

PART I – GENERAL PRINCIPLES

A. Juridic persons in the Church

In addition to the physical persons who comprise the Catholic Church, Canon Law also recognizes two other categories of persons, moral and juridical persons (see Canon 113).

"Moral persons" are those who come into existence without the intervention of any outside authority, as is the case of a nation or a family in civil law. In Canon Law, the Catholic Church itself and the Apostolic See are moral persons, we could also mention the College of Bishops. Moral persons, however, usually operate through juridical persons, recognized by the law and as such are the subject of rights and obligations according to their nature.

"Juridical persons", are similar to a civil "corporation" and are aggregates of persons or things (see Canon 114). Juridical persons are perpetual by nature (Canon 120, §1). They are represented by an administrator: ie. a Bishop on behalf of a diocese, a parish priest on behalf of a parish or a major religious superior on behalf of a religious institute. Canon law provides that there are a number of juridical persons in the Church with rights and obligations spelled out in the law.

Certain juridical persons are "public", in the sense that they operate in the name of the Church itself; others are private, resulting from private initiatives. Among public juridical persons listed by virtue of the law itself, we could mention the following:

- The Conference of Bishops (Canon 449, §2);
- The Diocese and other particular church (Canon 373);
- The parish (Canon 515, §3);
- A religious institute, a province of an institute, and a juridically established religious house (Canon 634, §1).

Among the consequences of juridical personality, the most important one for the administration of temporal goods is found in Canon 1256: "*Under the supreme authority of the Roman Pontiff, ownership of goods belongs to that juridical person which has lawfully acquired them.*"

This principle must be understood correctly. It often happens that there is no direct correlation between juridical persons in the Church and corporations in civil society. Canon law looks on the corporation as a means of safeguarding the ownership of ecclesiastical goods (that is, of goods belonging to public juridical persons, such as those listed above), but does not consider that the ownership of goods as vested in the corporation. Civil law, in some jurisdictions, interprets these matters differently.

In Ontario, for instance, parishes (which are public juridical persons) do not have separate civil recognition. Rather, the diocesan corporation encompasses the diocese, the parishes, and all of its other constituent parts.

PART I – GENERAL PRINCIPLES

The 1983 Code of Canon Law indicates that parishes are to contribute to the diocese for the support of its works (see Canon 1263). Money contributed in accordance with the approved tax instituted by the Bishop belongs to the diocese and is distinct from money administered by the diocese on behalf of the parishes.

This principle has particular consequences when a person wishes to leave money to a parish in a will. Although the corporate name; *Roman Catholic Episcopal Corporation for the Diocese of Sault Ste. Marie in Ontario, Canada*. is to be used, this is accompanied by a statement to the effect that this money is in trust for, i.e., St. N. Parish, or for a particular work or undertaking, or at the discretion of the Bishop of the diocese.

The goods owned by a juridical person in the Church are not the property of the individual who administers them. For this reason, a clear distinction must be made between personal goods and those belonging to the juridical person (parish, diocese, etc.). Not surprisingly then, the Church has established laws relating to inventories of property.

B. Inventories

Canon law provides that clear and accurate inventories of temporal goods are to be prepared for each juridical person (see Canon 1283).

The presumption of law is that if goods are given to the administrators of any ecclesiastical juridical person (such as a parish priest), they are given to the juridical person itself, and not to the administrator personally (see Canon 1267, §1). Therefore, any goods which are given to the administrator personally must be clearly indicated as such by the donor.

In the Diocese of Sault Ste. Marie, it is presumed that all goods in a church or rectory belong to the parish, except those that are listed on signed inventories. Thus, when a parish priest is transferred to a new parish, he may bring with him only those goods that are his personal property. All other goods (furniture, office equipment and supplies, household utensils, and so forth) must remain with the parish. Arrangements for exemptions to this rule must be made, in writing, with the Diocesan Financial Administrator.

In the event that a parish priest is impeded or dies suddenly and his personal goods have been left in his will to his family or to other persons, a clear inventory of personal property aids in clarifying what belongs to the priest and what belongs to the parish. A clear distinction must, therefore, be maintained between private ownership and parish ownership.

Likewise, it is important that goods designated as part of the *stable patrimony* of the juridical person (such as lands, buildings, scholarship funds, and so forth) be distinguished from those designated for day-to-day operations. Parish priests must ensure that accurate site plans of their properties are retained in the archives of the diocese.

PART I – GENERAL PRINCIPLES

The laws of the Church relating to the administration of its temporal goods and the possible alienation of stable patrimony are quite detailed and have to be applied very carefully. Policy N^o 17 “Inventory of goods belonging to the diocese or a parish” in Part II of this manual, spells out the practicalities for the implementation of the prescriptions of Canons 1281-1288.

C. Responsibilities of the diocese for its priests

The diocese has responsibilities towards those incardinated in the diocese.

Canon 281, §§ 1 and 2, spells out some of these obligations: Since clerics dedicate themselves to the ecclesiastical ministry, they deserve the remuneration that befits their condition, taking into account both the nature of their office and the conditions of time and place. It is to be such that it provides for the necessities of their life and for the just remuneration of those whose services they need. Suitable provision is likewise to be made for such social welfare as they may need in infirmity, sickness or old age.

It is for this reason that the Diocese of Sault Ste. Marie has established policies relating to: remuneration of priests, the Clergy Benefits Funds (medical, dental, pension), and the Ministry Formation Fund.

For similar reasons, in view of the prescription of Canon 231, lay persons who are pledged to the special service of the Church "have the right to a worthy remuneration befitting their condition, with due regard also to the provisions of the Civil Law" (relating to minimum wage, benefits, and so forth). Likewise, they have the right to have their insurance, social security and medical benefits duly safeguarded."

