Archdiocese of Saint Paul and Minneapolis Policy

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Subject: Required Approvals for Parish Corporate Actions (Proxies)
Scope: All Parishes in Archdiocese
Reference: Proxy Request Letter Template; Parish Construction Projects; Sale, Purchase, and Lease of Parish Property; Parish Cemeteries and Columbaria Policy
Distribution: Posted on website

Archbishop Signature: [Signature]

I. Purpose

To establish requirements and procedures for Parishes when it is necessary to obtain approval for certain transactions or corporate actions from all members of the Parish Corporate Board in the form of a Proxy or other type of corporate resolution, and, when necessary, other Canonical Approvals.

II. Definitions

“Archbishop” means the sitting Archbishop of St. Paul and Minneapolis (or the appointed Apostolic Administrator).

“Archdiocese” means that certain corporate entity formed, maintained and existing under Minnesota Section 315.16 with the Minnesota Business Name: “The Archdiocese of St. Paul and Minneapolis”.

“Archdiocese Territory” means the (12) counties of the greater Twin Cities metropolitan area: Ramsey, Hennepin, Washington, Dakota, Anoka, Carver, Wright, Scott, Chisago, LeSueur, Rice, and Goodhue; and those persons outside the geographical territory over whom the Archdiocese has the ability to direct or control.

“Canonical Approvals” means the required consultation, review, and approval of a significant matter as set forth in Archdiocesan policy by the Archdiocesan Finance Council (AFC) and the College of Consultants (College).

“Financial Cooperation Agreement” means an agreement entered into between a Parish and the Archdiocese which states the amount owed to the Archdiocese and the terms for repayment of those obligations.

“Parish” means a Parish within the Archdiocese Territory that is Archdiocese-recognized as Catholic.

“Parish Corporate Board” (Board) means the Archbishop, the Vicar General, the Pastor, and the two appointed lay Trustees of the Parish corporation.

“Parish Finance Council” means the canonical consultative body established in a Parish in accordance with canon 537 of the 1983 Code of Canon Law and the policy of the Archdiocese, which provides
consultation to the pastor from a cross-section of parishioners to share their thoughts and insights in service to the mission of a specific Parish.

"Parish Pastoral Council" means the canonical consultative body established in a Parish in accordance with canon 536 of the 1983 Code of Canon Law and the policy of the Archdiocese, which provides consultation to the pastor from a cross-section of parishioners to share their thoughts and insights in service to the mission of a specific Parish.

"Pastor" means a Parish pastor or a parochial administrator, as the case may be.

"Proxy" means a written document executed by the Archbishop and Vicar General, as members of the corporation, to be used at a meeting which they are unable to attend, granting authority to the Pastor, a member of the corporation, to cast their votes in favor of a specific corporate resolution stated in the Proxy.

"Trustees" means the two lay members of the parish appointed to serve as members and officers of the parish corporation by the Archbishop, the Vicar General and the pastor or a majority of them.

"Vicar General" means the priest or auxiliary bishop appointed by the Archbishop as Vicar General and Moderator of the Curia.

## III. Policy

A. The following actions by a Parish require written approval of all five members of the Parish Corporate Board, which is customarily done via a Proxy:

1. Purchase of personal property of $25,000 or more;
2. Purchase of real property in any amount;
3. New building construction, renovation, or restoration projects with a value of $25,000 or more regardless of the source of the funds;
4. Any significant change to worship spaces that are connected to the celebration of the sacraments, including but not limited to, the altar, the tabernacle, the baptistery, the crucifix, addition or removal of a communion rail, or the orientation of the sanctuary (all of these items also require approval from the Office of Worship);
5. Establishing cemeteries, columbaria, or engaging in feasibility studies related thereto (see also Policy N. 213 Parish Cemeteries and Columbaria);
6. Larger maintenance projects of $25,000 or more;
7. Construction change orders which increase costs by $10,000 or more;
8. Loans, mortgages, or lines of credit from lending institutions;
9. Consolidation or refinancing of loans;
10. Revision of mortgages, loans, lines of credit;
11. Contracting with architects or planners for renovation or building projects;
12. Contracting with fundraising consultants for building projects;
13. Engaging in feasibility studies for building projects;
14. Initializing a feasibility study or a capital fund campaign where the total projected expenses, including costs for a consultant, exceed $25,000;
15. Establishing, modifying or terminating endowments (typically done through a corporate resolution signed by all members of the Parish Corporate Board);
16. Amendments to the Parish corporate articles or by-laws.

