

# 5

## Statutes and Policies

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Diocesan Fiscal Management Conference  
Philadelphia, PA  
September 18, 2007

### **INTRODUCTION**

I am delighted to be able to be part of your annual conference. I hope that what we cover in the allotted time will be both helpful and interesting.

The topic is quite pertinent because there are so many questions arising today in relation to the Church's temporal goods and their proper administration. Unfortunately, it is when goods are not administered properly that adverse attention is drawn to the Church and, indirectly, to its mission. So, I am presenting these norms in a context of responsible stewardship.

We could begin by noting that although Vatican II did not issue a particular document on temporal goods, a number of specific questions were faced by the Council Fathers as they referred to the temporal order.

Among other things, Vatican II considered the attitude of freedom to (PO, 17) the manner in which temporal goods and institutions could (CD, 12), the equitable support of the clergy and of p and, finally, the concept of entrusting general operations to an administrator, leaving the bishop or major superior free to carry out the principal duties of the office, especially as they relate to Word and Sacrament (LG, 31; PO, 17).

However, it is particularly the concern for justice which recurs frequently as a theme in the conciliar and post-conciliar documents. In the area of the acquisition and administration of temporal goods, in particular, the sense of justice must prevail. However, there are not easy solutions in such matters and facile approaches can, at times, produce an immediate good that, in the long run, is not beneficial to the Church and its members (GS, 74; DH, 8).

A number of principles run through Book V of the *Code of Canon Law* on temporal goods, and other related canons. Among these, we would mention:

- a) a concern for the communion of the Church, at the local, diocesan, inter-diocesan and international levels;
- b) the need for decentralization where possible, applying the principle of subsidiarity;
- c) concern for the proper purposes for which the Church can acquire temporal goods;
- d) a recognition of the fact that the Church operates also in the secular sphere, especially when it comes to matters of temporal goods.
- e) there must be a close relationship between the Church's social teachings and its legislation relating to the administration of temporal goods (i.e., concern for justice, fair wages, etc.).

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A correct observance of the norms, guided by the underlying principles, will have the advantage of enabling us to avoid some difficult situations and even scandals that the Church has faced recently. The credibility of the mission depends to a great extent on the credibility of the means used to carry it out.

For today's presentation, I have selected five canons from the beginning of Book V of the Code; time does not allow us to consider the others in this section. I would like, therefore, to begin by reviewing the norm of canon 1256 on the ownership of ecclesiastical goods, then examine canon 1259 on the acquisition of these goods, canon 1262 on fund-raising, canon 1263 on taxation of goods, and the canon 1267 on the destination of offerings. Other incidental points will be indicated along the way.

### I. **THE OWNERSHIP OF ECCLESIASTICAL GOODS** (c. 1256)

*Canon 1256:* Under the supreme authority of the Roman Pontiff, ownership of goods belongs to that juridical person which has lawfully acquired them.

The principle outlined in canon 1256 is of major importance for the administration of goods. The canon applies to goods acquired by various juridic persons in the Church.

In addition to physical and moral persons, there are also in the Church, entities known as juridical (or juridic) persons (whether public or private).

- Public juridical persons: according to canon 116, public juridical persons are aggregates of persons or of things which are established by the competent ecclesiastical authority so that, within the limits allotted to them in the name of the Church, and in accordance with the provisions of law, they might fulfill the specific task entrusted to them for the public good. In a sense, they can be likened to ecclesiastical corporations.

Examples of juridical personality granted by law can be found, among others, in the following canons: 310 (associations), 313 (groupings of associations), 322 (private associations), 373 (particular churches), 449 (Episcopal Conferences), 515, §3 (parishes), 634 (religious institutes, provinces, houses), 709 (conferences of major superiors), 1303 (autonomous pious foundations).

- Private juridical persons: according to canon 116, all juridical persons that are not public are private.

It just be recognized that it is not always entirely clear whether a juridical person is private or public. Certain associations that have been established could easily be private, although the law provides in canons 310 and 313 for the possibility of public personality. Certain scholarship funds, pension funds, and the like, would be private juridical persons once established.

The canon provides, therefore, that goods belonging to one juridic person, do not belong to another, even if that other one is higher in authority. Thus, goods belonging to a parish do not belong to the diocese. The bishop, however, may, according to canon 1263 and subject to certain modalities, impose a tax on certain juridical persons for the needs of the diocese; but, by law, he does not own their goods.

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Canon 1256 does not state that the Roman Pontiff is the owner of (or: has “*dominium*” over) all the temporal goods of the Church. Rather, it implies that the exercise of the right of ownership is subject to the authority of the Roman Pontiff. This is important to note when suits are filed against the Church or one of its constituent parts.

It could be noted in passing that when the Holy See grants permission to a juridic person to contract debts or to sell property, it adds a clause such as: The present administrative act does not indicate that the ownership of the goods is of the Apostolic See, but rather expresses its responsibility of vigilance and control for a correct functioning of the ecclesiastical economic administration (see Prot. No. 6647/2004, September 10, 2004).

Of course, one of the major difficulties raised by canon 1256 is that in many instances it does not correspond to the provisions of the secular law. For example, it can happen that the diocese is established as a corporation sole and that all parishes operate under this one corporation. Thus, civilly, goods would be considered to belong to the Episcopal corporation and not to the parishes. On the other hand, in some dioceses, the parishes too are incorporated separately, thus providing for a parallel with the canonical legislation.

Because of the difficulty in having all diocesan goods registered civilly under a corporation sole, the Holy See has recently asked the Bishops of Canada to take steps to have the parishes incorporated separately. For instance, see letter No. 6088/05 from the Apostolic Nunciature in Ottawa to the Bishops of Ontario, December 14, 2005:

...Acknowledging that the diocese has an obligation in justice to a victim of abuse, it is nevertheless equally true that the diocese has an obligation in justice to the rest of the faithful of the diocese; these two cannot be mutually exclusive...

Since the *corporation sole* is in fact incompatible with the canonical autonomy of the parish, it appears necessary that all dioceses having their bishop holding the civil status of a *corporation sole* look seriously into changing it.. This means re-establishing the primacy of Canon Law in the financial structure of the dioceses...

I gather that a similar letter was sent to USA Bishops, but have not seen the official text.

It is MOST important, therefore, when establishing a new juridical person, to determine the modalities of ownership (see c. 117) unless such are already provided for by law.

The canon speaks of the juridical person that acquired such goods “legitimately.” An illegitimate acquiring of goods does not give a right to ownership (saving the prescriptions of canon 1268 on prescription if the illegitimate act took place in good faith). Thus, if a parish is forced to surrender its goods to the diocese, then such goods do not legitimately belong to the diocese.

Another letter from the Holy See, March 3, 2006, addresses the issue of the ownership of parish goods when a parish is amalgamated with another one.

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Congregation for the Clergy  
Prot. N. 20060481

The Most Rev. William Skylstad  
President of the United States Conference of Catholic Bishops  
3211 Fourth Street NE  
Washington DC 20017-1194  
U.S.A

Your Excellency,

This Congregation deems it opportune to write to you regarding the closure of parishes in the dioceses of the United States, since in recent times certain dioceses have wrongly applied canon 123 CIC and stating that a parish has been “suppressed” when in reality it has been merged or amalgamated.

A parish is more than a public juridical person. Canon 369 defines the diocese as a “portion of the people of God which is entrusted to the bishop to be nurtured by him.” Similarly, “A parish is a certain community of Christ’s faithful, stably established within a particular Church, whose pastoral care, under the authority of the diocesan bishop, is entrusted to a parish priest as its proper pastor (cf. can. 515).”