The Diocese of Sault Ste. Marie has established policies relating to the hiring and working conditions of lay persons who serve the Church on a permanent basis. Due to the importance the Church attaches to its teaching on social justice (see Canons 222, §2, and 1286), it is essential that policies, which are based on principles of natural and social justice, be carefully observed any time there is a question of hiring persons, lay or religious, to carry out the work of the Church. It is likewise essential that the civil law relating to employment and social life be duly observed (see Canon 1286, §2). It is for these reasons that the Diocesan Financial Administrator is to be consulted prior to the hiring of any employee.

D. A ministry of trust

Those who accept to serve in the administration of temporal goods have assumed a responsibility on behalf of God's people. It is essential that those entrusted with this mission remain aware of the applicable legislation, both civil and Canonical. They must also remain abreast of developments in the experience of the faithful so that their efforts to provide sound administration are based on accepted principles.

PART I – GENERAL PRINCIPLES

While in days past it might have been of the greatest importance for the Church to have a “land bank”, or property, today, in many places it is more important to have access to funds which can be shared readily with those in need and can be used to further the apostolic mission of the Church.

To facilitate the task of all administrators of Church temporal goods a series of diocesan policies appear in Part II of this manual. Revisions will be distributed as they are enacted and should be inserted in the appropriate section. The newer version of the policy will replace the previous one. In this way, it is hoped that the manual will remain up to date. Careful observance of these policies will promote the common good of the Church and enable the Diocese of Sault Ste. Marie to carry out its responsibilities at various levels, not the least of which is on the parish level.

I. AT THE DIOCESAN LEVEL

A. Responsibility for administration

The administration of ecclesiastical goods pertains to the one with direct power of governance over the person to whom the goods belong, unless particular law or statutes or legitimate custom state otherwise, and without prejudice to the right of the Ordinary to intervene where there is negligence on the part of the administrator (Canon 1279§1).

It is the diocesan Bishop who governs the particular Church entrusted to him with legislative, executive and judicial power, in accordance with the law. He has responsibility for the overall administration and stewardship of the temporal goods of the diocese and its component parts, that is, parishes, diocesan institutions, and works. The Bishop acts in the person of the diocese in all juridical matters (Canons 391, §1 and 393).

At the parish level it is the parish priest who acts in the person of the parish in all juridical matters according to the norms of law and who ensures that the goods of the parish are administered according to the norms of Canons 1281-1288 (Canon 532).

B. Operative Civil Law

Canon law makes it mandatory for all administrators of temporal goods to ensure that the ownership of ecclesiastical goods is safeguarded in ways which are valid in civil law (Canon 1284, §2, 2°). For this reason, from the very beginning of the Diocese, steps were taken to obtain civil incorporation.

In Ontario, Common Law often referred to as Civil Law, has acknowledged that the diocesan Bishop manages and operates the diocese as a corporation. The first legal act establishing "**The Roman Catholic Episcopal Corporation For The Diocese of Sault Ste. Marie, in Ontario, Canada.**" is dated May 25, 1905 and was revised in 1935. The establishment of the diocesan corporation was by means of legislative action on the part of the Ontario Government.

PART I – GENERAL PRINCIPLES

The Corporate Charter has a number of clauses, which differ from those found in some other provinces. In Ontario, the diocese is a “**Corporation Sole**”. As a “**Corporation Sole**” the diocese has neither a Board of Directors nor shares in common.

The following is a summary of some of the important clauses of the Act of Incorporation:

1. all property, buildings and cemeteries held on behalf of the diocese or its parts are registered civilly in the name of the **Roman Catholic Episcopal Corporation For The Diocese of Sault Ste. Marie, in Ontario, Canada.**;
2. the Corporation alone has the right to purchase, sell, mortgage or rent property, to make loans, issue bonds, receive donations from the living or by last will and testament, etc.;
3. the Bishop (and his successor) is the Sole member of the **Corporation Sole**;
4. for certain actions, the Bishop must have the prior consent of the College of Consultors and of the Diocesan Finance Committee (see Canon 1277);

Two consequences flow from the fact of being a **Corporation Sole**:

1. the only legal entity empowered civilly to possess or dispose of the temporal goods of the diocese is the Episcopal Corporation;
2. the bishop alone, within the limits established by law, has the responsibility of determining the rights and obligations of those called upon to cooperate with him in the administration of temporal goods belonging to the diocese, either on the diocesan or on the parish level.

Without an explicit authorization (usually called a “**procuration**”) from the Corporation, legal transactions are invalid when they concern goods owned by the diocese or its parts. Likewise, no one, either on the diocesan or the parochial level, can dispose of (“**alienate**”) Church goods, whether money or property, except within the limits of the applicable church or civil law.

C. Operative Canon Law

In addition to the observance of civil legislation, the diocese must likewise follow the universal law of the Church for the Latin Church as found in the Code of Canon Law promulgated in 1983. In addition, pertinent decrees and legislation as agreed upon within the Canadian Conference of Catholic Bishops are also to be followed. The diocesan Bishop may establish regulations governing the temporal administration of goods within his jurisdiction (Canon 1276). If there appear to be conflicts in the application of the various pertinent laws, the resultant problems can be minimized if, in the decision making process concerning temporal administration, all areas of competency are taken into consideration. It is important to keep in mind the provisions of Canon 1256 on the Canonical ownership of goods.

PART I – GENERAL PRINCIPLES

1. Persons involved in the administration of temporal goods

a. The responsibility of the local Ordinary

Ordinaries must carefully supervise the administration of all the goods which belong to the public juridical persons subject to them, without prejudice to lawful titles which may give the Ordinary greater rights (Canon 1276 §1). Taking into account rights, lawful customs and the circumstances, Ordinaries are to regulate the whole matter of the administration of ecclesiastical goods by issuing special instructions, within the limits of universal and particular law (Canon 1276 §2).

