soon as possible. The Regional Vicars and staff of the Office for Accounting Services remain most willing to work with pastors and parish staff who have difficulty meeting their fiscal obligations.

As administrator of parish funds, you are required to adhere to all archdiocesan policies and civil laws regarding record keeping and taxes. The monetary and legal consequences of non-adherence, particularly in the area of taxes, will negatively affect the financial stability of the parish and, in turn, the Archdiocese. Archdiocesan policies regarding the reporting of income and the withholding of taxes as prescribed by federal, state and local law must be stringently applied. Penalties, which can be severe, will be imposed by those civil authorities.

Pastors, business managers and accountants are also obliged to follow all archdiocesan policies regarding financial record keeping and reporting, e.g., 1) procedures for counting collections; 2) recording of income, expenses, deposits and withdrawals; 3) withholding of taxes for priests and all employees, as well as the remittal of these taxes to the appropriate entities in a timely manner; 4) safeguards regarding the signing of checks; 5) clear delineation between personal and parish funds; 6) timely remittance of all funds related to extra-diocesan collections; and 7) accurate reporting to the Archdiocese of all parish assets and liabilities. Regional Vicars, with the assistance of my office, the Archdiocesan Finance Council, as well as the Offices for Audit and Accounting Services, have been charged with the responsibility of ensuring that archdiocesan policies in these areas are adhered to without exception.

Grateful for your cooperation regarding these temporal matters and with fraternal best wishes,  
I remain

Sincerely yours in Christ,



Most Reverend Joseph R. Cistone, D.D., V.G.  
Vicar for Administration

Comments:

We commend you on your efforts to improve your parish's financial stability during these financially trying times.

Holy Saviour Parish, Linwood  
February 11, 2008  
Page 3

The new "Purposes, Principles and Obligations" approved by the Cardinal for Parish Finance Councils in November 2004 requires that Council members review and sign the Annual Parish Financial Report. While we acknowledge and appreciate the timely submission of the report, we respectfully request the forwarding of the Finance Council Members' signatures at your earliest convenience.

We recommend that you continue working with your finance council to develop a plan that can assist in reducing your need for assistance from the IPCC, wherever feasible.

We gratefully acknowledge your stewardship of the parish resources and support of the Archdiocese.