

## DIOCESE OF FORT WAYNE—SOUTH BEND

1103 S. CALHOUN ST. • P.O. BOX 390  
FORT WAYNE, INDIANA 46801

*Office of the Vicar General*

September 26, 2000

Dear Father,

Bishop D'Arcy has approved raising the maximum that can be spent without approval from the Building and Improvements Committee. Any project in your parish that **does not need** a loan and can be paid with current available parish funds, up to the amount of \$20,000, may be undertaken without approval of the Building and Improvements Committee. **If a loan is needed**, any project under \$10,000 does not need the approval of the Building and Improvements Committee.

So, any project in your parish over \$20,000 that **does not need a loan** still must be approved by the Building and Improvements Committee. Any project over \$10,000 that **does need a loan** needs to be approved by the Building and Improvements Committee. This new policy doubles the previous limit amounts.

Also, a reminder, any project over \$100,000, whether a loan is needed or not, must be approved by the Diocesan Finance Council first and then be approved by the Building and Improvements Committee as well.

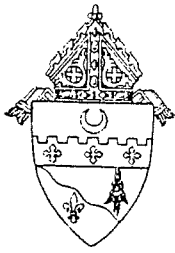
I have enclosed a copy of a letter that was sent previously by Msgr. Lester and Msgr. Wolf to remind you of the diocesan policy concerning the signing of contracts. **Please**, exercise care in this area, it is for your own protection and that of the Diocese.

Sincerely in Christ,

Rev. Robert C. Schulte  
Vicar General

RCS/mr

Enclosure  
cc: High School Principals



## DIOCESE OF FORT WAYNE—SOUTH BEND

1103 S. CALHOUN ST. • P.O. BOX 390

FORT WAYNE, INDIANA 46801

*Office of the Vicar General*

May 25, 1999

Dear Father:

From time to time, questions arise concerning the authority of a pastor to engage in civil agreements, contracts or other temporal transactions that affect parish life and, of necessity, affect the Diocese as well. As administrators of ecclesiastical goods within your parish, each of you has assumed a position of trust in these matters. Your position is not without qualification, however, and requires your observance of both civil and canon law. In fact, you "must especially be on guard lest the Church be harmed through the non-observance of civil laws." (Canon 1284.)

Questions regarding your civil authority have arisen even more in recent years, with so many of our pastors and their lay advisors and co-workers working with such energy on new construction as well as rehabilitation of parish buildings and fundraising endeavors. To promote the effectiveness of that good work and in fulfillment of the Bishop, as ordinary, to organize the entire administration of ecclesiastical goods in the Diocese, this guidance is provided to assist you. Some contracts, agreements, or other obligations must be authorized and signed only by the Bishop or one of the Vicars General as designated representative.

Guidelines relevant to a pastor's authority on civil matters emerge from the fact that the Diocese is a corporation. In some instances the authority to act, or contract, on behalf of the Diocese is reserved exclusively to the Bishop. For example, only the Bishop may purchase, sell, lease, transfer, exchange or encumber (i.e., mortgage or grant easements upon) real estate for or on behalf of the Diocese. Those civil documents also provide that only the Bishop may purchase, sell, lease, exchange, encumber or dispose of any Diocesan assets (other than real estate) outside the usual and regular course of the Diocese activities.

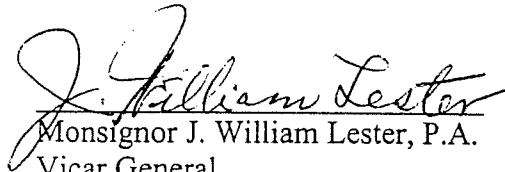
The standards regarding the absolute delegation of real estate dealings to the Bishop are straight and narrow. The determination of what constitutes a non-real estate transaction that is within the usual and regular course of the Diocese's activities at the parish level and, therefore, within a pastor's authority of ordinary administration, is more complex.