In this light, then, only with great difficulty, can one say that a parish becomes extinct. A parish is extinguished by the law itself only if no Catholic community any longer exists in its territory, or if no pastoral activity has taken place for a hundred years (can. 120 #1). When a parish is “suppressed” by competent authority in reality the still existing community of Christ’s faithful is actually “merged” into the neighboring community of Christ’s faithful and constitutes a larger community, and the territory of the extinguished parish is added to the other, forming a larger territorial unit. While the parish church and the physical parish plant may be closed and the name of a particular parish extinguished, the spiritual needs of the portion of the Faithful which once constituted that parish, must continue to be provided for in accord with their rights in law.

In the case where the portion of the Christian Faithful is reallocated among preexisting or newly created parishes, the corresponding patrimony and obligations of the closed parishes must follow the Faithful in an equitable and proportionate fashion in accord with the corresponding and pastoral duties assumed by the parishes *ad quem*. The wishes of any existing founders and benefactors must be respected, as must any acquired rights as expressed in canon 121 or 122.

Often when a bishop calls his action a “suppression” it is in reality a merger of two communities of Christ’s faithful. Thus canon 121 applies: “When aggregates of persons or of things which are public juridic persons are so joined that from them one aggregate is constituted which also possesses juridic personality, this new juridic person obtains the patrimonial goods and rights proper to the previous aggregates...” The “suppression” of a parish is in most cases then a “*unio extinctiva*”. If a parish is divided between more than one existing parish then canon 122 would apply.

Thus the goods and liabilities should go with the amalgamated juridic person, and not to the diocese. This would also seem to be more consonant with the requirement that the wishes of the founders, benefactors and those who have acquired rights be safeguarded. In most cases, “suppressions” are in reality a “*unio extinctiva*” or “amalgamation” or “merger” as such the goods

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and obligations do not pass to the higher juridic person, but should pertain to the public juridic person which remains or emerges from the extinctive union. The goods and liabilities should go to the surviving public juridic person, that is the enlarged parish community.

In conclusion, this Congregation notes that the erroneous use of can. 123 in the dioceses of the United States is not uncommon and therefore asks Your Excellency to bring this matter to the attention of the individual bishop members of the Episcopal Conference.

I take this opportunity to renew my sentiments of esteem and with every best wish, I remain,

Yours sincerely in Christ,

/s/Dario Card. Castrillion

/s/ Csaba Ternyak

Secr.

### II. **THE GENERAL PRINCIPLE ON THE ACQUISITION OF GOODS** (c. 1259)

*Canon 1259:* The Church may acquire temporal goods in any way in which, by either natural or positive law, it is lawful for others to do this.

The general principle outlined in canon 1259 is that the Church may acquire temporal goods in any way by which, either in natural or in positive law, it is lawful for others to do so.

Among the ways recognized in canon law, we could mention:

- free-will donations (c. 1261)
- taxation (c. 1263)
- fund raising (c. 1265)
- prescription (c. 1268)
- deriving income from existing goods (cc. 1271, 1274)
- contracts to purchase (c.1290).

The Code does not recognize such means as forcible retention, robbery, blackmail and similar procedures as being legitimate.

When the canon speaks of means recognized in positive law, it does not distinguish between ecclesiastical positive law and secular law. Thus, both forms are recognized. In practice, however, we would have to take into account the secular law, because otherwise the acquiring of goods could be subject to eventual civil litigation.

Some of the means recognized in secular law are:

- occupancy
- the results of intellectual labour (patent rights, copyrights)
- acts of forfeiture

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- succession
- marriage
- insolvency
- intestacy
- gift or sale
- court order
- accession (increase, augmentation, addition): the right to all which one's property produces, whether that property be movable or immovable. Such additions could be natural or artificial: v.g., abandoned river beds, rights of alluvion by accretion and reliction; crops, herds, fruit;
- improvements to existing property (landscaping)
- results of artistic works.

### III. **FUND-RAISING** (c. 1262)

Canon 1262: The faithful are to give their support to the Church in response to appeals and in accordance with the norms laid down by the Bishops' Conference.

The Conference of Bishops may determine the schedule of collections to be taken up in churches throughout the year, to make certain that abuses are avoided. Thus, for instance, most dioceses have a general policy on missionary appeals, allotting various parishes to various missionary societies and dioceses.

This form of donation might even be considered to be a form of taxation since, in many instances, a quota system is developed, and a parish is expected to meet its diocesan assessment for "Catholic Charities," etc. However, it is important to make sure that the general norms regarding taxation are observed in such instances (cf. c. 1263)

A USA decree that went into effect on August 15, 2007, would need to be considered in this context.

On November 13, 2002, the members of the United States Conference of Catholic Bishops legitimately approved complementary legislation for the implementation of canon 1262 of the Code of Canon Law for the dioceses of the United States. The action was granted *recognitio* by the Congregation for Bishops in accord with article 82 of the Apostolic Constitution Pastor Bonus and issued by Decree N. 778/2005 of the Congregation for Bishops signed by His Eminence Giovanni Battista Cardinal Re, Prefect, and His Excellency Most Reverend Francesco Monterisi, Secretary, and dated May 2, 2007. Wherefore, in accord with the prescripts of canon 1262, the United States Conference of Catholic Bishops decrees that the following norms shall govern fund-raising appeals to the faithful for Church support:

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### Motivation

Fund-raising appeals are to be truthful and forthright, theologically sound, and should strive to motivate the faithful to a greater love of God and neighbor. Fund-raising efforts are to be for defined needs. The relationship of trust between donor and fund-raiser requires that:

- a. funds collected be used for their intended purposes;
- b. funds collected are not absorbed by excessive fund-raising costs. Donors are to be informed regarding the use of donated funds and assured that any restrictions on the use of the funds by the donor will be honored.

### Competent Ecclesiastical Authority

Institutes of consecrated life and societies of apostolic life require approval of the respective competent major superiors and the diocesan bishop to solicit funds; diocesan entities require approval of the diocesan bishop to solicit funds; other Catholic entities and organizations require the approval of the diocesan bishop to solicit funds. Approval for fund-raising by the competent authority is to be given in writing with reference to the purpose for which the funds are being raised, the time frame, and the methods to be used in raising them. Oversight of fund-raising programs is to be maintained by competent authority through periodic review and, where necessary, appropriate sanction. Competent major superiors of institutes of consecrated life and societies of apostolic life are to submit to the diocesan bishop of the place where the fund-raising originates periodic reports on the fund-raising programs and the apostolic activities they support.

### Accountability

Fund-raisers are to provide regular reports to competent authority on the extent to which promises expressed or implied in the solicitation of funds have been fulfilled. Fund-raising reports are to be prepared in scope and design to meet the particular concerns of those to whom the reports are due:

- a. the governing body and membership of the fund-raising organization;
- b. the competent authorities who approved and monitor the fund-raising effort;
- c. the donors to the organization;
- d. the beneficiaries of the funds raised.

Annual fund-raising reports are to provide both financial information and a review of the apostolic work for which the funds were raised. They are to set forth, at the least, the amount of money collected, the cost of conducting the fund-raising effort, and the amount and use of the funds disbursed.

### Procedures

Funds beyond operating expenses are not to be accumulated or invested by a fund-raising office, but are to be turned over to the appropriate office for allocation and investment. Special care is to be taken to see that ethical business relationships are maintained by fund-raisers with suppliers of goods and services. Contracts between a religious fund-raiser and commercial suppliers and consultants are to ensure that control over materials, designs, money and general



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operations remain in the hands of the religious fund-raiser. Agreements are not to be made which directly or indirectly base payment either to the commercial firm or to the religious fund-raiser on a percentage basis.

### Oversight

Competent authority is to ensure that fund-raising organizations:

- a. make available fund-raising reports to benefactors on a regular basis or upon reasonable request;
- b. provide their governing bodies with an annual financial statement prepared in accordance with generally accepted accounting principles and, where size warrants, by a certified public accountant.

In response to formal complaints, competent authority is to promptly investigate charges, remedy abuses and, when necessary, terminate the fund-raising program.

