

POLICY No. 15

EXTRAORDINARY (SPECIAL) EXPENDITURES

1. Term definitions

Extraordinary expenditures are those which are not foreseen in the approved budgets, or which concern certain categories of acts, as listed below.

An eligible project does not include any ongoing normal maintenance costs it must be an extraordinary expenditure.

2. Intent of the directive

The Canadian Conference of the Catholic Bishops, in its Decree No 9, as amended March 20, 1992 and reviewed by the Holy See (see CCCB, Official Documents, 536-1), has determined that certain acts are to be considered acts of extraordinary administration and thus, in virtue of Canon 1277, require special permission before they can be carried out.

Among such acts are expenditures beyond the value indicated in CCCB Decree No 38 (See Appendix I), under “For acts of extraordinary administration” at the diocesan level, the acceptance or refusal of an inheritance or gift to which long-term conditions are attached, the establishment of a cemetery, court action and the purchasing of immoveable goods.

3. Policy

- a. In the Diocese of Sault Ste. Marie, in addition to the points listed in Decree No. 9 of the CCCB, the following are considered to be acts of extraordinary administration:
 - construction, renovations, major or significant ordinary repairs to buildings or land (exceeding \$8,000) (roofing, boilers, structural preservation, weeping tiles, etc.);
 - long term leasing of buildings or properties;
 - major renovations (\$8,000 and over) to buildings, rectories, parishes and halls, building code compliance orders etc;
 - the transfer, sale or donation (receiving or giving) of property with a value of \$10,000 and more;
 - all major fund raising;
 - the hiring of pastoral workers or other lay employees to work either full time or part time, as defined in the Diocesan Administrative Manual;
 - the hiring of men and women religious;
 - the purchase of furniture, machinery or major equipment.

- b. For parishes and other pastoral works, in the case of an extraordinary (special) expense of \$8,000 or less, the parish may carry out this act provided it has the funds on hand.

The project is to be studied beforehand by the parish priest or administrator and the Parish Finance Committee/Parish Council.

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However, regardless of the amount of the expense, if a loan is to be made, if the structure of a building is to be altered, or if the interior of a building is to be renovated, the Diocesan Financial Administrator must be consulted beforehand.

- c. For parishes and works, if the projected expense exceeds \$8,000, the approval of the Diocesan Financial Administrator is required.

The project is to be studied first by the parish priest (administrator) and the Parish Finance Committee/Parish Council. The project must be presented to the parishioners and approved through the respective committee structure.

A minimum of three (3) tenders are required for projects.

Note that all tending contractors will have to provide the following two documents if chosen for the proposed work.

- c1) **Certificate of Insurance** naming the Roman Catholic Episcopal Corporation for the Diocese of Sault Ste. Marie as additional insured.
- c2) Provide a current **Clearance of Insurance** from the Workplace Safety and Insurance Board (WSIB).

Note: a contractor unable to provide these documents will not be granted a contract with the RCECSSM. An owner-operator performing the work himself may, upon the approval of the Diocesan Financial Administrator, receive permission to perform the said work providing he fulfills and meets the first requirement.

Fund Raising

If financing is necessary for any project, a special fundraising campaign or other activities must be planned before any DAE exemption is granted. Adding a collection as the only response to raising project funds cannot be the only initiative.

DAE Exemption

- 1. A fundraising campaign must be **planned before** any DAE exemption is granted.
- 2. A request for DAE exemption must be made **before** any fundraising commences.
- 3. DAE exemption is granted only by the Bishop for:
 - a. a specific amount, usually the project actual or budget amount;
 - b. a specific length of time;
 - c. only applies to contributions donated to the special fundraising campaign or activities;
 - d. all proceeds raised from a campaign or activities are to be deposited in the parish account with the Parish Assistance Fund Corporation as they are earned.

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Please note that a request for approval of a project should include the following or a note as why the information is not required.

1. Please provide a written description of the project.
2. Please advise in writing if there is a reason or cause for the project.
3. Please advise in writing if the parish has the necessary funds on hand for the project.
4. If a loan will be requested, kindly advise how it will be repaid including special initiatives in addition to collections and any special envelopes.
- 5. Please note that all requests for loans must be addressed to the Chair of THE PARISH ASSISTANCE FUND OF THE DIOCESE OF SAULT STE. MARIE, 30 Ste. Anne Road, Sudbury, P3C 5E1.**

The Parish Assistance Fund Board requires that 50% of the budgeted project be on deposit with the Parish Assistance Fund. Currently the interest rate on a loan is 3.0% (2018). Funds on deposit generate 1% interest plus a bonus interest amount determined annually by the board.

6. Please submit a copy of the three quotes received for the project.
 7. Please indicate which tender is recommended by the Parish Finance Committee/ Parish council and why. Please note that the lowest price is not always necessarily the best selection.
 8. Please note the Parish must request exemption in writing directly from the Bishop for the 15% DAE not to be paid on the fund raising amount for the project. Fund raising strategies and budget must precede any application for exemption from DAE and the strategies and budget report must be attached to the application.
- d. Written permission shall then be prepared and signed by the Diocesan Financial Administrator.
- e. Any request to sell buildings is governed by Policy No. 10.
- f. Prior to accepting a legacy or an inheritance, the parish must provide copies of a Last Will and Testament and the related correspondence to the Diocesan Financial Administrator for approval.

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