Even though the Bishop bears the primary responsibility for the mission of the Church within the diocese, he fulfills his administrative role with the support, wisdom, advice, and at times the consent of others. This collaborative effort is especially evident in the consultation and decision-making process involved, in the effective operation of the diocese and, by extension, parishes as well as other structures and works in the Diocese. Some of the people who may be involved in the decision-making process are as follows:

b. The Diocesan Finance Committee

In each diocese there is to be established a Diocesan Finance Committee presided over by the Diocesan Bishop or his delegate. It is to be composed of at least three of Christ's faithful, expert in financial affairs and civil law, of outstanding integrity, and appointed by the Bishop (Canon 492 §1). These persons may be laity, religious or cleric. They are to be appointed for a five year term which is renewable (Canon 492 §2), and they are not to be related to the Bishop (Canon 492 §3).

The 1983 Code of Canon Law and certain directives of the CCCB determine areas where the Diocesan Finance Committee must be involved (their consent is often required). There are also a number of optional areas, depending on circumstances. The approved statutes governing the Diocesan Finance Committee also provide for its mode of operation.

c. The Diocesan Financial Administrator

In each diocese a Financial Administrator is to be appointed by the Bishop, after consulting the College of Consultors and the finance committee. The Financial Administrator is to be expert in financial matters and of truly outstanding integrity (Canon 494, §1). The Financial Administrator exercises his role in collaboration with the Bishop.

The Financial Administrator is to be appointed for five years, but when this period has expired, he/or she may be appointed for further terms of five years. While in office he or she is not to be removed except for a grave reason, to be estimated by the Bishop after consulting the College of Consultors and the finance committee (Canon 494, §2).

PART I – GENERAL PRINCIPLES

It is the responsibility of the Financial Administrator, under the authority of the Bishop, to administer the goods of the diocese in accordance with the plan of the finance committee, and to make those payments from diocesan funds which the Bishop or his delegates have lawfully authorized (Canon 494, §3). At the end of the year the Financial Administrator must give the finance committee an account of income and expenditure (Canon 494, §4).

It is clear that the Financial Administrator in the diocese of Sault Ste. Marie has a stable office and is called upon to work closely with and report to the diocesan finance committee, the Bishop or his delegate. In addition to these matters stipulated in Canon Law, the Financial Administrator is to work closely with and assist all other boards of corporations which are associated with the efficient operation of the temporal goods used in the mission of the Church in the diocese.

d. The Presbyteral Council

Canon 495 of the Code of Canon Law stipulates that: In each diocese there is to be established a council of priests, that is, a group of priests who represent the **presbyterium** and who are to be, as it were, the Bishop's senate. The council's role is to assist the Bishop, in accordance with the law, in the governance of the diocese, so that the pastoral welfare of that portion of the people of God entrusted to the Bishop may be most effectively promoted.

In the Diocese of Sault Ste. Marie, there are two councils of priests. One council of priests for the French sector and one for the English sector. The task of each council is to collaborate with the Bishop, and with each other, in best promoting the pastoral governance of the diocese.

e. The College of Consultors

From among the members of the council of priests, the diocesan Bishop freely appoints not fewer than six and not more than twelve priests who are for five years to constitute the College of Consultors (Canon 502, §1).

There are some functions of the college determined by Canon law itself such as the fact that it is to give its consent for certain matters relating to temporal administration in the diocese. The Bishop presides over the College of Consultors. If the diocese becomes vacant or impeded, as in the case of the death of or serious illness of the Bishop, the College of Consultors remains in office assisting the one who takes the Bishop's place, a diocesan administrator, who is elected by this body, during the period of vacancy. Once a new diocesan Bishop is appointed the College of Consultors continues in office to complete its term or until a new College of Consultors has been constituted by the Bishop (Canon 502 §2).

2. Administration of temporal affairs

Canon Law highlights three levels or types of acts in fulfilling the responsibility of administration: (1) acts of ordinary administration, (2) acts of major importance and (3) acts of extraordinary administration. Some special attention is also paid to contracts, especially those acts and contracts concerning the alienation of temporal goods.

PART I – GENERAL PRINCIPLES

a. Ordinary administration

"Ordinary administration" is to be understood as all administrative acts necessary for the regular maintenance of persons and of things, namely, but not limited to, those economic activities which constitute a stable and habitual order that has been approved by the competent authority. Generally speaking, such acts are recurring, at least on an annual basis.

Ordinary administration, as envisaged in Canon 1281, would include regular account or book keeping, banking procedures, payment of invoices, and the like. The Bishop has established that the Diocesan Financial Administrator may authorize ordinary expenditures up to a limit of \$20,000.00 without additional permission. Any invoice or payment which exceeds this value must be approved by the Bishop in writing. These amounts encompass contractual agreements, purchase orders, as well as those acts of ordinary administration which concern changes in property.

b. Acts of major importance

Canon 1277 prescribes that: In carrying out acts of administration which, in light of the financial situation of the diocese, are of major importance, the diocesan Bishop must consult the finance committee and the College of Consultors.

In the Diocese of Sault Ste. Marie, the following acts have been determined to be acts of major importance:

- major fund-raising (capital) campaigns;
- the building of new churches.

c. Acts of extraordinary administration

However, in addition to the cases specifically expressed in the universal law of the Church or in the documents of foundation, the diocesan Bishop needs the consent of the diocesan finance committee and the College of Consultors to perform acts of extraordinary administration. It is for the Conference of Bishops to determine what are to be regarded as acts of extraordinary administration (Canon 1277).

In Canada, by virtue of Decree No. 9 of the CCCB, revised by the Conference in March 2018 (CCCB, Official Document, No. 536-1), the following acts are considered to be acts of extraordinary administration:

- non-cumulative acts over \$5,473,686 (indexed from January 1, 1993);
- the acceptance or refusal of an inheritance, a legacy, a gift or a foundation when there are long-term obligations (generally those of more than 25 years);
- the erection of a cemetery;
- the undertaking or response to a suit in court (settlement of a law suit);¹⁵
- the purchase of immovable goods (lands and buildings).