As President of the United States Conference of Catholic Bishops, I hereby decree that the effective date of this decree for all the dioceses of the United States Conference of Catholic Bishops will be August 15, 2007. Given at the offices of the United States Conference of Catholic Bishops in the city of Washington, the District of Columbia, on the 8<sup>th</sup> day of June, in the year of our Lord 2007.

Most Reverend William S. Skylstad,  
Bishop of Spokane, President, USCCB

Reverend Monsignor David J. Malloy  
General Secretary, USCCB

### IV. **DIOCESAN TAXES** (c. 1263)

*Canon 1263:* The diocesan Bishop, after consulting the finance committee and the council of priests, has the right to levy on public juridical persons subject to his authority a tax for the needs of the diocese. This tax must be moderate and proportionate to their income. He may impose an extraordinary and moderate tax on other physical and juridical persons only in a grave necessity and under the same conditions, but without prejudice to particular laws and customs which may give him greater rights.

Canon 1263 distinguishes two types of taxes:

1. The ordinary tax: it is the diocesan bishop alone who has the right to impose this tax, not the local ordinary. (Of course, this could be delegated, but it might not be prudent to do so).

It can be noted that two prior consultations are required: one with the finance council, and the other with the presbyteral council. The canon does not require their consent, only their advice (cf. canon 127).

Persons subject to his authority: this tax can be levied only on juridical persons (i.e., parishes), not on individuals, subject to the diocesan bishop's authority. Thus, for instance, the Archbishop of Philadelphia could not levy a tax on *Catholic Health East* and its component parts (i.e., juridical persons situated within the limits of the diocese).

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The Commission for Interpretation determined on January 24, 1989 that the words “public juridical persons subject to his authority” do not apply to external schools or religious institutes of pontifical right (AAS, 81(1989), p. 991).

The law adds two conditions: “This tax must be moderate and proportionate to their income.” Thus, we are dealing with a percentage here, not a fixed sum per person. The canon does not state that the percentage has to be uniform; thus, a specific percentage could be determined for the first \$50,000 of income; a slightly higher one for the next \$100,000; and so on.

It is left to the bishop to determine whether the tax is based on gross or net income.

Sometimes there is a combination of procedures: for instance, parishes that do not have a debt could have their tax rated on gross revenue; parishes with a debt might have theirs rated on gross revenue, less any capital paid back on the debt.

In the 1917 Code, there was little provision made for the taxation of parishes, with the exception of the “*cathedraticum*,” the seminary tax, and a few other ones. In view of the principle outlined above in canon 1256 (“ownership of goods belongs to that juridical person which has lawfully acquired them”), it was necessary to provide for some manner of funding diocesan undertakings. This has become even more important after Vatican II with its recommendations regarding the establishment of various diocesan and regional offices (v.g., catechetical offices, etc.) which must be supported.

Canon 264 provides for a seminary tax separate from this ordinary tax.

One question that arises is whether a religious institute of diocesan right is subject to the diocesan bishop in such matters. Personally, I am of the opinion that it would not be subject, because of the autonomy granted to each institute, no matter what its status (see canon 586). (The same opinion is held by R.KEALEY, Diocesan financial support, p. 333)

2. The extraordinary tax: the extraordinary tax can be applied for special needs: for instance, to cover the expenses of a papal visit, to build or repair the cathedral, to build a new seminary, retirement home for priests, and so forth.

In the case of the extraordinary tax, the bishop may also impose a head tax, i.e., a tax on physical persons. This tax, then is not limited to juridical persons. But, before imposing the tax, both the finance council and the presbyteral council are to be consulted.

One issue that could be noted in passing is that of Mass stipends and a contribution to the diocese or institution where the celebrant resides. More and more Bishops are now decreeing that when a large sum of money is left in a will for Masses, without specifying the number of Masses to be celebrated, thirty Masses will be celebrated (based on the traditional months mind Mass, or the equivalent of Gregorian Masses); the celebrant receives the regular stipend and the balance goes to the parish or institution where the Mass was celebrated. At times, a part (i.e., one half, etc.) of the remainder goes to the priests compensation fund and the other portion is given to the parish or institution.

Such arrangements have been in place before a legacy is accepted. It would be beneficial for dioceses to consider this arrangement.

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### V. **THE DESTINATION OF OFFERINGS** (c. 1267)

*Canon 1267:* §1. Unless the contrary is clear, offerings made to Superiors or administrators of any ecclesiastical juridical person, even a private one, are presumed to have been made to the juridical person itself.

§2. If there is a question of a public juridical person, the offerings mentioned in §1 cannot be refused except for a just reason and, in matters of greater importance, with the permission of the Ordinary. Without prejudice to the provisions of can. 1295, the permission of the Ordinary is also required for the acceptance of offerings to which are attached some qualifying obligation or condition.

§3. Offerings given by the faithful for a specified purpose may be used only for that purpose.

Canon 1267 sets out a very important principle, expressed in the form of presumption. Exceptions were allowed in the past in some dioceses regarding certain stole fees, clergy dues, the Christmas and Easter collections; these are cases where the words “unless the contrary is clear” would apply according to received diocesan policy.

The word “superior” is used in the sense of canon 118: “those persons represent, and act in the name of a public juridical person whose competence to do so is acknowledged by universal or particular law...”

The presumption could be illustrated as follows: if parishioners wanted to give a gift to their parish priest at Christmas and placed it in the Christmas collection, it will be presumed that the money placed in the collection plate is for the parish, and not for the parish priest, unless the priest’s name was clearly indicated on the envelope, or some other indication given.

Paragraph 2 of canon 1267 speaks to the refusal of gifts in the case of a public juridic person. Such offerings cannot be refused except for a just reason (“*nisi iusta de causa*”) and, in matters of greater importance, with the permission of the Ordinary. The canon does not speak of the “local” Ordinary, and thus, in the case of a clerical institute of pontifical right (cf. c. 134), the major superior’s permission would suffice.

The canon does not state what are such “matters of major importance.” Certainly, any sums which go beyond the minimum amount determined by the Conference for purposes of alienation (cf. c. 1292) could be subject to this provision. The publicity attached to a gift could also make it a matter of major importance, even though the sum involved is rather small.

If, for example, a priest writer of novels wishes to make a donation to a diocese to provide for Catholic education, before such a donation is refused (possibly because of the perception of the content of the novels), the Ordinary would have to evaluate the circumstances and reach a prudent decision. An ordinary is never obliged to accept a gift, whether it be an outright gift, or goods received by last will and testament, or a gift with certain conditions attached.

The just cause that would authorize the refusal of a gift could be, for instance, the author of the gift (v.g., a noted shyster), the nature of the gift (v.g., a theatre of ill-repute), the circumstances (v.g., a gift from someone whose parents or children are in dire need), and so forth.

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The last clause of §12 means that the norms regarding the alienation of temporal goods must be observed (v.g., prior consent of certain councils, etc.) when a condition is attached that would make the patrimonial state of the juridical person less secure, i.e., where there would be less independence.

The prudent practice today is to refuse gifts with perpetual conditions attached. This should become a general practice everywhere, no matter how enticing the gift. Even conditions which have a duration of more than twenty years are considered onerous, because circumstances change so quickly. For instance, some people wish to leave money to a catholic hospital on condition that one bed will always be reserved for a person on social assistance who would not have to pay for services, or on condition that a wing be named in their honour. These conditions could become very onerous.

If a condition is attached (and is of some duration), the gift should not be accepted unless it incorporates some mechanism for changing the purpose (v.g., left to the discretion of the diocesan bishop, etc.).

Paragraph 3 of c.1267 lays out a principle that is to be faithfully observed: "Offerings given by the faithful for a specified purpose may be used only for that purpose." If the purpose is general and not specific (i.e., for the works of the diocese), then the administrator has the necessary discretionary power to apply the proceeds deemed appropriate.

We find numerous examples of the application of such a principle in the Code. For instance, canon 616, §1 applies it in the case of the suppression of a religious house; c. 1284, §2, 3E: administrators are to observe the stipulations of the donor; c. 1299, §1: respecting the intentions of a person who leaves money in a will; c. 1302: receiving goods in trust; c.1304, §2; conditions for establishing a foundation, and so forth (for instance, canons 122, 123).