B. The following actions by a Parish require Canonical Approvals, in addition to written approval of all five members of the Parish Corporate Board:

1. Sale of real property in any amount;
2. Sale of personal property worth more than $25,000;
3. Construction of new church building;
4. Initiating a program of financing by the issuance of instruments such as bonds;
5. Transfer of real property rights such as temporary or permanent easements, liens, options, and contracts for deed;
6. Resolving litigation or potential litigation claim(s) by financial settlement where the cost to the parish is in excess of $25,000;
7. Leases and agreements for the use of any Parish property for a term of one year or longer.
8. Demolition, annexation, or transfer of property.

C. All corporate resolutions and proxies must be duly recorded so that all actions of the Parish corporation are readily at hand for future reference. Since Parish corporations are incorporated under the laws of the State of Minnesota, care must be taken that the above requirements for legal corporate action are observed. All requests for proxies must be signed by the Pastor and all Trustees.

D. The Proxy request letter should follow the form of the Proxy request letter template (attached to this policy). The letter must include:

1. Detailed description of the request;
2. Rationale for the request;
3. Cost estimate (a cost range if a specific amount is not known);
4. Source of the funds required for the expenditure described in the Proxy;
5. Other supporting documents (lease agreements, purchase agreements, quotes/estimates, etc.);
6. Name of architect and contractor, when applicable.
7. Confirmation that the Parish Finance Council has approved the substance of the proxy request.
8. Confirmation that the Parish Pastoral Council has been consulted and offered its advice regarding the substance of the proxy request.

E. In order to receive required approvals, at least 50% of the expenditure is required in cash and the remainder in capital campaign pledges. In addition, the Parish must be current on its obligations to the Archdiocese (assessments, general insurance program and priest benefits) and other trusts (lay pension, priest pension and lay medical/dental benefits) or have an executed Financial Cooperation Agreement with the Archdiocese for past due amounts.

F. All agreements, contracts, and leases must be reviewed by legal counsel of the Parish and a representative from the service office of the Archdiocesan insurance program.

G. Transactions that require Canonical Approvals will not be approved until the AFC and College have convened at a regular meeting. It is necessary to submit these Proxy requests well in advance of the required approval to ensure proper consultation and discussion by these bodies. It may take up to 120 days to obtain approval for such transactions. The Parish should plan accordingly.
H. For all Canonical Approvals, the following process is required:

1. The Parish must first contact the Archdiocesan Chief Financial Officer (CFO) prior to entering into any agreements or making any decisions that are binding on the Parish. The Parish must provide the CFO with the following information:
   a) An overview of the action the Parish is considering and the rationale for the action;
   b) Verification that the Pastor has consulted with the Trustees, the Parish Pastoral Council, and the Parish Finance Council;
   c) Any other requirements as set forth in other Archdiocesan policies, including Policy N. 206 Sale, Purchase, and Lease of Parish Property.
2. Parish submits a Proxy request letter to the CFO.

I. No transactions requiring either Canonical Approvals or approval of the entire Parish Corporate Board may be commenced until all necessary approvals have been received by the Parish.

J. After receiving a Proxy from the Archbishop and the Vicar General, the Pastor shall conduct a corporate meeting with the two lay members of the corporate board of directors (Treasurer and Secretary) in attendance and cast the votes of the Archbishop and Vicar General pursuant to the terms of said Proxy.

K. All Proxies received from the Archbishop and Vicar General shall be valid for one year following the date of issue, provided that there have been no material changes in any of the relevant circumstances relating to the request for the Proxy between the time the Proxy was issued and the contemplated corporate action taken.