PART I – GENERAL PRINCIPLES

The Canadian Decree notes in the accompanying commentary that, in the case of parishes, it is for the diocesan Bishop to determine which acts are to be considered acts of extraordinary administration at the parochial level. See Policy NO 15 “Extraordinary (special) expenses.

d. Contracts

Canon 1290 provides that: Without prejudice to Canon 1547, (proof by means of witnesses), whatever the local civil law decrees about contracts, both generally and specifically, and about the voiding of contracts, is to be observed regarding matters which are subject to the power of governance of the Church, and with the same effect provided that the civil law is not contrary to divine law and that Canon law does not provide otherwise. Therefore, prudence would dictate that competent civil legal advice be sought before any contractual agreement is undertaken.

The Bishop and the College of Consultors have indicated that, for consistency, either the diocesan lawyer or, to respect local professionals, one agreed upon by the diocese, must be used. The parish is to absorb all legal costs. The Diocesan Financial Administrator is to be involved in the process and must advise the diocesan Bishop of any exemptions.

e. Alienation of temporal goods

One area of contracts where Canon law provides special provisions concerns the conveyance or alienation of church property. The reason for such consideration is, in part, to make certain that the intentions of donors and benefactors are duly respected. A secondary consideration is to assure that property is not disposed of too quickly, or without proper study prior to its conveyance or alienation.

Property subject to special norms may be either immoveable (lands and buildings), or funds restricted for a specific purpose (such as: pension funds, health and benefit funds, funds for the continuing education and formation of priests, seminarians, deacons, and missionary development, etc.).

When real property has been made part of the stable patrimony of a public juridical person, such as a diocese or its constituent parts, there are conditions in Canon law that must be met before ownership may be transferred to a third party, either by sale or donation (Canon 1291). Some of these will be listed below.

Canon 1295 provides that: The provisions of Canon 1291-1294, to which the statutes of juridical persons are to conform, must be observed not only in alienation, but also in any transactions whereby the patrimonial condition of the juridical person may be jeopardized.

Therefore, the conditions prescribed for alienation must be observed not only in the case of sale or transfer, but also when the stability of the diocese, or a part of the diocese such as a parish, may be placed in jeopardy. The following instances, among others, are examples of instances where a possible lack of stability may arise:

| | | |
|-------------------|--------------------------------|-------------------------------|
| Revision # : 2.01 | Revision Date : MARCH 29, 2018 | Original Issue Date: OCT 2003 |
|-------------------|--------------------------------|-------------------------------|

PART I – GENERAL PRINCIPLES

- when property is mortgaged;
- when long-term loans are taken out, even though no property is being mortgaged;
- when money is being used for a purpose other than that for which it was restricted, such as an approved fund;
- when a church work (eg. cemetery, retreat center etc.) is entrusted to a corporate board without the appropriate powers being reserved to ecclesiastical authority to direct its philosophy and mission and to intervene at other moments when important decisions are being made (establishing of subsidiaries, contracting of debts, closing the work, and so forth).

On the basis of the norms recognized by the Holy See for Canada, the following scale of values has been established to apply in cases of alienation of stable ecclesiastical property in the Diocese of Sault Ste. Marie:

- up to \$547,369: the diocesan bishop may carry out such acts alone;
- from \$547,369 to \$5,473,686: the diocesan Bishop needs the consent of the College of Consultors, the diocesan finance committee as well as the interested parties;
- over \$5,473,686: in addition to the threefold consent noted above, the consent of the Holy See is also required.

As per Appendix I “CCCB Decree No. 38” these figures are all indexed from January 1, 1993.

In addition to the monetary matters listed above the Holy See also reserves to itself permission for the alienation of all historical or artistic works, as well as those donated to the Church by a vow. To be clear, the diocese has developed inventories of goods that fall into these categories to prevent their alienation by oversight.

The Bishop is accountable for the proper administration of the diocese and sends a report concerning the pastoral activity to the Holy See every year. Every five years or in the form and at the time determined by the Apostolic See the Bishop is to send a report to the Supreme Pontiff concerning the state of the diocese (Canon 399). This is also known as a ‘Quinquennial or Ad Limina’ report.

II. AT THE PARISH LEVEL

A. Responsibility for administration

The parish priest and/or the parish administrator is responsible for the administration of the temporal goods belonging to the parish. In all Canonical matters, he acts in the person of the parish, in accordance with the law (Canons 532 and 1282). He ensures a collaborative liaison with the diocesan Bishop (see Canon 1281, §1). He is not an employee of the parish.

| | | |
|-------------------|--------------------------------|-------------------------------|
| Revision # : 2.01 | Revision Date : MARCH 29, 2018 | Original Issue Date: OCT 2003 |
|-------------------|--------------------------------|-------------------------------|

PART I – GENERAL PRINCIPLES

B. Operative Civil Law

The charter incorporating the Diocese of Sault Ste. Marie does not refer to the role of parish priests in the temporal administration of parishes, because a parish does not have separate legal existence in Ontario.

However, by recognizing the Bishop's right and, in some cases, his duty to consult or share his responsibilities with others, the charter implicitly determines that parish priests, are the Bishop's collaborators and share his responsibilities on the parish level.

Parish priests and parish administrators, whether diocesan or religious priests as well as deacons, receive their mandate from the Bishop and not from the parish pastoral council or from the parish finance committee. Parish priests have the duty to ensure respect for the universal law of the Church as well as for diocesan policies and regulations. Any parish priest or administrator would be remiss in his duties if he were to fail to fulfill the obligations of the ecclesial office entrusted to him by the Bishop.

Those persons who are mandated by the Bishop to administer a parish must be aware of all that is to be done and oversee its accomplishment. The administrator of the parish is fully responsible and accountable for the administration of the parish.

Likewise, a parish finance committee would not help the parish priest if it continually placed him in the awkward position of having to choose between its own recommendations and those found in diocesan discipline.

C. Operative Canon law

A number of prescriptions of Canon law refer to parish priests and to those who collaborate with them in the administration of temporal goods.