The principle also applies when juridical persons are divided or suppressed (cf. cc. 122, 123).

As a practical norm, it would be important (if you are consulted beforehand), to make sure that the document provides that the superior (administrator, etc.) has the necessary authority to make adjustments if the condition cannot be fulfilled later on because of changed circumstances. Sometimes the condition is more easily accepted; naming a university pavilion after the donor but even here it would be important to determine the duration of the time period during which the name must be kept (v.g., if the building is demolished later on, etc.).

## **CONCLUSION**

As can be seen from the study of these canons, there are various modes of acquiring temporal goods in the Church. The most common (and acceptable) way is through the free-will offerings of the faithful. However, other means are lawful and may be used as occasion arises (v.g., taxation, prescription, other forms recognized by the civil law).

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## 5.1 Archdiocesan Temporalities Statutes

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### **Statute #36**

All real property of the Church whether belonging to the parish or the Archdiocese shall be vested exclusively in the Archbishop, and the title thereto shall be held in the name and style of the present Archbishop and his title. The transfer of real property should be to the Archbishop, his successor and assigns and not to the Archbishop, his heirs and assigns. The only exception to this is that real property of separately incorporated activities of the Archdiocese may be titled in the name of the civil corporation.

### **Statute #37**

Bank accounts of parishes shall be held as follows: (Name of Church), Parish, Reverend (Name of Pastor), Pastor. We forbid parish funds or any other Church Funds to be deposited in any bank, safety deposit vault or other financial institution in the name or personal title of any cleric, layperson or corporation.

### **Statute #38**

Money for Mass Stipends must be kept in a distinct account (e.g., St. John's Parish Stipend Fund), from which the Pastor will pay as the obligation is satisfied. (See Sections 5.8)

### **Statute #39**

Parishes shall borrow only from the Archdiocese of St. Louis. Any other borrowing or leasing is prohibited.

### **Statute #40**

**A)** All stocks, bonds, debentures or other securities donated to or otherwise acquired by parishes shall be promptly transferred to the Archdiocese of St. Louis and shall not be held by the parish. The value of the securities will be credited to the parish according to their worth at the time of transfer to the Archdiocese.

**B)** Pastors shall deposit surplus parish funds with the Finance Office of the Archdiocese. Written confirmation of the amount deposited, the term of the deposit and the interest earned on the deposit shall be provided at least semi-annually to the depositor. The amount deposited is payable on demand or according to the deposit term selected by the parish. Interest earned on any deposit, regardless of its term, is available on demand.

*NOTE: See Section 8.8 for Procedures for Donating Securities. Pastors are encouraged to contact the Development Office about prospective real estate donations.*

### **Statute #41**

It is required that all parishes use the official diocesan system of bookkeeping for financial records. (See Section 3.6)

### **Statute # 42**

No one may erect new buildings, or alienate, lease or extensively alter, demolish or add to any ecclesiastical property entrusted to his care without the permission of the Archbishop. (See Section 8.7)

### **Statute #43**

The Pastor, Finance Council and Parish Council shall maintain and repair parish buildings as required. Repairs in excess of \$10,000 or 3% of anticipated annual income, whichever is greater, require the permission of the Archbishop.

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## 5.1 Archdiocesan Temporalities Statutes

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### **Statute #44**

The Archdiocesan Building Regulations (obtainable at the Office of Building and Real Estate) contain the procedure to be followed in the construction of new ecclesiastical buildings, or substantial renovation or remodeling of existing buildings.

### **Statute #45**

No one entrusted with the administration of parochial or Archdiocesan property may incur indebtedness against that property, or otherwise encumber the property, without the permission of the Archbishop.

### **Statute #46**

All legal matters affecting parochial or Archdiocesan property or administration shall be referred immediately to the Catholic Center. (*Note: Legal matters should be referred to the General Counsel at the Cardinal Rigali Center.*)

### **Statute #47**

No corporation, trusteeship or separately incorporated endowment fund shall be established by a parish, school or agency of the Archdiocese without the express authorization of the Archbishop.

### **Statute # 48**

All deeds, abstracts, certificates of title, leases, easements and all legal instruments relating to churches, schools, rectories, convents, cemeteries, and all other diocesan property or property used by any parish or other subdivision thereof, shall be filed and kept by the Director of the Office of Building and Real Estate.

### **Statute #49**

The main source of parish revenue shall be the freewill offerings of the faithful. Games of chance may be conducted by parishes and institutions only in strict accord with the laws of the state and municipalities and the spiritual mission of the Church. The same is true for use of alcoholic beverage. Neither may be advertised publicly.

*NOTE: Realizing that most parishes with elementary schools charge tuition, it is very possible that freewill offerings may no longer constitute the main source of revenue.*

### **Statute #50**

Before August 1<sup>st</sup> of each year, a financial report of the parish and a report of the *status animarum* in accordance with the prescribed formula shall be sent to the Archdiocesan Finance Office. A printed financial report of the parish, indicating income and expenses should be distributed to parishioners. Such a report will strengthen the confidence of the parishioners, who have a right to know how parish money is expended.

*NOTE: The August 1<sup>st</sup> date has been changed to the first Monday following August 15.*

### **Statute #51**

The Pastor or administrator, when transferred or removed for any cause whatsoever, is obliged to forward to the Archdiocesan Finance Office a financial statement for his administration up to the time of relinquishing his office.

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## 5.1 Archdiocesan Temporalities Statutes

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### **Statute #52**

When Pastors or administrators enter into their duties, they shall accurately make an inventory of both personal and ecclesiastical goods, movable and immovable. If an inventory previously prepared is used, any changes shall be carefully noted. Two signed copies shall be prepared: one for the Parish Archives, the other for the Archives of the Archdiocese.

### **Statute #53**

All parish and Archdiocesan property must be insured through the Archdiocesan Insurance Office and in accord with its specifications.

### **Statute #54**

The prompt repayment of monies borrowed from the Archdiocese shall be a high priority for the debtor. Very large loans should be repaid at the rate of 6% *per annum* of the original principal at the minimum. Lesser loans should be paid at correspondingly higher rates, negotiated at the time the loan is made. Payments on principal and interest should be made monthly.

*NOTE: The current rate of interest on new loans from The St. Louis Archdiocesan Fund may be different. This rate is subject to review and possible change each quarter. Monthly loan payments will be based on an 8% amortization schedule. All new loans are subject to repricing after five years.*

### **Statute #55**

The Finance Office shall submit semiannual statements on interest due on parish and institutional loans.

*NOTE: The Finance Office produces and distributes monthly statements on all active and non-zero balance accounts with The St. Louis Archdiocesan Fund.*

### **Statute #56**

All invoices received from other Archdiocesan entities are due upon receipt and must be paid within thirty days from date of billing.

*NOTE: The annual consolidated billing that consists of Archdiocesan assessments will automatically be set up for monthly payment. Monthly installments are due on the first of each month.*

### **Statute #57**

Amounts owed other Archdiocesan entities may not be repaid on an installment method without first obtaining written permission to do so from one of the Vicars General responsible for the debtor and creditor entities.

