

Cemetery Care Funds

— Contemporary Dilemmas

— by Joe Sankovich

When one works in the environment of the universal Catholic Church, i.e. a church present and active in many different ways throughout the world, it becomes apparent that not everyone knows the intricacies of what may be happening or standard practice in different areas of the world. Catholic cemeteries are a perfect example. The Catholic Church exercises a strong presence in the cemetery apostolate in the United States and Canada and has done so since the earliest days of settlement.

What about what used to be Catholic Europe? Why would there be a need for a Catholic cemetery program if the country is 95% Catholic and perhaps the churches are being supported by government taxes?

The concerns that we surface here are oftentimes beyond the scope of responsibilities for the diocesan cemetery director. And so, in this context, we also have to ask where are those who are attending seminaries and are later promoted to the governing/deciding office of bishop learning about Catholic cemeteries?

And in the same vein, where are those who are typically second in command in financial issues in American dioceses (diocesan finance councils and directors) learning how to oversee both diocesan and parochial cemetery management?

This lays a brief foundation for a discussion of Catholic cemetery reserve funds, especially those reserves identified as either *'perpetual'* or *'endowment'* care. We will also surface concerns about other reserves which may not be earmarked at all, or are being designated for particular purposes such as road replacement, mausoleum construction, or new property acquisition.

This article is precipitated by a number of situations in different dioceses and parishes in the United States where either diocesan or parish leadership, perhaps short of funds for either a specific project or general operations needs, suddenly discovers that either the diocesan cemetery program or a particular parish cemetery is *'sitting on a pile of money.'*

Examples include the diocese where the Ordinary diverted all funds for future cemetery development to the general fund of the diocese; one or more dioceses where sexual abuse settlements involved a restructure of cemetery reserves so that money for cemetery care or development was diverted; or another diocese where cemetery land, purchased with cemetery funds, was deemed to be excessive and then sold with the lion's share of the money being diverted to the diocese in a restructure.

Often the money comes from non-designated cemetery reserve funds which are being accumulated in a savings account or other investment instruments to be available when future needs are identified. Now, money is being taken from perpetual care funds with the notion that this fund will not be needed for 100 or more years in the future.

The Intention of This Brief Treatment is Three-fold:

1. To strongly recommend that any/all money that is set aside for endowment or perpetual care for a single or group of Catholic cemeteries, whether parish, private, or diocesan, be placed into a legally constructed and binding real endowment fund;
2. To recommend that a paradigm shift take place so that a percentage



from the earnings of the endowment fund be used every year for the maintenance of all graves, crypts, niches where easements have been sold as well as the general enhancements of the cemetery, and,

3. To recommend that all other reserves be segregated in such a way that annually these funds are earmarked for particular cemetery purposes, i.e. replacement of roadways, construction/replacement of fences, replacement of irrigation systems, acquisition of shrines or statuary and development of sections, construction of mausoleum, or any of the myriad of other cemetery needs.

Based on our introductory comments, a rationale for taking these three steps seems to be required and is amplified herein.

Aside from the issues associated with corporation sole and a hierarchical church structure, there are issues that need to be surfaced for the well-being of the Catholic cemetery apostolate throughout North America.

By way of an aside, current major problems or trends associated with the exercise of the cemetery apostolate also find their roots in hierarchical decisions, i.e. the relaxation of the mandate that all Catholics be buried in Catholic cemeteries (relaxed following the close of the Second Vatican Council), and the relaxation

continued on page 12

of the prohibition of cremation. Identifying these decisions in no way should be interpreted as some form of a recommendation that they be reversed. These were good decisions, but understanding the implications and making appropriate plans to catechize were absent in the 1960s thru the mid-1980s.

In the first instance, the relaxation of the mandate has resulted in the loss of approximately 1% on average of Catholic burials in Catholic cemeteries per year over the last 50 years; cremation as a form of disposition, often without selection of a permanent interment site, has grown from single digits to 50% in some North American dioceses, with many at the 25% level and steadily climbing. While cremation is not the problem, the failure to complete the process with proper disposition of the cremated remains continues.

In both scenarios it becomes impossible to continue to operate Catholic cemeteries with a responsible business model that assures fair wages, reliable equipment, availability of required supplies, the needs of now-required marketing efforts, and attention to decaying infrastructure such as roads, trees, fences, and buildings. Appropriate use of cemetery care fund earnings will need to be seriously considered for balancing annual cemetery budgets.

Two Approaches to Cemetery Perpetual Care Fund Dynamics

There are two approaches to cemetery perpetual care/maintenance/endowment fund dynamics. The first of these is to continue to systematically invest money into the fund until such time as the cemeteries are sold out and then to begin to use a percentage of the earnings of the fund to cover maintenance costs of the general facility as well as all easements for graves, crypts or niches.

The second approach is to invest money into the fund in the same fashion, but, rather than wait until the cemeteries are sold out, to recognize that the fund's intention is to maintain the burial rights that have been sold and therefore to annually appropriate some earnings from the fund to enable the developed and sold portion of the cemeteries to be maintained from the proceeds of the fund. Taking this approach requires that cemetery leadership annually evaluate both fund performance and cemetery maintenance needs that qualify for funding under perpetual care.