1. Parish administration

The parish priest, or the one who fulfills this role, is responsible for the proper administration of the parish. Therefore, it is the responsibility of the parish priest to provide for the pastoral needs of the parish and to administer the temporal goods of the parish in the best possible way.

However, to assist the parish priest in the administration of its goods, each parish is to have a parish finance committee composed of members of the faithful and regulated by the law of the Church as well as by norms issued by the diocesan Bishop (Canon 537). The diocesan norms relating to parish finance committees are found in Part IV of this Manual ("Parish Finance Committee").

All persons, whether clerics or laity, who lawfully take part in the administration of ecclesiastical goods are bound to fulfill their duties in the name of the Church, in accordance with the law (Canon 1282).

PART I – GENERAL PRINCIPLES

Prior to taking office, a parish priest is to fulfill the prescriptions of Canon 1283, 1° and take an oath to well and truly perform his office. He is to prepare, sign and subsequently renew an accurate and detailed inventory of: immovable goods belonging to the parish, goods that are precious or of significant cultural value and all other temporal goods. There is to be a description and appraisal of these goods. One copy of this inventory is to be kept in the parish archives and another copy in the diocesan archives. Any change in the inventory is to be noted on both copies (Canon 1283, 2° and 3°). This list is to be updated annually.

Each year, the priest assigned to a parish is to provide the parish finance committee and the Diocesan Financial Administrator with a list of personal property located in the rectory. As an aid to insurers, in addition to a hard copy, a certified audio/video of all goods is acceptable.

2. Fundamental duties of administrators of temporal goods

Canon 1284 spells out in detail the fundamental duties of any person entrusted with the administration of temporal goods in the Church. In essence they are to perform their duties with the diligence of a good householder. Therefore, among some of the duties listed in the Canon and also in diocesan policy are the following:

- ensure the safekeeping of goods entrusted to them;
- have appropriate insurance policies;
- safeguard the ownership of ecclesiastical goods;
- observe the intentions of donors;
- observe the prescriptions of civil law especially in relation to labour and social policy (see Canon 1286, 1°);
- collect revenue and income when due and apply them for the purposes for which they were intended;
- pay interest on loans or mortgages and repay the capital in due time;
- send surplus funds to the office of the Diocesan Financial Administrator;
- keep well-ordered books of receipts and expenditures;
- prepare an annual financial report;
- preserve deeds and other legal documents and have copies deposited with the Diocesan Financial Administrator;
- prepare annual budgets for receipts and expenditures;
- render an account to the faithful concerning goods offered to the Church (see Canon 1287, §2).

In addition, parish administrators are to make certain that employees are paid an equitable wage (Canon 1286, 2°).

PART I – GENERAL PRINCIPLES

Administrators may not, in the name of a public juridical person, either institute or contest legal proceedings in a civil court without first having obtained the written permission of their proper Ordinary (Canon 1288). Therefore, no administrator for the Church can in the name of the diocese or of the parish or any other church organization become involved in or start a lawsuit in the name of the Church without the written permission of the Ecclesiastical Superior. In the case of the diocese that superior is the Bishop. Further, in Canada, this permission cannot be given without the consent of the diocesan finance committee and the College of Consultors (CCCB, Decree No. 9).

3. Administration is overseen by the diocesan Bishop

Although the parish priest is responsible for the administration of goods belonging to the parish, he is subject to the right of the Ordinary to intervene in case of negligence (see Canon 1279, §1). In almost all cases in the diocese, the proper Ordinary would be the diocesan Bishop.

In the case of other public juridical persons in the Church, if an administrator is not provided for them in their statutes or documents of foundation, the Ordinary to whom they are subject is to appoint suitable persons as administrators (see Canon 1279, §2).

Administrators require the written permission of the Ordinary before validly carrying out acts that go beyond the limits and procedures of ordinary administration (see Canon 1281, §1). The statutes are to determine what acts go beyond the limits and manner of ordinary administration. If the statutes are silent on this point, it is for the diocesan Bishop, after consulting the finance committee, to determine these acts for the persons subject to him (Canon 1281, §2). The finance committee involved in this situation is the diocesan finance committee and not the parish one. In practice there has been consultation and recommendations from both levels with the greater weight given to the diocesan committee.

It is important to note that unless and to the extent that it is to its own advantage, a parish or a diocese is not held to be answerable for the invalid actions of its administrators. It is however, responsible for acts illicitly but validly carried out, with due regard for the right to sue or to have recourse against administrators who have caused it damage (see Canon 1281, §3). Civil responsibility in such instances, if any, would be determined in consultation with legal experts.

Where ecclesiastical goods of any kind are not lawfully withdrawn from the power of governance of the diocesan Bishop, their administrators, both clerical and lay, are bound to submit each year to the local Ordinary an account of their administration, which he is to pass on to his finance committee for examination. Any contrary custom is reprobated (Canon 1287, §1).

There have been long-standing practices in the diocese that are somewhat unique. It should be noted that even though things have been done for a long time does not mean that they should not, once again, be reviewed and approved by the Bishop or the Financial Administrator. It is clear that the Bishop must be kept informed so as best be able to help if something happens. As for any required reports, the diocese will provide the appropriate forms.

PART I – GENERAL PRINCIPLES

4. Procedure to follow for contracts

a. Administration in general

The parish priest and/or administrator in collaboration with the parish finance committee are responsible for the administration of the temporal goods of the parish.

According to Canon law the Diocesan Financial Administrator is responsible for the administration of the goods of the diocese, under the authority of the diocesan Bishop, and the diocesan finance committee. The office of the Diocesan Financial Administrator is at the service of parish administration.

