

## Purchasing Program Helps Parishes and Schools Stretch Dollars

*By: Jennifer Janikula—Reprinted with permission of the Catholic Spirit*

A penny doesn't buy much these days. But, the sentiment of Ben Franklin's wise words, "A penny saved is a penny earned," still rings true, especially for the 188 parishes in the Archdiocese of St. Paul and Minneapolis.

Parish administrators regularly shake up their budgets looking for loose change. They renegotiate contracts, get multiple bids, compare prices, look for sales, accept donations and use coupons. Every penny saved helps to support other needs in the parish community.

This year, churches and schools might find more loose change — maybe even a few dollar bills — if they take advantage of a new purchasing program sponsored by the archdiocese.

The program, referred to as the Strategic Procurement Initiative, harnesses the potential buying power of all 188 archdiocesan parishes to obtain discounts on office supplies, computers and asphalt services.

The initiative started more than two years ago as a discussion between Father Peter Laird, vicar general of the archdiocese, and John Povolny, a parishioner at Nativity of the Blessed Virgin Mary in Bloomington and retired Ernst and Young partner.

"We wanted to bring procurement and sourcing best practices from the business world to the parishes and schools in the archdiocese," Povolny explained. "We wanted to save time and money by providing a place to go where you know you will get a reasonable price."

With the help of a grant from the GHR Foundation, and support from Catholic Finance Corporation and Target Corporation, Povolny began to build a framework to provide quality products and services to parishes at a reduced cost.

To date, the program includes free parking lot assessments and opportunities to save up to 25 percent on office supplies from OfficeMax, computers from Dell and Apple, and asphalt repair services from Bituminous Roadways.

Fred Fox, the business administrator at St. John the Baptist

church and school in Savage, needed a new parking lot.

He had been watching the growth of cracks and potholes and knew the time for patching was over, so he started getting bids to resurface.

Bituminous Roadways, the contractor participating in the procurement initiative, underbid the other contractors by a whopping 25 percent and provided excellent service, he said.

"We decided to move forward in June, but wanted the playground complete before Bible school in August," Fox said. "I wasn't hopeful they would be able to complete the work so quickly, but they agreed to put us first on their list. The project went extremely well. They even offered to paint hopscotch and four square lines near the playground at no additional cost."

More than 50 parishes across the archdiocese explored asphalt services offered through the procurement initiative this summer. Fox noted the process saved time and money: "It's really nice to know that they will come in and give you their best bid."

### Better interest rates

Nearly 40 parishes have utilized the procurement program to purchase computers this year. The program offers discounts on Apple and Dell products. Parishes also have the option to finance large purchases through Catholic Finance Corporation.

Deacon Bob Durham, business administrator at Our Lady of Grace parish and school in Edina, used the procurement program for a \$300,000 technology upgrade this summer. The program provided a slight product discount from Apple and significant savings on financing.

"Our biggest savings came in the financing," said Deacon Durham. "We got a much better interest rate and lower loan processing fees using Catholic Finance Corporation."

Al Erickson, managing director at Catholic Finance Corporation, explained that financing is part of the business

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model for some large companies. “Some companies make more money on financing or leasing than they do on their products,” Erickson said.

The archdiocese intends to add approximately 20 additional services/products to the procurement program, Povolny said. Within the next few months, parishes will be able to explore options for payroll services, copiers, printers, telecommunications, waste management and cleaning services and supplies.

*For more information about how your parish or school could take advantage of the procurement program and reduce common expenses, contact John Povolny at [jdповолны02@gmail.com](mailto:jdповолны02@gmail.com), or Catholic Finance Corporation at (651) 389-1070.*

### APBA Salary Survey

Catholic Finance Corporation is working in conjunction with Corporate Health Systems and the Association of Parish Business Administrators (APBA) of St. Paul and Minneapolis to update the way summary salary survey data is gathered and reported to its members. In the short term, the ability for parishes to see salary information sorted by geography, parish size based on number of households and size based on annual contributions (plate and envelope) will be added to the survey. Longer term, we hope to enhance the survey by adding some criteria around roles and responsibilities to the survey report. Corporate Health Systems has been providing a valuable service to APBA members for a number of years and we hope CFC’s participation in the process will add value for parishes going forward. In order for this effort to be successful, we need timely and accurate information to be provided by parishes. So please continue to respond to Corporate Health regarding data requests in a timely fashion.

### MCEA Study

For the first time this Fall, Catholic Finance Corporation has assisted schools in the completion of the MCEA part 3 section B – the financial section. The MCEA survey is the primary source of financial data for the Office of Catholic Schools. As part of the Excellence in Catholic Education Initiative, CFC is working on calculating key financial indicators on a consistent basis in order to provide school leadership with benchmarks for planning purposes.

If you have not yet completed your survey, CFC is still available to assist you. Please send your detailed Income Statement and Balance Sheet in an excel format to Judy Logan at [jlogan@catholicfinance.org](mailto:jlogan@catholicfinance.org).

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