For dioceses and parishes using the first approach, moving to the second should disabuse both diocesan and parish leadership of the impression that the funds would not be needed for many decades into the future. Consequently, a first and strong recommendation is that all Catholic cemeteries, regardless of financial condition, adopt the second approach of appropriating some portion of the earnings from the care fund to annual maintenance support.

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It's important to acknowledge that there are two different, and often separate, tracks for the administration of diocesan and parish cemeteries. In the first diocesan track, there seems to be more proficient management in place and care funds receive more attention. With regard to the 6,000 +/- parochial cemeteries in the United States, the situation is oftentimes different.

In the 1,500 parochial cemeteries with which we have been involved, we have found a variety of care fund situations which require attention, i.e. closed cemeteries with no care funds, care funds co-mingled with savings accounts, and contributions varying from a fixed amount of \$25 per interment right to the full price of the interment right.

Typically we find pastors and diocesan administrators asking if the care funds are sufficient and some drawing the conclusion that, because there is a substantial amount of cash in reserve, the care fund must be excessive. In situations where care seems to be deficient, pastors continue to look for new/different ways to add to cemetery care. Problems most often exist when membership in parishes declines, parishes are consolidated, ethnic parish identity is lost. Problems also arise when diocesan capital fund drives underperform and sexual abuse settlements continue to manifest themselves.

So, with all of these issues floating around as problematic influences to the care fund realities in Catholic cemeteries, what might be some solutions that should/could be considered? We offer the following:

■ Every Catholic cemetery care fund, regardless of how it is identified, should be legally constituted and structured as a true endowment fund. This would mean that the corpus of the fund could never be depleted and that there would be strict laws which would govern how a cemetery/diocese could borrow from the fund with appropriate payment of interest on a regular basis that would never impact the maintenance of the cemeteries.

■ While actuarial tables provide interesting information, perhaps a better way to assess the adequacy of a cemetery's care fund is to segregate all maintenance costs, including infrastructure, on an annual basis and ask how much money is required in the corpus of the account in order to yield this annual maintenance amount when only 50% (or some other percentage of the earnings) may be utilized or transferred. We've developed documents to organize this information in an easily understood manner and have effectively used them in a number of parish cemetery programs.

■ Within Catholic-sponsored investment firms, both the Christian Brothers and the Catholic Business Roundtable have developed funds specifically for Catholic cemetery endowment use. Both of these could be explored as possibilities but whatever investment firm is selected, care must be taken to assure that funds are invested in a way that is consonant with Catholic moral teaching. Diocesan leadership should also explore instruments for pooled investment of parish cemetery endowments.

continued on page 14

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Cemetery Care Funds, *continued*

■ Policies need to be in place for all parochial cemeteries to assure the existence and proper management/use of cemetery care/endowment funds. These policies need to be enforced on an annual basis, and this can only be accomplished with a baseline establishment of the size of existing funds and the realistic assessment of fund needs.

■ Catholic cemetery organizations, including diocesan directors, need to take a leadership role in educating other diocesan leadership on the impact of raiding cemetery care or other funds in order to assure that the apostolate of Catholic cemeteries remains viable.

■ Everyone involved in diocesan and cemetery leadership needs to become aware of how raiding Catholic cemetery funds plays in the non-sectarian cemetery marketing programs, i.e.

“How can you entrust your beloved dead to the care of a Catholic cemetery when the diocese is raiding its care funds and the cemetery will end up being abandoned?”

And these facilities using this tactic know where the smallest and most unattractive/ not maintained Catholic cemeteries can be located so they can include pictures in their sales portfolios for presentation to Catholic families in their sales efforts.

■ A better approach needs to be developed to address funding capital needs in both diocesan and parochial cemeteries so that there is no need to structure a borrowing instrument from the care fund.

■ For parochial cemeteries where care funds are either non-existent or woefully inadequate, there are newsletter and appeal structures that have been extremely effective in growing care funds. Ask me about Mount Kelly Cemetery in Dearborn, MI where I was involved from 1973 to 1985.

The care fund has continued to grow to the substantial six figures and the cemetery is perfectly maintained.

■ Great care must be taken when parishes with cemeteries are being consolidated or combined in some other fashion. In these scenarios, it is best that cemeteries retain their individual identities, assets and boards.

Over time, when leadership from the better-managed cemeteries has sufficiently influenced the leadership of

cemeteries with little or no care fund assets, other scenarios can be considered. The first of these might be to develop a combined cemetery advisory board for all the cemeteries, still maintaining separate cemetery identities and assets.

Massive tasks? Yes! Necessary? Absolutely!! Who will assume responsibility? Can you do it without help? Maybe, maybe not!!! Will you be received with welcoming and open arms? Not unless you have your information gathered, organized, supported, and well-presented.

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This article reflects the view of the author and does not necessarily reflect the views of the Catholic Cemetery Conference.

The advertisement features a large photograph of a church interior with a high ceiling and a central altar. The text "Life's Memories; imagine the possibilities" is overlaid in a cursive font. To the right, there are three smaller images: a circular window, a religious painting, and a view through a window. At the bottom, the Milne Construction Co. logo is shown, along with the company name and contact details.

Life's Memories; imagine the possibilities

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