

CFC Purchasing Program Continues to Grow

In the fall of 2012, Catholic Finance Corporation began working on a cooperative purchasing program for the benefit of organizations within the Archdiocese of St. Paul and Minneapolis in the fall of 2012. The objective of the program is to provide parishes the opportunity to purchase products and services at a reduced price by leveraging the collective buying power of participating parishes. Target Corporation has been very helpful in getting this process off the ground, providing their expertise and assistance in creating arrangements with potential vendors.

Currently, Catholic Finance Corporation has negotiated competitive pricing in nine areas where churches and schools spend a significant amount of money: financing, asphalt, copiers, office supplies, cleaning supplies, technology, payroll services, roofing, and cellular phone services. Thus far, the most utilized program has been preferred pricing for office supplies with OfficeMax. Fifty-three organizations have taken advantage of this program in FY 2014. Technology discount pricing has also been a popular program, with 20 parishes taking advantage of discount pricing for computers from Dell and Apple this year. Many products and services recently have been added to the offerings, and we expect program utilization to continue to grow exponentially.

Parking lot assessments and national pricing on asphalt is an offering that has been picking up momentum as of late. Since parishes have a large amount of asphalt around the church and school, and in other areas like cemeteries, this was one of the most logical products to start purchasing cooperatively.

Catholic Finance Corporation conducted a review process of various vendors, and was able to negotiate a discounted rate for asphalt with Bituminous Roadways, a company that also is known for their high level of integrity and service.

Denny Farrell, business administrator at Guardian Angels in Oakdale, has been working with Bituminous Roadways on various parking lot projects since 2008. Denny said, "When CFC announced that Bituminous was the vendor chosen to do the work for parishes and schools, it again verified that we (Guardian Angels) were using the right asphalt contractor. We had our assessment done in 2013, and followed through on some of the recommendations last fall. This year, Bituminous will finish with the last of the assessment recommendations. I feel they are the most knowledgeable, quality-oriented, and cost conscious asphalt vendor in the Twin Cities. They hopefully will be able to take care of our asphalt needs for the next several decades."

The assessment Denny referred to was paid for through a grant from the GHR Foundation that covered the cost of an independent parking lot assessment for any parish that wanted one in the summer of 2013. Fifty-one parishes took advantage of the offer. There were 11 parishes that completed work in 2013, and many more that are planning to do work in 2014. The program was so well received that CFC once again will offer an assessment to the first 50 parishes who would like to receive one, provided that they have not already taken advantage of a complimentary assessment. For more information, please call our office at (651) 389-1070 or contact John Povolny, Program Manager at jdповолны02@gmail.com or (612) 804-9023. For

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those parishes who need work done on their parking lots but don't have the money saved up to do so, please call Catholic Finance Corporation to explore possible financing options. We have developed a process that is simple and very cost-effective.

Catholic Finance Corporation is very pleased with the cooperative purchasing utilization for several reasons: 1) parishes and schools are saving money, 2) parishes and schools are getting service tailored to their unique needs, 3) the GHR Foundation, who gave a grant to cover the startup costs of this program, is seeing value in its investment, and 4) the Catholic Finance Corporation Board, who committed to making some staffing and other resources of CFC available to get the program rolling, is pleased with the progress. CFC appreciates the input, feedback, and participation of our clients. Your decision to work together is what has allowed this program to succeed thus far. Keep up the great work, and keep encouraging your fellow administrators to take advantage of the program. More volume means more savings!

Excellence in Catholic Education (ECE) Update

For the last three years, CFC has spearheaded the development of ECE, an initiative that arose from the 2010 Archdiocesan strategic plan. The initial focus has been to gather financial data from schools, aggregate the data consistently, and provide relevant information back to the schools in a format that aids parish and school leadership in planning and strategic decisions.

An early step of this initiative focused on the development of consistent accounting policies. In collaboration with the Archdiocese, CFC has been involved with the development of and training in accounting policies. The annual Standards in Ministry conference, held every August, highlights upcoming changes to accounting policies within the Archdiocese. In addition, individual clinics offered throughout the year provide more detailed training. Some examples of the previous training sessions included tuition revenue recognition, expense allocation, and net asset recognition. In conjunction with the accounting clinics mentioned above, CFC also provided budgeting clinics to assist parishes and schools with the budgeting process. The clinics included a collective assortment of best practices, templates, and helpful discussions. A copy of the budget clinic presentation can be found on our website at www.catholicfinance.org.

Another important step of the ECE initiative is to gather data from the schools. For the 2012-2013 year, CFC utilized the MCEA data. This enabled CFC to streamline and limit the number of data requests for financial data. During the MCEA process, each line item was defined in order to align with the changes in accounting policy and to aid in the consistency of the completion of the form. As a result of this process, CFC has created a report from the 2013 financial data that includes calculations of the following indicators: cost to educate, student-teacher ratio, parish investment, average tuition collected, and enrollment. This report can also be found on our website.

ECE is an ongoing initiative to assist parishes and schools in an effort to increase and strengthen the viability of Catholic schools within the Archdiocese. Please contact CFC for further individual assistance with implementation of accounting policy, budgeting or financial planning.

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