*NOTE: The Vicar-General for Finance and Administration issued blanket approval for all parishes to pay their annual Consolidated Billings in equal monthly installments.*

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## 5.2 Archdiocesan Temporalities Policies

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### Policies

1. All parish accounts should have at least two signatories. These should be the Pastor and the associate Pastor. In parishes that have no associate Pastor, the Pastor may have the permanent deacon assigned to the parish as a second signatory. In parishes that have no associate Pastor or retired priest in residence or permanent deacon, the Dean should be the second signatory. **Please note that only clergy are to be signatories on parish accounts.** (If other procedures are operative in parishes staffed by religious communities, please advise the Dean.)
2. Parishes need to keep a reasonable amount of funds in their local bank accounts to meet their normal operating needs. Generally, the balance in such accounts should not exceed one month's expenses. Surplus funds must be deposited in The St. Louis Archdiocesan Fund, which is administered by the Finance Office under the oversight of the Fund's Board of Trustees.
3. All funds must be recorded in the parish's financial accounting system. No "off the books" accounts are allowed. Many parish organizations have separate bank accounts that use the name and/or tax identification number of the parish. These accounts are the property of the parish and, as such, the bank statements and cancelled checks should be sent to the parish office.
4. The Archdiocese recommends that the activity and the cash balances in parish organizations' accounts be recorded on the parish's books. With proper accounting software and qualified bookkeeping staff, these organizational accounts and activities can be properly segregated while reducing the number of separate bank accounts. At a minimum, each organization must submit financial statements, both balance sheet and statement of activities, to the Pastor on at least an annual fiscal year end basis. More frequent reporting is encouraged if practical.
5. Even though more and more parishes are employing business managers, the Pastor should open the statements and review all checks for propriety and authenticity of signature. In all cases the Pastor should be an authorized signer on every account including those in the names of parish organizations.
6. In October 1998, the Finance Office sent a mailing to all Pastors and agency directors advising them that all donated securities are to be liquidated through that office whenever possible. In concert with *Smith, Moore & Company*, the Finance Office has well-established procedures that allow for efficient and effective execution of trades. If you need another copy of that mailing, please call the Archdiocesan Finance Manager.
7. Beginning in 2000, parishes must submit quarterly financial data to the Finance Office. The data should be in the form of an accounting backup and should be done on the last business day of each calendar quarter. At year-end accounting backups are to be submitted no later than the first Monday following August 15.



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## 5.2 Archdiocesan Temporalities Policies

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8. Because a large number of parishes have had difficulty preparing accurate Form 941 payroll reports, copies of these reports must be furnished to the Parish Support Office before they are mailed to the IRS.
9. Also beginning in 2000, we request that all calls for support assistance be initially directed to the Parish Support Office (314.792.7716). If the assistance of Data Center personnel is required, the Parish Support Office will request their assistance.

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### 5.3 Closed Parish Policy

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**This policy serves to clarify the distribution of assets of closed (suppressed) parishes.**

When the official closing of a parish is announced, the Chancellor will work in close cooperation with the pastor of the parish in conducting a review of all parish files and determine what should be preserved and filed in the Archdiocesan Archives. All sacramental records for suppressed parishes will be transferred to the Archives.

The office of Chancellor will also conduct, with the cooperation of the parish staff, an inventory of all parish furnishings and items that relate to the parish worship space and in liturgical celebrations. With the permission of the Archdiocese, the host parish(es) may take furnishings and religious artifacts that may be used in the host parish(es). It is to be noted that no religious items may be distributed without the permission of the Chancellor. Any remaining furniture, equipment and especially religious items will become the property of the Archdiocese of St. Louis.

It may be necessary, after the inventory is complete and the host parish(es) have made decisions regarding the desire to utilize certain property from the suppressed parish, to offer items for sale to other archdiocesan parishes and agencies. Remaining items may then be offered to the general public, under the direction of the Office of Chancellor. Monies from the sale of items will be distributed according to the official distribution policy of the Archdiocese of St. Louis listed herein. It shall be noted that certain items that are used for liturgical celebrations will not be made available to the general public. The Chancellor will determine the disposition of these items.

The Office of Chancellor will maintain a central facility for the storage of items that have not been claimed by the host parish(es). It will also maintain a record of all items for future reference and inquiries. These items will be available to parishes, agencies and others determined by the Chancellor. Monetary offerings from these items will be the property of the Archdiocese of St. Louis.

The Parish Support Office will perform a review of the financial records of the host parish(es) and the closed parish prior to any liquidation of assets. The Parish Support Office will determine the disposition of the closed parish's financial records.

The Parish Support Office will oversee the liquidation of assets and distribute the proceeds according to the following table. Any remaining liabilities will become the responsibility of the Archdiocese. The host parish(es) assets will not be used to repay any closed parish liabilities.

When a parish has been closed and before it has been sold, the Archdiocesan Office of Building and Real Estate assumes responsibility for overseeing the maintenance of the buildings and the upkeep of the grounds. Costs associated with this maintenance and upkeep are deducted from the assets of the closed parish or from the eventual proceeds of the sale of the property.

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### 5.3 Closed Parish Policy

Types of Assets	Prioritization of Disbursements
<b>Cash accounts</b> <b>Accounts receivable</b> <b>collections</b>	<ol style="list-style-type: none"> <li>1. Third party obligations</li> <li>2. Archdiocesan obligations, other than loans due to The St. Louis Archdiocesan Fund (SLAF)</li> <li>3. Loans due to The St. Louis Archdiocesan Fund</li> <li>4. To the host parish(es) the remaining balance. (If more than one host parish, the Archdiocese will determine the division of the funds.)</li> </ol>
<b>Endowments and restricted assets</b>	<ol style="list-style-type: none"> <li>1. According to restrictions</li> </ol>
<b>Proceeds from sales of real and personal property</b>	<ol style="list-style-type: none"> <li>1. Selling expenses</li> <li>2. Third party obligations incurred prior to closing which were paid by the Archdiocese</li> <li>3. Obligations to the Archdiocese, other than loans due to The St. Louis Archdiocesan Fund</li> <li>4. To the host parish for costs incurred to renovate or expand facilities as required to properly serve the expanded parish community</li> <li>5. Loans of the closed parish due to The St. Louis Archdiocesan Fund</li> <li>6. Past due loans of the host parish(es) due to The St. Louis Archdiocesan Fund.</li> <li>7. To the host parish(es) the remaining balance. (If more than one host parish, the Archdiocese will determine the division of the funds in accordance with the norms of canon law.)</li> <li>8. To the Archdiocese, for deposit in the <i>Ensuring Parish Viability Endowment</i>, if there are no remaining resident parishioners of the closed parish and if there is no host parish.</li> </ol>
<b>Rental income</b>	<ol style="list-style-type: none"> <li>1. Expenses associated with the property</li> <li>2. Archdiocese of St. Louis, to cover management costs.</li> </ol>

Host parish(es): The new or remaining parish(es) that serves the area previously served by the closed parish(es).

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### 5.3.1 Financial Issues for Closing Parishes

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#### **Cash Flow**

If a parish does not have sufficient cash flow through the date of closing, the bookkeeper should prepare a closing budget of all anticipated revenues and cash disbursements for personnel and non-personnel costs. Send the estimate to the Parish Support Manager at least four (4) weeks prior to the closing date. The Parish Support Manager will notify the Controller and Chief Financial Officer. If the Archdiocese of St.Louis advances money to a parish, the advance will be repaid to the Archdiocese of St.Louis at the time the parish property is sold and before distribution of proceeds are made to the successor parish.

#### **Parish Organization Bank Accounts**

The parish should close existing organizations' bank accounts and deposit money into parish checking account; also, create a sub-account of the checking account in QuickBooks (QB) to identify the organization's cash balance.

#### **Parish Bank Accounts**

New signature cards should be signed for bank accounts for the closing parish. Both the current and succeeding pastors should be signors on the account.

#### **Final Bank Reconciliations**

Make certain all bank accounts have been accurately reconciled before closing the parish office. **Do not close any bank account that has outstanding activity.** The Parish Support Office will authorize the closing of the account at the appropriate time.

#### **Unclaimed Property –**

The parish should review its latest bank reconciliation. Checks that are outstanding more than 90 days need to be scrutinized. Send an audit letter to vendors and employees verifying any unsatisfied debts. Any outstanding checks should be reported and remitted to the Missouri Dept of Revenue in accordance with Missouri's Unclaimed Property Act. (See Section 12.7)

#### **The St. Louis Archdiocesan Fund Accounts**

The St. Louis Archdiocesan Fund will transfer all remaining account balances to the successor parish when notified by the Parish Support Manager. The Parish Support Manager will notify the successor parish when balances are transferred.