Requests concerning temporal administration to be presented to the College of Consultors are to be submitted, with the relevant documentation, to the Diocesan Financial Administrator two weeks prior to the regularly scheduled meeting of the college to be included on the agenda. If they are not received in time and there is no real urgency indicated, these requests could be placed on the agenda of the next regular meeting. However, If the matter is urgent, the Diocesan Financial Administrator could ask the Bishop to call an extraordinary meeting of the college.

b. Contracts and, in particular, alienation

Generally speaking, the prescriptions of civil law are to be observed and carry the same effects in Canon law when considering contracts (see Canon 1290).

The permission of the competent authority is required for the valid alienation of temporal goods which, through lawful assignment, constitute the stable patrimony of a parish (see Canon 1291).

For contracts of sale or purchase, see Policy No. 16 “Contracts” as outlined in Part II of this Manual.

Among the acts subject to this policy, we could mention:

- the sale of land and church buildings;
- term mortgage loans;
- long-term leases (subject also to the CCCB norms on leasing);
- issuing bonds and debentures;
- the transfer of property of the corporation to a board of directors without the necessary reserved powers.

PART I – GENERAL PRINCIPLES

c. Extraordinary expenses

In case of an extraordinary expense which exceeds the approved limit in the diocese of \$8,000, the norms of Policy No. “15 “Extraordinary (special) Expenses” are to be followed. The Diocesan Financial Administrator is authorized to allow emergency repairs at all times up to the limits outlined above in the section on administration of temporal affairs at the diocesan level.

If the expected extraordinary expense exceeds \$273,684 (Appendix I), the Bishop requires the consent of the diocesan finance committee and the College of Consultors before being able to approve the request.

No contract for repairs, modification or expansion, is to be signed before receiving official written authorization from the Diocesan Financial Administrator. If authorization is granted, the prepared documents should be submitted to him for signatures thereby binding the diocesan corporation to the terms of the contract.

For extraordinary expenses under \$8,000, if the parish has the necessary funds on hand, it may proceed with the project (Policy No. 15).

III. THE QUALITIES OF THE ADMINISTRATOR

Much of the discussion to this point has focused on the legislation governing the administration, the role, responsibilities and limits of the Financial Administrators in managing the temporal goods of the Church to enable it to accomplish the mission entrusted to it by Christ. Of equal and maybe even greater importance is a consideration of the necessary qualities of the administrator. If the administration of temporal goods is to be carried out in the spirit of the Church, a number of qualities are essential in those who serve as administrators.

A. Being of one mind with the Church

The Church is not a business. Profit is not the primary goal of the Church. Rather, the Church has a distinctive mission for the world. That mission is to tell the whole world that, thanks to Jesus Christ, salvation is possible. For Church administrators, then, to be of one mind with the Church means that fulfilling the mission of the Church is the only priority, not making a profit.

This being of one mind with the Church relies on solidarity. This solidarity at the parish level means being in union with the diocesan church just as the diocesan church is in union with the universal Church established by Christ through the Apostles. Therefore, no parish can be a self-sufficient entity, but rather is part of a greater whole.

PART I – GENERAL PRINCIPLES

In many ways, the idea of solidarity or unity could be described as being part of a body. The greater body is the whole Church of which the diocese is a part, just as the parish is a part of the diocese. The parish, then, is called to share in the vitality and dynamism of the whole body. To reap the most out of this sharing or interdependence it is necessary for each part to keep the entire body of the Church and in particular the diocese in good spiritual, pastoral, cultural, apostolic, missionary and financial health.

Our present cultural and societal models tend to praise independence and individuality rather than forming a body or community. In this light, as has sometimes been the case, promoting the idea that the diocese is a meddler or opponent or indifferent to the needs of a particular parish, undermines a healthy attitude to who we as a people of God are as Church.

On the other hand, an example of a healthy attitude for solidarity and unity as Church was found in the establishment of the Parish Assistance Fund. This fund was established to give parishes in need of financial help the opportunity to borrow money at a reasonable rate of interest. This money was provided for use by parishes with surplus financial reserves. Those parishes who contributed to the Parish Assistance Fund also had the opportunity to receive a reasonable rate of interest on their surplus funds. The successor to the original fund is now called **The Parish Assistance Fund of the Diocese of Sault Ste. Marie**. It is true that better interest rates for borrowing or investing could be found at various times and to seek to take advantage of this to gain financially by its manipulation. This would send an erroneous message. The Church is not out to make a profit but is to advance the message of Christ and be an effective sign of unity, charity and assistance, especially for the poor.

In a similar manner, we could look at the possible revenues to be generated by the renting of parish owned halls. Instead of considering only the financial gain, attention must be paid to the fact that parish halls, especially when they are located in church basements, are to be used for purposes compatible with the Church's mission and teaching. There may be a loss of some revenue, but the properly disposed administrator would avoid the risk of tarnishing the reputation of the Church, diocese or parish and not be open to the criticism of being commercial and profit only driven. Likewise, the CRA norms for business activities of charities must be observed.

B. Honesty

Honesty encompasses more than an absence of theft, embezzlement or other acts contrary to the Commandment “thou shalt not steal...” This quality of honesty may be linked to integrity on the part of a good administrator. Perhaps the following examples may help to illustrate the concept. It must be noted that although the examples are presented in a negative light and address only parish situations, most parishes and their collaborators exhibit exceptional honesty and integrity in their dealings with the diocese.

PART I – GENERAL PRINCIPLES

If a parish borrowed from the **Parish Assistance Fund of the Diocese of Sault Ste. Marie**, at the annual rate, determined by the Board of the assistance fund, for a number of years, it would be dishonest for that same parish, once debt free, to refuse to re-invest in the **Parish Assistance Fund of the Diocese of Sault Ste. Marie**. It may be true that investing elsewhere could pay a higher rate of interest temporarily, yet this would not benefit the parish, the diocese or the Church in the long term. Therefore to promote honesty, integrity and in the spirit of our collaborative mission as Church, each parish is encouraged to deposit surplus funds through the diocese in the **Parish Assistance Fund of the Diocese of Sault Ste. Marie**, in order to be able to help other parishes as it was once helped.

