

FRAUD – REPORT OF SUSPECTED

The Roman Catholic Archdiocese of Louisville promotes a culture of honest and accountable stewardship of God's gifts. Fraud of any type will not be tolerated. The prevention of fraud is the responsibility of all clergy, religious, lay employees, volunteers, and parishioners. The Archdiocese expects those parties to report any suspected case of fraud and provides assurance against recrimination. Persons found to have participated in fraudulent acts will be subject to disciplinary action, up to and including termination and civil and criminal prosecution.

Suspected fraud may be reported by mail, fax, telephone, or email. The Report of Suspected Fraud form details instructions for reporting and submitting claims. See Appendix – Accounting Sample Forms/Reports.

How to Report Suspicions of Misuse of Funds and Property

The Archdiocese of Louisville is committed to being a good steward of our resources. We are all responsible for ensuring that funds we receive are used for the benefit of people we serve and for protecting our financial and physical assets from theft or misuse. We ask for your help in reporting any situations where Church funds or property are lost or put at risk, as described in the following policy.

Application

This policy applies to all clergy, employees, and volunteers of our parishes, schools, and agencies. In addition, we encourage parishioners, parents of school students, clients of our programs, and others to report any suspicions of misuse of funds or property. By working together, we can promote greater stewardship and accountability.

Definition

We define the following behavior as inappropriate:

- Situations involving the loss of Church funds or property, such as falsifying expense reports, giving a cell phone belonging to the Church to a family member to use, using work time to run a personal business, or taking money from a Sunday collection or petty cash fund, even with the intent to re-pay it.
- Situations may create potential future losses of funds due to poor accounting procedures, such as not keeping cash in a secure place or having a lack of "checks and balances" in managing money.
- Working together with an employee, volunteer, vendor or client of a program to get around internal controls, misappropriate funds and/or conceal actions from detection.
- Taking goods that have been donated to the Church or purchased with Church funds.
- Signing another person's name on a check or other document to take funds.
- Issuing paychecks/benefits to people who are not employees.
- Making payments to false vendors or overpaying invoices to receive a "kickback".
- Using the Church tax exemption for personal purposes.
- Receiving payment for hours that were not worked.

Reporting

We highly encourage and would be very grateful for any information regarding the misuse or the potential for future loss of funds or property. You can make a confidential report on your own by using the Fraud Suspicion Form. Or, if you wish, you can talk with your pastor, pastoral administrator, principal, or agency director and the two of you can make a report together. Another option is to contact the Chief Financial Officer, Controller, or Chancellor/Chief Administrative Officer, who can also assist you with making a report. The contact information for these individuals is at the end of this policy.

If you suspect misuse of funds or property, but do not have complete proof, we would still appreciate any information you could share. If you are unsure of whether a situation is a violation of the policy, you can use the reporting system to ask a question.

Reporting of suspect activity may be done confidentially by submitting a **Fraud Suspicion Form, available in *Appendix –Accounting Sample Forms/Reports***.

- The name of the reporting party will only be shared with people who have a "need to know" during an investigation.
- Every report is taken seriously.
- The Chief Financial Officer will be informed of every report, as appropriate.
- There will be a thorough investigation of every report.
- A response will be given to every individual who makes a report and provides contact information.

Non-Retaliation

The Archdiocese sincerely appreciates reports that are made and will not retaliate or take action against any person who makes a report in good faith. For employees, they will not suffer a loss of employment, a decrease in wages, or other adverse consequences due to making a report in good faith. For other individuals (volunteers, parishioners, parents, clients of programs, etc.) who make reports, the Archdiocese will make every effort to protect their identities and their interests.

Further Information

The Archdiocese has another policy that relates to this topic:

- **[Internal Control Policy](#)** - Provides guidelines on practical steps to reduce the risk of funds being lost or misused. This policy can be located in the Financial Policy and Procedures Manual found at www.archlou.org.

An Appeal

For the Church to practice good stewardship and demonstrate accountability, every person needs to be committed to these goals and willing to report suspicions of wrongdoing or situations where poor procedures make wrongdoing possible. We appeal to you to be vigilant in these areas and report any and all information that would help us live up to these standards. We are very grateful for your assistance, and thank you for working with us to ensure the highest ethical and professional standards in all of our ministries.

If you have any questions about this policy or would like assistance in making a report, please contact any of the following people:

Robert L. Ash, Chief Financial Officer
(502) 585-3291, ext 1153, bash@archlou.org

Rebecca Walter, Controller
(502) 585-3291, ext. 1150, walter@archlou.org

Brian B. Reynolds, Ed.D, Chancellor/Chief Administrative Officer
(502) 585-3291, ext. 1109, breynolds@archlou.org