#### **Endowments**

If a parish has any endowments, it should contact the Office of Stewardship and Development for guidance regarding the specific endowment agreement. The parish and the Archdiocese have an obligation to fulfill the wishes of the donor of the endowed gifts.

#### **Personnel, Payroll, & Benefits –**

Once the parishes officially close, final payrolls should be processed in accordance with the closing date. All contracts and teachers' benefits must be fulfilled . All quarterly tax reports should be filed and final tax payments should be made.

If there are any garnishments against wages, the bookkeeper must notify the Circuit Clerk or other legal authority that the parish is closing and pay final wages to the garnishee.

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### 5.3.1 Financial Issues for Closing Parishes

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Complete all the necessary paperwork (transfers, terminations) with the Archdiocesan Employee Benefit Office and benefits providers.

Advise employees to promptly file claims for their flex medical spending and dependent care benefits. Also, be certain that all withheld amounts have been remitted to the third party administrator.

If the parish uses a payroll service vendor, inform the vendor (in writing) that the parish is closing. Ask them to prepare the final tax forms to the federal, state, and local government offices as applicable. Also, give the payroll service provider written notice to prepare the employee W-2 forms at year-end. Ask the vendor to acknowledge this notice in writing.

If the parish uses QuickBooks for payroll, inform employees their W-2's will be issued in January from the Parish Support Office.

Any employee who moves during the year should contact the Parish Support Office and give a forwarding address.

When disbursing final payments for contracts, have the employee sign a document stating their contract has been paid in full. (See page 4)

#### **Liabilities –**

All accounts payables, payroll withholdings, and special collections should be remitted before closing.

#### **Equipment Lease Agreements –**

If a parish has any outstanding lease agreements (copier, etc.), please review the agreement and contact the vendor regarding buyout/cancellation of lease. If your leased equipment will be transferred to another Archdiocesan entity, please be sure that the vendor approves or accepts the transfer of property. Also, be certain that the equipment and contract are forwarded to the successor entity and that the successor entity accepts the terms of the agreement.

#### **Charge Accounts and Credit Cards**

Notify all local vendors with credit and/or charge accounts that the parish is closing. Be certain that all outstanding balances are satisfied and ask vendors to give written confirmation that the accounts are closed.

#### **Incurring Expenses/Receiving Revenue for New Parish –**

If a parish incurs expenses on behalf of the new parish with the concurrence of the new pastor, record the transactions to prepaid expense on the parish books. Transfer the amount to the new parish's accounting records and recognize expense when the parish is opened. Likewise, if the closing parish deposits money on behalf of the new parish, the parish needs to restrict the cash and defer the revenue until such time that the money can be transferred to the new parish. Supporting documents for these transactions should be transferred to the new parish's files.

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### 5.3.1 Financial Issues for Closing Parishes

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#### **Final Accounting Backup, Payroll Taxes, and W2's**

The bookkeeper should submit the parish's final backup within 45 days of the parish closing. Parishes are responsible for the preparation of the parish's final quarterly tax reports. Send completed reports to the Parish Support Office for approval. Do not mark the quarterly forms as "Final". The Parish Support Office will prepare the W-2 forms and will mark the fourth quarter payroll forms "Final". Please be certain to forward the parish's Missouri coupon books to the Parish Support Office. Please verify employee addresses before sending the parish's final backup to the Parish Support Office.

#### **Records Retention**

All accounting records should be boxed and sent to the Parish Support Office. Please refer to Section 12.5 Parish Record Retention Guidelines.

#### **Contribution Statements**

Please send contribution statements to all parishioners before closing the parish office.

#### **Parish Mail**

Before closing the parish office, please complete a change of address card forwarding all parish mail to the new parish. **The only mail forwarded to the Archdiocese of St. Louis should be utility bills (ongoing bills) for the old parish. These bills should be addressed to: Building & Real Estate Office, 20 Archbishop May Drive, St. Louis MO 63119.**

#### **Office Equipment and Software**

Office equipment and software become the assets of the successor parish.

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### 5.3.1 Financial Issues for Closing Parishes

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#### **Completion of Teacher's Contract 20xx/20yy**

Effective June 30, 20yy, the undersigned Parish will be closed. The Parish therefore is making final remuneration due the undersigned teacher to fulfill the contract signed for the 20xx/20yy school year. The final payment includes five (5) individual paychecks for the pay periods through August 31, 20yy. Each paycheck is equal in value and has the agreed upon tax, insurance, and retirement withholdings.

Retirement and health insurance benefits will continue through August 31, 20yy. If the undersigned teacher becomes employed at another Archdiocesan School, Office or Agency, benefits will be transferred effective September 1, 20yy. If the teacher does not continue employment within the Archdiocese after August 31, 20yy, he/she can elect to have Continuation of Coverage. Please contact Stephanie Welling at 314.792.7306 for further details.

Your W-2 form will be processed in January 20zz and will be mailed to you. If you move during the year, please send the new address information to the Parish Support Office, 20 Archbishop May Drive, St Louis MO 63119. When sending this information, please be certain to include the name of the closed parish as your previous employer.

By signing this form, both the parish and the employee agree that all compensation has been paid and the employee understands that benefits continue as stated above.

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**Parish Name (Printed)**

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**Employee's Name (Printed)**

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**Pastor's Signature**

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**Employee's Signature**

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**Date**

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**Date**

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## 5.4 Financial and Purchasing Policies—Example

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### St. XXX Parish (example only)

1. The schedule of Temporalities of the Archdiocese shall govern all financial actions of the Parish.
2. The schedule of Principles for the Management and Use of Funds Generated by Parish facilities and organizations is to be followed by all organizations.
3. All regular operating expenditures for services, supplies, maintenance and parts should have been included in the annual budget of the organization making the purchase.
4. All non-budgeted or non-recurring purchases must be reviewed and approved by:
  - a. the person responsible for the organization's budget, and
  - b. the Parish Business Manager for amounts up to \$300, and
  - c. the Pastor for purchases from \$301 to \$1,000.
5. Large dollar purchases or services (in excess of \$1,000 in aggregate) must be competitively bid prior to initiating the purchase. Listed below are the bidding parameters.
 

a. \$1,000 to \$2,500	Requires a minimum of two (2) bids Purchase must be reviewed/approved by the Finance Council
b. \$2,501 to \$5,000	Requires a minimum of three (3) bids Purchase must be reviewed/approved by the Finance Council
c. \$5,001 to 3% of Annual Parish Revenues	Requires a minimum of four (4) bids Purchase must be reviewed/approved by the Finance Council Purchase must be approved by the Parish Council
d. Over 3% of Annual Parish Revenues	Requires a minimum of four (4) bids Purchase must be reviewed/approved by the Finance Council Purchase must be approved by the Parish Council Purchase must be approved by the Archdiocese
6. All purchases must be submitted to the Parish Business Manager so that payment can be scheduled.

#### Notes:

- Funding for items covered under section (5) above will be discussed at the time the project is submitted to the Finance Council.
- Diocesan Central Purchasing should be consulted when applicable.



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## 5.5 Parish Emergency Information

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To All Pastors:

Sometimes it is necessary for the Director of Priest Personnel or a Dean to attend quickly to the pastoral care of a parish whose pastor has had to leave the parish suddenly because of illness or some other emergency. At such times it is very important that the Personnel Office or the Dean have immediate access to certain information about the parish. For this reason I am asking that each pastor or parish administrator complete the enclosed Parish Emergency Information Form and return it to your Dean whenever changes in the information occur.

With regard to item #3 on the enclosed form, please note that all parish accounts should have at least two signatories. These should be the pastor and the associate pastor. In parishes that have no associate pastor, the pastor may have the permanent deacon assigned to the parish as a second signatory. In parishes that have no associate pastor or retired priest in residence or permanent deacon, the Dean should be the second signatory. **Please note that only clergy are to be signatories on parish accounts.** (If other procedures are operative in parishes staffed by religious communities, please advise the Dean.)

