



Catholic Diocese of Sioux Falls

ADMINISTRATIVE POLICIES REGARDING PROPERTY

Canon law requires the diocesan bishop to carefully supervise the administration of all goods which belong to the diocese and all public juridical persons, including parishes, entrusted to his authority and to regulate the administration of ecclesiastical goods through the issuance of special instruction (*CIC*, c. 1276§ 1 & 2).

ALIENATION OF CHURCH PROPERTY

Any act of alienation (sale, transfer of title, long-term lease or alteration that causes a devaluation of property value) must have the written permission of the bishop or his delegate. The bishop may seek the counsel of the consultative bodies of the Diocese before responding to written requests for permission to alienate property.

Acts of alienation whose value exceeds \$50,000 in construction or market value require the counsel of the Diocesan Consultors and the Diocesan Finance Council before the approval of the bishop may be offered. Written and signed requests for permission to alienate a parcel of land, building, or other property should be sent to the bishop, signed by the local pastor or local ecclesial authority. Requests sent via electronic mail are not acceptable.

ADMINISTRATION OF CHURCH PROPERTY

Acts of administration under \$10,000 in value are considered ordinary. The authority for carrying out ordinary administrative acts has been delegated to the local pastor or appropriate ecclesial authority. These would include but are not limited to the routine payment of current bills, the replacement of machinery or equipment, the collection of ordinary income and tuition, the acceptance of routine donations or gifts, the purchase of items required for the routine operations of a parish or school, the investing free capital, and the short term lease or rental of property.

Acts of administration which total more than \$10,000 but less than \$100,000 in value may be approved administratively by the bishop or his delegate. Administrative acts that exceed \$100,000 in value require consultation with the Diocesan Consultors and the Diocesan Finance Council followed by approval of the bishop. Written and signed requests for permission to carry out an act of administration should be sent to the bishop, signed by the local pastor or local ecclesial authority. Requests sent via electronic mail are not acceptable.

Examples of acts of administration which require the approval of the bishop include but are not limited to:

- formally requesting funds from the Catholic faithful / launching a capital campaign
- construction of new buildings or extensive repair made to existing structures
- purchase or sale of land or property
- acceptance or refusal of major gifts or bequests
- acceptance or refusal of gifts with conditions attached
- investment of capital
- long-term lease (greater than nine years) or rental of property.

FUNDING REQUIREMENTS / FINANCING

Any act of administration requires that at least 50% of the project's estimated cost is on hand as cash and is accompanied by a detailed, written plan for paying for the remaining project and financing costs *before* a loan request from the Diocesan Expansion Fund or from another lender will be considered (*See Diocesan Expansion Fund Program Policy for more details*). In-kind contributions must be included at market rates when determining the value of a proposed project.

SACRED WORSHIP SPACE

Any remodeling to the sanctuary of a church or a chapel must have the written permission of the bishop or his delegate regardless of the project's cost. At the discretion of the bishop, projects that reshape sacred worship space may also be subject to the review of the Diocesan Building Commission and the diocesan ministry for liturgical worship.

BUILDING MAINTENANCE

Preventative and routine maintenance of buildings is encouraged and considered the responsibility of the local parish under the pastor's or administrator's leadership. Examples of routine and preventative maintenance might include repairing sidewalks, painting, repairing broken glass, HVAC system maintenance, etc. Maintenance projects of this nature are considered an ordinary parish expense. The bishop should be advised any time a parish is involved in more than routine and preventative maintenance and in accord with the published value amounts for permission requirement guidelines listed above.

BUILDING PROJECTS – ROLE OF THE DIOCESAN BUILDING COMMISSION

The Diocesan Building Commission has been established to advise the bishop and the pastor/parish on the soundness of proposed building and construction projects to be completed by parishes and juridic persons. The Commission is particularly charged to lend critical expertise in the areas of technical design and practical implications for future use. All members are appointed to the commission by the bishop.

The Building Commission shall be comprised of a minimum of eight individuals. It is preferred if a majority of the commission is made up of professionals involved in architectural design and/or building construction. The Commission shall have a minimum of two pastors from the diocese who have been appointed to serve on it. The Risk Manager for Catholic Mutual will also serve on the commission. Because formal reviews will also consider financing plans for building projects, the Building Commission shall have a minimum of two members from the Diocesan Finance Council serving on it. The Diocesan Finance Council, though, is responsible for the formal review of project financing plans.

Building projects whose design phase is nearing completion will be required to undergo a formal review by the Building Commission. The Building Commission has the authority to request changes be made to the design of a proposed project prior to issuing its recommendation to the bishop that permission to proceed be granted. The Priest Consultors and the Diocesan Finance Council typically will not hear a proposed building project until the Building Commission has offered its recommendation for the project.

The bishop has the authority to exempt a project from having to be reviewed by the Building Commission. This exemption, if granted, is generally given for maintenance-related projects.

Though not required, a preliminary review by the Building Commission may also be requested by the local pastor. Preliminary reviews provide parishes (or equivalent) an opportunity to receive constructive feedback on

the proposed project's design from skilled members of the building trades when the project is still in its earlier stages of design. Feedback at this preliminary review is only suggestive and intentionally offered prior to the finalizing of construction design.

The materials related to project reviews must be submitted to the diocesan chancellor at least one-week in advance of a Building Commission meeting. Commission meeting dates will be published in the Diocesan Ministry Forum and wherever else it is appropriate. Typically Commission meetings precede regularly scheduled Priest Council and Diocesan Finance Council meetings.

