



## **Common Accounting Software and Update of Accounting Structure**

### **FREQUENTLY ASK QUESTIONS**

#### **1. Why are we moving forward with new common accounting software?**

During the 2014 Synod, a key outcome regarding leadership was to reduce the administrative effort required of pastors/administrators/parish directors and their staffs. It is more important than ever to find ways to reduce the time spent performing routine accounting functions. Significant enhancements are now available in accounting software to more efficiently complete routine accounting tasks as well as upgraded tools to aid in financial decision making.

#### **2. What will the process be for this initiative?**

This initiative will consist of two phases. First, a collaborative team of business managers will meet to recommend an updated accounting structure. This group will review current and anticipated future accounting needs to incorporate into the updated accounting structure.

A second collaborative team of business managers will gather to review various accounting software packages. This team will be responsible for determining software functionality requirements as well as those functions which are nice to have. The team will meet with multiple software vendors to view demonstrations and make their recommendations.

Due to the importance of this initiative, the Archdiocese will be hiring an individual to lead this effort. This individual will work closely with each of these teams.

#### **3. What is “accounting structure”? Why is it important to update?**

The accounting structure is the coding system used to record transactions. This includes the chart of accounts along with the account type, fund, and program. The current coding system is in chapter 3 of the Parish Financial Management Manual.

Why is this important to update? The accounting structure is a key component in accounting software and will determine how the accounting software is set up. It is important the accounting structure reflects the current and anticipated future needs of parishes.

#### **4. How will using the common accounting software benefit parishes?**

Parishes will gain multiple benefits. Goals of the initiative include:

- a. Creating workflows that will allow for electronic approval of vendor invoices to occur timely, securely, and remotely.
- b. Reporting will be less time-consuming. One objective is to create a report which will generate the Confidential Financial Statement (CFS).
- c. Analytical tools will be available to help with the budgeting process and aid in financial decision making.
- d. Forming a software user group to allow peer to peer consultation on tips and tricks on how to best utilize the software.
- e. The updated accounting structure will comply with regulatory bodies including Canon law, the IRS (Internal Revenue Service), and accounting principles and policies.
- f. Consistency across parishes will exist, reducing the level of learning required when transitioning to a new parish.



**5. Will parishes be required to use the updated accounting structure and the common accounting software selected?**

Initially, parishes will be encouraged but not required to use the selected common accounting software. The updated accounting structure will be integrated into the common accounting software selected.

**6. When will the common accounting software be chosen?**

Review and updating of the accounting structure will occur first. Once this is complete, the review of accounting software will begin. The goal is to complete a review of the accounting structure in the next six months and then select the accounting software in the following six months.

**7. What will be the cost of the common accounting software?**

The cost for the software is not yet known. These costs will become clearer after the common accounting software is selected.

**8. What else is important for parishes to know?**

Other important components of this multi-year initiative are:

- a. Hearing the concerns of parishes is essential. Creation of collaborative teams will occur to hear firsthand parish needs, concerns, and wish list. Those selected will represent a cross section of the parishes within the Archdiocese. These teams will have a voice in recommending an updated accounting structure as well as the common accounting software.
- b. Discussions with other dioceses who have implemented common accounting software continue to be held to learn from their successes and failures. These discussions will help our Archdiocese learn how to gain benefits of utilizing common accounting software while also helping us to avoid the common pitfalls experienced by other dioceses.
- c. Annual review of the successes and opportunities for improvement for this initiative will occur. While it would be great to say everything will go well from the start, that is not reality. Rather, the successes will continue to be built upon and the opportunities for improvement will be reviewed each year to learn what did not go well and implement changes to turn these into successes.

**For more information, visit [www.archmil.org/commonsoftware](http://www.archmil.org/commonsoftware). You may also contact Anne Levendoski at 414-769-3346, [levendoskia@archmil.org](mailto:levendoskia@archmil.org)**