If it is necessary to add to or remove from parish bank accounts any signatures, please do so before completing and returning the enclosed form. Thank you for your cooperation and help.

Sincerely yours in Christ,

Archbishop of St. Louis

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## 5.5 Parish Emergency Information

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### Parish Emergency Information Form

(Please type or print)

Parish Name: \_\_\_\_\_ Deanery: \_\_\_\_\_

Address: \_\_\_\_\_ Parish ID Number: \_\_\_\_\_

#### 1. Contact with keys to the Church:

\_\_\_\_\_  
(Name) (Phone Number) (Position)

\_\_\_\_\_  
(Name) (Phone Number) (Position)

#### 2. Contact to assist the visiting priest locate what would be needed for Mass:

\_\_\_\_\_  
(Name) (Phone Number) (Position)

\_\_\_\_\_  
(Name) (Phone Number) (Position)

**Please Note: Only priests and permanent deacons may be signatories on parish accounts. Ordinarily, the associate(s) should be signatories with the pastor. In a parish that has no associate(s) or retired priest in residence, the assigned permanent deacon may be a signatory. Where there are no associate(s), no retired priest in residence and no permanent deacon, the Dean should be the second signatory.**

#### 3. Names of signatories, other than the pastor, on parish accounts(s).

\_\_\_\_\_  
(Name) (Phone Number) (Position)

\_\_\_\_\_  
(Name) (Phone Number) (Position)

#### 4. Contact person to keep parishioners informed and to keep the Dean apprised of the Parish needs, e.g. Parish Council President.

\_\_\_\_\_  
(Name) (Phone Number) (Position)

#### 5. Name of Parish Secretary/Bookkeeper:

\_\_\_\_\_  
(Name) (Phone Number) (Position)

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## 5.5 Parish Emergency Information

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### Parish Emergency Information Form

(Please type or print)

#### 6. Confession and Mass Schedule:

Saturday

Confessions:

\_\_\_\_\_ Mass

Schedule

Saturday: \_\_\_\_\_ Mass

Schedule

Sunday: \_\_\_\_\_ Weekday Mass Schedule: \_\_\_\_\_

#### 7. Person to be contacted in the event of the incapacitation of the pastor (Optional)

\_\_\_\_\_ (Name) \_\_\_\_\_ (Phone Number) \_\_\_\_\_ (Position)

Father: Please return this form to your Dean by September 30, \_\_\_\_\_.

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## 5.6 Cash Accounts

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To All Pastors:

Parishes need to keep a reasonable amount of funds in their local bank accounts to meet their normal operating needs. Generally, the balance in such accounts should not exceed one month's expenses. Surplus funds must be deposited in The St. Louis Archdiocesan Fund, which is administered by the Finance Office under the oversight of the Fund's Board of Trustees.

The Board has approved several initiatives in recent years to offer products and services that are competitive with those offered by outside institutions. It is not our intent to be in direct competition with those institutions, but rather to enhance the Trust's earnings potential so that the parish assessments can be kept to a minimum. Indeed, much of the Trust's extraordinary surpluses have been shared with parishes to reduce their indebtedness to the Trust, to build new worship facilities, and to fund endowments that help make Catholic education more affordable.

All funds must be recorded in the parish's financial accounting system. No "off the books" accounts are allowed. Many parish organizations have separate bank accounts that use the name and/or tax identification number of the parish. These accounts are the property of the parish and, as such, the bank statements and copies of cancelled checks should be sent to the parish office.

Even though more and more parishes are employing business managers, the pastor should open the statements and review all checks for propriety and authenticity of signature. In all cases the Pastor should be an authorized signer on every account including those in the names of parish organizations.

Also, all donated securities are to be liquidated through the Archdiocesan Finance Office whenever possible. In concert with *Smith, Moore & Company*, the Finance Office has well-established procedures that allow for efficient and effective execution of trades. If you need another copy of that mailing, please call the Archdiocesan Finance Manager.

Sincerely yours in Christ,

Archbishop of St. Louis

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## 5.6.5 Bank Statements and Cancelled Checks

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To All Pastors:

I understand that some parishes are not receiving either the actual cancelled checks or the images of cancelled checks (cancelled checks) with monthly bank statements.

Most parishes operate with limited staff. A detailed review of the monthly bank statements and cancelled checks by the pastor often is the strongest internal control that a parish can implement to detect errors, irregularities, or fraud in a timely manner. This control is even stronger when those statements are received unopened by the pastor from the bank. It is critical to the financial well-being of the parish that this review is completed with all of the necessary documents.

I understand that many banks are offering incentives to customers to encourage them to “go paperless.” However, in this case, the risks associated with not receiving cancelled checks or photocopies of cancelled checks with the monthly bank statements outweigh the often minimal cost savings. Since our policies already require pastors to receive bank statements unopened and to review these bank statements and cancelled checks, I ask that you adhere to the practice of reviewing paper bank statements, including, at a minimum, photocopies of cancelled checks (no more than 15 per page so they are legible), for all parish and parish organizational bank accounts. Beginning on February 1, 2011, our internal audits will check especially to see that this practice has been implemented for all parish and parish organizations.

This policy or practice is intended to protect the parishes from potential fraud and is considered a “Best Practice” for insurance purposes. If you have any questions, please contact either the Chief Financial Officer or Director of Internal Audit.

Sincerely yours in Christ,

Archbishop of St. Louis

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Date	11/01/12	02/01/08

## 5.7 Parish Equipment Leases

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Current Archdiocesan statutes and policies prohibit parishes from entering into capital leases. The Property and Financing Committee authorizes equipment loans to provide an alternative-funding source for purchases of copiers, telephone systems and PCs.

Those vendors who are recommended by Central Purchasing are aware of our policy about financing and are willing to abide by it. However, they complain that several parishes bypass them and enter into leases with unapproved, less reputable vendors, thus putting our approved vendors at a competitive disadvantage. These vendors offer lower financing rates than SLAF and allow the parishes to avoid following our policy. This does not seem to be sound business practice.

Parishes are allowed to lease from Archdiocesan approved vendors when the acquisition cost does not exceed \$25,000. In cases where a higher limit might be needed, parishes should contact the Archdiocesan Finance Manager who has responsibility for assessing each parish's ability to service the lease contract throughout the term of the lease.

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## 5.8 Mass Stipends

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TO: THE PRESBYTERATE OF THE ARCHDIOCESE OF SAINT LOUIS

FROM: ARCHBISHOP RAYMOND L. BURKE

REGARDING: OFFERINGS FOR THE CELEBRATION OF THE MASS AND OFFERINGS TO MASS ASSOCIATIONS

DATE: JUNE 16, 2008

Through the regular internal audits of the parishes of the Archdiocese of Saint Louis, several questions regarding the administration of the offerings of the faithful for the celebration of the Mass and the offerings to Mass Associations of parishes and institutions have been raised. In order to respond to the questions raised, I offer the following clarifications. I use the term, "Mass offering," rather than "Mass stipend," for "offering" is a more accurate translation of the Latin term, *stips oblata* and expresses more accurately the nature of the gift made at the time of the request of the application of the Mass for a particular intention.