BUILDING PROJECTS – SEQUENCE FOR SEEKING REQUIRED PERMISSION

A typical sequence for the development of a major building project *may* go as follows:

- Pastor identifies the scope of the proposed project the campaign will fund and requests permission to begin a capital campaign; bishop grants permission to begin capital campaign; parish conducts capital campaign
- Parish enlists professional services firm to complete preliminary, conceptual architectural design of building project
 - o these are often used for campaign purposes and drawn in such a way that adjustment can easily be made to the project design based upon feedback received and upon the success of the capital campaign
 - o architectural design usually requires signing a contract with a value in excess of diocesan thresholds (\$10,000/\$100,000); authorization from the bishop to enter into such contract may be required
- A preliminary Building Commission review is made of the project; suggestion for adjustment to building design may be offered
- As capital campaign raises funds that approach diocesan requirements for a building project:
 - o project design continues, construction cost estimates are refined
 - o preparation is made for a formal Building Commission review
 - o a proposal for financing the project is developed
 - this is typically done using construction estimates.
 - o written request for permission to proceed with the project is authored by the local pastor to the bishop once construction estimates for the work have been finalized and a detailed plan for financing the project is developed
- Building Commission formally reviews a proposed project; Commission offers requested amendments to the project design and/or votes to recommend that the project be allowed to proceed
- The Priest Consultors and the Diocesan Finance Council hear details of the proposed building project; the councils vote to recommend that the project be allowed to proceed
- Construction bids are finalized. Bid costs are submitted to the Office of the Bishop to confirm that the numbers are consistent with the plan
- The bishop provides written authorization to the pastor or ecclesial authority to begin the proposed construction project
- Contracts with construction firm(s) are reviewed by Catholic Mutual Group to insure appropriate risk indemnification causes are present *prior* to an agreement being made

BUILDING COMMISSION DOCUMENTATION REQUIREMENTS FOR FORMAL REVIEW

Project Narrative

A narrative of the project explaining the need, proposed timeline and a description of the project including professional consulted such as architects, contractors and engineers involved in the project. If the project involves liturgical space, the narrative should note that necessary approvals have been obtained for the worship space. The narrative can be offered in the form of a verbal presentation or a written report.

Parishioner and Council Consultative Process

An attestation that an authentic need of the parish will be addressed by the proposed building project should be included in the presentation/written narrative. An explanation of the level of support expressed by the parish faithful and the means by which it has been measured should also be included as part of documentation submitted for formal review.

Financial Reporting

Parish Financial Status

A narrative of the financial status of the parish is required. The narrative should also include the impact of the project on operations such as utilities, maintenance, etc.

Capital Campaign Status

A description of the status and results of any capital campaign that was conducted for the project should be included when presenting a proposed project for a formal review. A schedule indicating the length of the campaign period, and a report on the pledges and cash received and projections for pledge defaults should be included in the campaign status description.

Borrowing Needs

If borrowing is necessary, a schedule should be provided detailing the need and amount, and demonstrating the ability to service the debt obligation within diocesan policy parameters.

Financial Statements

Most recent fiscal year and current Statement of Financial Position
Most recent fiscal year and current Statement of Activities

Construction Design Documents

1. A site plan showing property lines and setbacks, plus the topography for the site, with grades or notes and/or arrows on the plan showing the drainage plan, any parking changes, plus utilities and landscaping.
2. A demolition plan if part of the existing building is being removed.
3. Floor plans of each level.
4. Exterior elevations.
5. A typical exterior wall section showing all materials.
6. Reflected Ceiling Plan of each level (unless it's a hard drywall ceiling).
7. Plumbing and HVAC plans for each level.
8. Electrical plans for each level.
9. Construction costs for the project. *Given their time sensitive nature, parishes must coordinate the solicitation of construction bids with the Office of the Bishop.*

Design/Construction Personnel's Presence

It is preferred that the pastor and parish members (equivalent for juridic persons) presenting a project to the Building Commission is accompanied by a skilled professional intimately familiar with the architectural design of the project and plans for building construction.

SAMPLE LETTER OF REQUEST FOR PERMISSION

<PARISH LETTERHEAD>

January 15, 2012

The Most Reverend Paul J. Swain, D.D
Catholic Diocese of Sioux Falls
523 N. Duluth Ave
Sioux Falls, SD 57104

Your Excellency,

I am writing to request your permission to proceed with plans to replace the heating system in the church and school at St Elsewhere Parish. Three reputable firms have been enlisted to examine the current system which has had difficulty operating and is inefficient. Each firm has recommended that the current system is replaced and submitted a competitive bid for consideration. The preferred bid that was received is in the amount of \$85,000. The parish has sufficient funds in reserve to pay for the cost of this necessary replacement.

The parish's finance and pastoral councils have both voted to endorse this project. Construction would begin immediately upon the granting of your permission so that the new system can be installed before the onset of winter.

Thank you for your consideration of this request. We await your response.

Respectfully, in Christ,

Reverend Thomas Jones
Pastor, St Elsewhere Parish

Building Project Checklist

Items needed in preparation for taking a project to the Diocesan Building Commission

- Permission to begin a campaign granted by the bishop

- Project narrative

- Attestation of parishioner and council consultations

- Construction design documents
 - Construction/design personnel present for presentation

- Financial statements from current and prior fiscal year

- Written status update of capital campaign

- Written plan for paying for construction costs

- Written request for loan (if financing is requested) and a written plan for repaying the loan