It is not honest to postpone intentionally payment of debt. Likewise if there was a false declaration or even partial declaration of revenue subject to diocesan administration expense (D.A.E), so as to avoid paying the full amount of the D.A.E.

It would not be honest if a parish or its administration refused to take up the collections authorized or requested by the Bishop. The dishonesty becomes more blatant if funds, or other donations, were used for purposes other than those intended by the donors or given in response to an appeal authorized by the competent authority which was publicly announced (see Canon 1267, §3).

It is not honest if a parish or its administration were to ask for authorization to undertake repairs from the diocese once the work has already begun.

It is not honest if a parish or its administration were to have bank accounts or funds which are not reported on the annual financial statement or held surreptitiously.

Examples such as these are distressing since they have such negative consequences on the development of genuine Christian communities. As a result, dishonesty cannot be tolerated.

C. Competence

Faith does not dispense from respecting the rules of sound administration. For this reason, members of the diocesan or parish finance committee are to be acquainted with the applicable legislation and have some competence in administration. The need for the involvement of competent people as collaborators in the administration of Church goods becomes more important every day as civil legislation becomes more complex.

Changes in the requirements of law concerning temporal goods are necessary due to the constant evolution of society and so compliance with them is not simply a matter of choice. Due to constant changes in the laws governing corporations, pension plans, income tax, property taxes, investments, insurance, and so forth, it is essential to keep up to date. This constant updating can be cumbersome and confusing; however, there is little choice if we as a Church, diocese and parish are to respect the law and protect the goods of the Church. Hence, administrators are to be aware of their need to keep abreast of the techniques and technologies required for sound administration.

PART I – GENERAL PRINCIPLES

D. Creativity

The primary source of revenue for the Church is the free-will offering of the people. In ordinary circumstances, this source of income should be adequate to meet the financial obligations of the parish and leave some to be put aside for other projects or emergencies. However, in some instances, such is not always the case. The ever increasing reality is that some of our parishes cannot support the financial demands upon them. Fortunately, many of our parishes have the good fortune to have administrators with imagination and the gift of creativity. These people are able to find and invent appropriate means of educating parishioners to support the parish. Even on the diocesan level, such creativity is needed so as to be able to find diversifying sources of income for the parishes and the diocese.

Education is a slow, time-consuming process. Effective education does not rely exclusively on the presentation of a financial report once a year. This is woefully inadequate as a means to inform the people of their responsibility to assist, according to their means, in meeting the needs of the parish, the diocese and ultimately the Church. Many people, parishioners and non-parishioners, do not know what services the Church, and in particular the parish, are offering to the community. People need to be educated about which services are being offered in their communities by the parish which require their support. Such services could be evangelization, family apostolate, or ministry to youth. Once people know what is available, then it is possible to approach parishioners and other people or groups for support.

This education is an education in transparency. People should be informed as to how money is received and spent in the parish community. Parish priests and their collaborators are encouraged to report, possibly through the parish bulletin or by other means, weekly revenue expenditure figures compared with budget projections and needs for special projects. The more people know about our community involvement, the greater the possibility for support financially and through volunteer help.

Diverse sources of income to support the activities of the parish or the diocese need to be explored. Rather than relying on bingo or similar games of chance, it would be preferable to encourage activities which do not focus on the lure of easy money. Activities which develop a more authentic parish spirit are preferred. Some of the advantages of such activities (i.e. parish suppers, concerts featuring local talent, socials and bazaars, card parties, marathons, etc.), are the building of community, the fostering of shared talents and the development of interpersonal social and faith skills.

IV. THE PARISH FINANCE COMMITTEE

As far back as 1986, there have been norms relating to the parish finance committee in effect in the diocese. Some of the reasons behind a number of the changes in these norms may become more apparent in light of the background provided above. The following articles replace the norms presented in 1986.

| | | |
|-------------------|--------------------------------|-------------------------------|
| Revision # : 2.01 | Revision Date : MARCH 29, 2018 | Original Issue Date: OCT 2003 |
|-------------------|--------------------------------|-------------------------------|

PART I – GENERAL PRINCIPLES

Article I – REQUIREMENT TO ESTABLISH A FINANCE COMMITTEE

1. Following the prescriptions of Canon 537, a parish finance committee is to be established in each parish and mission of the Diocese of Sault Ste. Marie.
2. However, where a mission is entrusted to the parish priest of a neighbouring parish, he shall, in consultation with the Bishop, decide whether separate finance committees are to be set up for the parish and for the mission.
3. The parish finance committee is to function according to the following norms in accordance with the prescriptions of Canon 537.

Article II - THE BISHOP

4. In the diocese, the Bishop is responsible for the administration of all ecclesiastical goods that come under his jurisdiction. He has an obligation of supervision over these goods and requires an accurate reporting of the administration of temporal goods in a parish.
5. In conformity with the law, the Bishop is assisted by the Diocesan Financial Administrator, who, is a member of the diocesan finance committee.
6. The Bishop may delegate a person, either cleric or lay, to share his responsibilities in matters relating to administration. Such delegates have the necessary authority to carry out their duties according to their mandate.

Article III - THE PARISH PRIEST (OR PARISH ADMINISTRATOR)

7. In the present norms, any reference to the parish priest also includes the priest appointed as “pro temp” parish administrator.
8. The parish priest is a collaborator with the Bishop in the parish. He has the responsibility to administer the parish in conformity with the law and diocesan policy. He is, therefore, “president” of both the parish pastoral council and the parish finance committee.
9. In carrying out his duties, the parish priest is assisted by a parish finance committee, composed of competent and dedicated persons. He is an “ex officio” member and president (not necessarily chair) of the committee.