1. The relevant canonical discipline regarding Mass offerings is found in cann. 945- 958; 1308, §3; and 1385, of the *Code of Canon Law*, and in Appendix #1 of the *Faculties for Priests: Archdiocese of Saint Louis*, published by my predecessor, the Most Reverend John L. May, on April 25, 1990.
2. For each offering given and accepted for a specific intention, even if the offering is less than the norm. A single Mass is to be offered for the specific intention (cf. can. 948).
3. A careful record of each offering for the celebration of the Mass is to be kept by each priest and by the parish in which the priest is serving, so that the sacred obligation to celebrate the Mass will be diligently fulfilled, also in the case that the offering may be lost even if through no fault of the priest, or the priest to whom it has been given is unable to offer the Mass (cf. cann. 949; and 955, §§3-4).
4. The offering to be given for the celebration of the Mass for a particular intention remains at five dollars for the Province of Saint Louis. The particular legislation in the matter pertains not only to the priests of the Archdiocese of Saint Louis but also to all priests who are serving in the Archdiocese of Saint Louis. It is not permitted to require a larger offering. If a member of the faithful spontaneously gives a larger or smaller offering, however, it may be accepted (can. 952, §§1-2).
5. An individual priest or parish may not accept more Mass offerings than the number of Masses which can be offered within a year. The time-limit of one year begins from the day when the offering is given and accepted. When more Mass offerings are received than can be offered within a year, the offerings should be given to the Office for the Propagation of the Faith or to brother priests who do not have a regular source of Mass offerings, for instance, priest teachers and chaplains, or retired priests, so that they may apply the Masses, in accord with the intentions for which each offering has been given. The donor of the Mass offering for which the Mass is to be celebrated by another priest is to be informed of the same. If the donor insists on the giving of an offering for a Mass which cannot be celebrated within a year, he should be encouraged to consider the need of Mass offerings for other priests who will be pleased to apply the Mass according to the intention of his offering. If he still insists, the offering for a Mass which cannot be celebrated within a year cannot be accepted (cann. 953; 954; and 955, §§1 and 3).

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## 5.8 Mass Stipends

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6. It is not permitted to apply one Mass for several intentions for which individual offerings have been given and accepted.
7. It is permitted to take only one offering a day for Masses celebrated, except on Christmas. The offerings for the additional Masses celebrated on a given day are to be sent to Kenrick-Glennon Seminary (*Faculties for Priests: Archdiocese of Saint Louis*, 25 April 1990, Appendix #1).
8. The offerings for Masses to be celebrated are to be kept in a distinct account and are not to be commingled with parish funds. The records of the account are to be accurately kept, so that it is clear, at any moment, what obligations for the celebration of the Mass remain.
9. When an obligation for the celebration of the Mass has been fulfilled, the offering is to be given immediately to the priest who celebrated the Mass or, in the case of a bination, it is to be forwarded to Kenrick-Glennon Seminary. It is not permitted to keep in the Mass offerings account the offerings for Masses which have already been celebrated.
10. "Any appearance of trafficking or trading is to be excluded entirely from the offerings for Masses" (can. 947). "An individual who illegitimately makes a profit from a Mass offering is to be punished with a censure or another just penalty" (can.1385).
11. I take the occasion to recall to mind what I have written, in my memorandum to the Presbyterate, on April 11th last, regarding the obligation of the pastor to offer the Mass on Sundays and Holydays *pro populo* (cf.can. 534, §§1-3).
12. If the parish or other institution has a Mass Association through which individuals request the remembrance of one or a number of intentions at the Mass on a given feast day or at the Masses during a novena in preparation for a feast or during the octave of a feast, the offerings which the faithful may make at the time of requesting the remembrance of their intentions is not considered a Mass offering, because it is understood that an individual Mass will not be offered for each intention. The offerings made to the Mass Association, which are not called Mass offerings but donations to the Mass Association, are understood to be a contribution to the Mass Association for the pious use of the Association. In a parish or institution, such offerings may support a shrine on the parish grounds or some other spiritual or charitable work of the parish or institution.
13. Offerings to a Mass Association are not to be commingled with Mass offerings. They should be kept in a separate account which should be separately administered. The authority with responsibility for the administration of the offerings to a Mass Association has the solemn obligation to see that the funds are used in accord with the stated purposes of the Mass Association. The priest who celebrates the Mass or Masses at which the multiple intentions are remembered may take only one offering for each Mass, in accord with the norm in the Province of Saint Louis.

I hope that the above is of some help in the fulfillment of our sacred obligation in what pertains to Mass offerings.



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### **5.8.1 Prohibiting Use of Mass as Fundraising Activity**

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In recent years it had become a practice to use the celebration of the Eucharist as an auction item at fundraising events. This practice is not acceptable.

This policy was established by the Archbishop on March 15, 2011.

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## 5.9 Identity Theft Protection Policy

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To All Pastors:

Many parishes, schools and agencies of the Archdiocese of St. Louis collect personal information about persons whom they serve. Examples of personal information include social security numbers, address information or credit card information (collectively, "Personal Information"). This Personal Information may be collected when a parent enrolls a child in a parish school, when a parent enrolls a child for an athletic event, when a person is seen at a counseling center or when a person makes a deferred payment for a service, such as purchasing a pre-paid burial plot. Additionally, Personal Information may be collected about persons who participate in the Safe Environment Program of the Archdiocese. In collecting and maintaining such Personal Information, parishes (included parish organizations, such as Athletic Associations), schools (including pre-school and after-school-care programs) and agencies of the Archdiocese MUST work to ensure that identity theft is detected, prevented, and mitigated.

1. Have a process in place to verify a person's Personal Information, if the organization believes that information furnished by a individual may be fraudulent. This process could involve asking for proof of identification or additional information or verifying previously collected information maintained by the organization.
2. Maintain physical safeguards to ensure that collected Personal Information is securely maintained. This may include locking file cabinets where Personal Information is stored and allowing only certain persons within the organization to access Personal Information. Additionally, Personal Information should NOT be removed from the parish, school or agency and stored in an employee's or volunteer's home or personal office.
3. Maintain technical safeguards, if the Personal Information is stored electronically. This should include having electronically stored Personal Information protected by passwords which are periodically updated and are not shared with others. Portable laptop and notebook computers should NOT be used to store Personal Information.
4. Respond to information that appears to be inconsistent with information previously maintained about an individual. This could include verifying a discrepancy in address information.
5. Notifying persons whose Personal Information may have been compromised. If a parish, school or agency believes that Personal Information has been compromised, it must contact the pastor or agency director, who shall assist in this notification and determine whether to involve Archdiocesan officials and law enforcement.
6. Identify a representative of the parish, school or agency responsible for ensuring that identity theft prevention procedures are maintained and followed.

In addition to these six requirements, parishes, schools and agencies are expected to understand and identify areas of vulnerability which may result in identity theft or Personal Information and further protect Personal Information as their specific operations necessitate.

This policy shall be updated periodically to ensure that parishes, schools and agencies of the Archdiocese are properly addressing the risk of identity theft of Personal Information.

Sincerely yours in Christ,

Archbishop of St. Louis

	This	Replaces
Section	5.10	New
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## 5.10 Solar Lease and Purchase Programs

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Solar array installations for generating electricity and reducing energy costs are becoming more and more prevalent in public and private facilities. Incentives such as Federal and State tax credit programs along with Energy Company rebates have contributed to offsetting the initial cost of installing small power generating facilities. As a result of these expanding programs, there are many new companies vying for market share targeting owners with large real estate holdings including the Archdiocese of St. Louis.

Several Archdiocesan schools and parishes have been in discussions with companies selling or leasing solar array systems, including Kenrick-Glennon Seminary, which is proceeding with the installation of a leased system as a test case.

There are many factors to consider when adding solar arrays to facilities. Obviously cost, lease and/or purchase terms, location, installation requirements, and financial return are significant considerations that need to be reviewed on a case by case basis.

To ensure the viability of proposed solar installations, any Archdiocesan facilities considering such installations are hereby requested to adhere to the following:

1. Notify the offices of Pastoral Planning and Building and Real Estate that you are evaluating the benefits of adding solar systems and request a listing of approved vendors.
2. Obtain the Archbishop's approval to enter into negotiations with a solar system vendor.
3. Obtain proposals from at least three solar system vendors.
4. Determine proposed locations and conditions affecting installation including roof structural loading capabilities and condition of roof if proposing rooftop installation.
5. Provide any and all vendor information and agreements to the offices of General Counsel and Building and Real Estate prior to signing any binding commitment.