# St. Michael the Archangel Catholic Parish

**Title of Policy/Procedure:** Fraud Policy

**Version #:** 1 **Dated:** January 15, 2015

**Author/Council or Committee Owner**: Finance Council

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**Approved by**: Finance Council

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# Section 1: Objective

Define fraud and delineate procedures for the reporting, investigation and adjudication of fraud.

# Section 2: Policy

St. Michael the Archangel Parish promotes a culture of honest and accountable stewardship of God’s gifts. There is a significant responsibility associated with being stewards of the temporal resources of the church: responsibility to safeguard the Church’s assets, to exercise prudence in financial matters, to be accountable to those who provide monetary support to the Church, and to comply with all civil regulations.

Fraud is not tolerated. The prevention of fraud is the responsibility of all clergy, religious, lay employees, trustees, finance council members and other volunteers involved in church administration by adherence to St. Michael the Archangel Parish policies and procedures. St. Michael the Archangel Parish expects that any suspected case of fraud will be reported, and provides assurance against recrimination. Persons found to have participated in fraudulent acts will be subject to disciplinary action, including termination, and / or civil and criminal prosecution.

# Section 3: Guidelines

3.1 Actions Constituting Fraud

The St. Michael the Archangel Parish defines fraud as the intentional misuse or misappropriation of St. Michael the Archangel Parish’s resources or assets for the personal enrichment of the perpetrator or others. Fraud also includes the intentional false representation or concealment of a material fact relating to the misuse or misappropriation of St. Michael the Archangel Parish’s resources or assets. Additionally, fraud also includes any intentional falsification of, or misrepresentation in, financial statements. Actions constituting fraud include, but are not limited to:

• Misappropriation of funds, securities, supplies or other assets;

• Impropriety in the handling or reporting of money or financial transactions;

• Breach of fiduciary duty, including disclosing confidential information to outside parties;

• Seeking anything of value from contractors, vendors or persons providing (or seeking to provide) services/materials to a St. Michael the Archangel Parish entity for anyone's personal benefit;

• Accepting anything of value from contractors, vendors or persons providing (or seeking to provide) services/materials to a St. Michael the Archangel Parish entity for anyone’s personal benefit;

• Bribery;

• Inappropriate use of computer systems or other property of St. Michael the Archangel Parish;

• Unauthorized destruction or removal of records, furniture, fixtures and equipment;

• Intentional falsification of, or misrepresentation in, financial statements; and

• Any dishonest act using material resources in the context of fraud.

3.2 Reporting Fraud to the St. Michael the Archangel Parish

Suspected fraud should be reported to St. Michael the Archangel Parish. To report suspected fraud, the *Report of Suspected Fraud* form located on the parish website should be completed and forwarded, using the links on the Parish website, to the Archdiocese Auditor. Suspected fraud acts are to be reported as soon as possible. Failure to promptly report suspected acts of fraud may jeopardize St. Michael the Archangel Parish’s ability to recover stolen funds and/or property, or to correct improperly prepared financial statements on a timely basis. Reports of suspected fraud should include all relevant information about the suspected act, including any material evidence that exists. Reporting may be done anonymously or voluntarily signed by an individual reporting.

3.3 Investigation

The reporting form found on the parish website will be sent directly to the Archdiocese Auditor before any St. Michael's employees and priests have knowledge of the report. The Archdiocese Auditor will then notify the Pastor and Administrator of the report for their investigation. The Pastor and Administrator shall be responsible for a thorough and expeditious investigation of the suspected fraud. The person submitting the initial report may or may not be contacted during the investigation. Confidentiality will always be respected during the investigation so as not to injure innocent persons.

Once the investigation is complete and with the assistance of the Pastor and Parish Administrator (unless they are the subject of the investigation, in which case, the Archdiocese Auditor will conduct the investigation), legal counsel will be consulted, if necessary, to adjudicate the disposition of the case, and notify, if required, the proper governmental authorities.

3.4 Records Retention

Fraud investigation files should be retained in accordance with guidelines established by St. Michael the Archangel Parish.

3.5 Confidentiality

Information about fraud cases will be disclosed only to those parties whose knowledge is necessary to investigate the fraud as determined by the Pastor and Parish Administrator. All parties with knowledge of such cases are to maintain confidentiality in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct, and to protect St. Michael the Archangel Parish from potential civil liability.

**Section 4: Forms/Exhibits**

Report of Suspected Fraud Form (attached)

**Report of Suspected Fraud**

**St Michael the Archangel Parish**

**DO REPORT: Any instance of suspected fraud within St. Michael the Archangel Parish;**

**DO REPORT: suspected fraud promptly; failure to do so may jeopardize the recovery of Church assets;**

**DO KEEP: detailed notes of dates, times, places, persons involved and occurrences; and**

**DO KEEP: a copy of any documents that are of a suspicious nature.**

**DO NOT: confront the suspected individual(s) with your suspicions; and**

**DO NOT: discuss the matter with anyone that you believe may be involved.**

Today’s Date (mm/dd/yy): Date(s) the incident(s) occurred (mm/dd/yy):

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**Suspected person(s) involved:**

Full name: Person’s title or role:

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**Description of suspected fraud:**

(Please indicate if you have documents or other material that might be of assistance to the investigation)

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**Your name and contact information**: (This report may be anonymous, if desired)

Full Name:

Street Address:

City, State, Zip:

Position/relation to Parish:

Email Address:

Daytime telephone:

**Other person(s) who might be aware of this fraudulent activity:**

Full name: Person’s title or role:

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**Please submit this report by mail or email to:**

Mail: Mr. Mike Horn, Internal Auditor Email: [mhorn@archkck.org](mailto:mhorn@archkck.org)

Archdiocese of Kansas City in Kansas

12615 Parallel Parkway

Kansas City, KS 66109

816-507-4848