PART I – GENERAL PRINCIPLES

Article IV - THE PARISH FINANCE COMMITTEE

10. The parish finance committee is composed of the parish priest and at least three other members, chosen by the parish priest, one of whom is elected as chairperson, another as vice-chair, and a third as committee secretary. It is best not to include paid employees of the parish on the parish finance committee.
11. The parish finance committee, through its parish priest, is accountable to the parish and the diocesan Bishop.
12. The members of the parish finance committee are to be well acquainted with the civil, Canonical and diocesan regulations relating to the temporal administration of parishes.
13. Any member who serves on the parish finance committee must promise in the presence of the committee to administer the goods of the parish in accordance with the applicable regulations and maintain confidentiality at all times.

Article V - MEMBERSHIP ON THE COMMITTEE

14. To be eligible to be an appointed member of the parish finance committee, a person should be a practicing Catholic, registered in the parish or mission. Any exception to this must be discussed beforehand with the Bishop who may grant permission for the exception.
15. Members are appointed for a three-year term, renewable once. They retain their office even if the parish priest changes in the interim. It is preferable, for the sake of continuity, that individual terms be staggered. In this way, there will be a regular rotation without a complete turnover of members.
16. Members of the parish finance committee cease in their office once their successor is appointed and assumes their role.
17. In the event that an appointed member cannot complete the term of office, the parish priest shall appoint a replacement to complete the remainder of the mandate.
18. A member of the committee may be removed from the committee, for a just cause, by a majority vote of the members of the committee. Prior to such a vote, the parish priest must consult the Diocesan Financial Administrator. If the decision is for removal, the removed member may have recourse against the decision to the Bishop or his delegate.

| | | |
|-------------------|--------------------------------|-------------------------------|
| Revision # : 2.01 | Revision Date : MARCH 29, 2018 | Original Issue Date: OCT 2003 |
|-------------------|--------------------------------|-------------------------------|

PART I – GENERAL PRINCIPLES

Article VI - RESPONSIBILITIES

19. The parish finance committee, in conjunction with the parish priest shall:
- a. attend to the temporal affairs of the parish: revenue, expenses, loans, investments, book-keeping, repairs, construction projects, contracts, sales, purchases, employee relations, salaries, etc. In accordance with diocesan policy, **the parish secretary and bookkeeper are not to be voting members of the committee;**
 - b. apply, according to the principles governing sound administration, the best possible guidelines for the temporal administration of the parish;
 - c. prepare, in accordance with diocesan policy, the annual financial reports to be submitted to the diocesan administration;
 - d. designate one of its members to sit on the parish pastoral council as a member of that council and accept one member from the parish pastoral council as a member of the parish finance committee;
 - e. attend to the proper maintenance of parish buildings;
 - f. administer the goods of the parish in conformity with the civil, Canonical and diocesan regulations pertaining to the temporal administration of parishes.
20. The parish finance committee is, for the most part, consultative for the parish priest. Therefore, for decisions made by the parish finance committee to take effect, the parish priest must agree.

Article VII - MEETINGS

21. The parish finance committee cannot meet without the presence of the parish priest and shall meet regularly. If need be, special meetings may be called by the parish priest whether these are initiated by the priest himself or another member of the committee.
22. It shall meet at least every three months to review its activities to date and establish its priorities or adjust its estimates for the following trimester.
23. Proper minutes of each meeting should be kept recording resolutions, motions, decisions, plans of action, etc.
24. An absolute majority of the members of the committee shall constitute a quorum for meetings and decide a vote if taken. It is preferable that consensus is reached. The chairperson has a deciding vote in the case of a tie. It is to be remembered that the committee is consultative and is to aid the parish priest in the decisions necessary for effective administration of the temporal goods of the parish.

PART I – GENERAL PRINCIPLES

25. With the consent of the chairperson, other persons may be invited to attend portions or the meeting of the parish finance committee. Such guests do not vote.

Article VIII - MEMBERS

26. The *chairperson*, with the secretary of the parish finance committee, after consultation with the parish priest, prepares the order of business and agenda for the meetings of the committee. The chairperson is to chair the meetings and prepare a report on the financial situation of the parish. It is up to the parish priest or the chairperson or another one of their choosing to present this report to the people of the parish.
27. The *vice-chairperson* fulfills the duties of the chairperson in case of absence or incapacity.
28. The *committee* secretary prepares the order of business with the chairperson, attends to the book-keeping and keeps the minutes of the proceedings of the meetings.
29. Other members may be asked to undertake those tasks which, within their sphere of competence, are entrusted to them by the committee or the parish priest.

Article IX - PROCURATIONS

30. The procuracy for the signing of cheques can be issued only by the office of the Diocesan Financial Administrator. For the procuracy to have effect it is to be signed by both the Bishop and the Diocesan Financial Administrator. The letter of procuracy is issued to the parish priest and to any other designated and accepted persons due to the fact that at least two signatures are required on all cheques issued on parish accounts. The signature of the parish priest must appear on every cheque issued by the parish. One or more co-signatures may appear with the parish priest. However, these co-signers may not include the parish secretary or bookkeeper. All signatures must be “live” and not rubber-stamped, or electronically imprinted. No cheques are to be endorsed then stored “blank” for future use.

Article X - RESIDUAL MATTERS

31. The members of the parish finance committee must at all times act with discretion and confidentiality.
32. The services of the members of the parish finance committee are to be voluntary. No paid employee, or member of an employee's immediate family may be a member of the parish finance committee.
33. Members of the parish finance committee are expected to work in cooperation with the parish pastoral council.

PART I – GENERAL PRINCIPLES

34. Each new member of the parish finance committee is to receive a copy of the Diocesan Administrative Manual to be kept for the duration of their mandate and returned to the parish priest before leaving the committee.
35. Only the diocesan Bishop may revise or modify these norms. Doubt or proper interpretation is reserved to the Bishop or his delegate.

| | | |
|-------------------|--------------------------------|-------------------------------|
| Revision # : 2.01 | Revision Date : MARCH 29, 2018 | Original Issue Date: OCT 2003 |
|-------------------|--------------------------------|-------------------------------|

THIS PAGE INTENTIONALLY LEFT BLANK