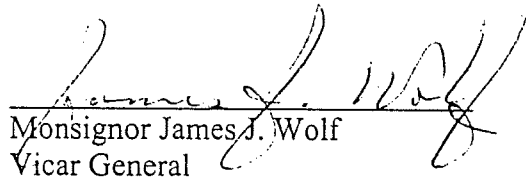
In making this determination, please understand that these standards are not intended to limit or restrict the necessary authority which a pastor properly utilizes to carry out his routine administrative and fiscal responsibilities. Rather, they are intended to assist the parishes. The Diocese in protecting ecclesiastical goods by providing assurance that non-routine transactions will receive a high degree of scrutiny consistent with canon law, draws on resources and expertise that may be unavailable at the parish level. Within these standards, each pastor retains his authority of ordinary administration to engage in those transactions which arise in the routine course of parish business. To give an example, a pastor may, and routinely does, contract for the purchase of books and supplies for a parish school, or hire individuals to teach in a parish school or to perform routine work in the parish. He contracts for necessary snow removal services. In all of these types of matters the Bishop relies on your good judgment.

The non-real estate matters which are reserved to the Bishop to gain a higher level of scrutiny involve instances of extraordinary administration. For example, this would include the review of and engagement in contracts or other obligations related to projects which require building and improvement committee approval. This would also include agreements with fundraisers, unique or one-time service agreements, and agreements which bind the parish to a long time commitment of more than three years' duration, such as building security system contracts and maintenance agreements. If you are not certain whether a particular matter involves extraordinary administration, simply contact one of the Vicars General for assistance.

Canon law requires that we, as administrators, fulfill our respective duties in the name of the Church within the respective limitations imposed upon us and in accordance with civil laws. We must do so with the diligence of a good householder. That diligence requires consideration of the effect of the administration of ecclesiastical goods that will survive the indefinite term of our appointment. As prudent administrators, we must carefully weigh the impact that our decisions may have on our successors. We must envision ourselves in our successors' shoes as part of decision-making process. We must be fervent in our adherence to these duties and respect these limitations both when making decisions and in carrying out those decisions.

Fraternally,

  
Monsignor J. William Lester, P.A.  
Vicar General

  
Monsignor James J. Wolf  
Vicar General

**Ordinary administration items that do not need to be submitted for review:**

Contracts for:

- School textbooks
- maintenance supplies and equipment
- utilities
- office supplies and equipment
- communications services- phones, Internet, etc.
- teachers
- maintenance of properties
- services - e.g. snow removal, tree and lawn care
- protective services

Any new contract that extends beyond three years must be sent to the Office of the Vicar General for review.

Any contract over \$50,000 must be signed by Bishop John D'Arcy or his designee.

Acts of extraordinary administration include contracts for:

- purchase or sale of land or property
- services of architect or contractor
- services of liturgical consultant
- construction contract
- major renovation project
- major redecoration project
- new or rebuilt organ project
- major liturgical art

Projects of extraordinary administration require that the contract or contracts be signed by Bishop John D'Arcy or his designee.

**\* These are not exhaustive lists; if you have any doubts, contact the Vicar General**

## **BUILDING AND IMPROVEMENT GUIDELINES**

- 1.) All projects in excess of \$100,000 must first go to the Diocesan Finance Council for approval and then be brought to the Buildings and Improvements Committee for approval.
- 2.) All capital projects or acquisitions in excess of \$20,000 must be brought to the Building and Improvement Committee. Any expenditure over \$10,000 needing a loan must receive approval.
- 3.) All capital projects submitted to the Buildings and Improvements Committee should include a Construction and Capital Expenditure Permit form and should be accompanied by copies of three (3) independent bids.
- 4.) Parishes who have to borrow money in order to finance the capital project should have at least one-half (1/2) of the cost of the project on deposit in their diocesan account, and pledges or a financial plan which will pay back the borrowed funds over three (3) years. (For extremely large projects, exceptions may be made to the pay back period.)
- 5.) All diocesan accounts should be current at the time of application.

# Diocese of Fort Wayne-South Bend

1103 South Calhoun Street P.O. Box 390

Fort Wayne, IN 46801

PH: 219-422-4611 FAX: 219-423-3382

## CONSTRUCTION AND CAPITAL EXPENDITURE PERMIT

Parish Name \_\_\_\_\_ Parish No. \_\_\_\_\_

\_\_\_\_\_ Construction Cost \_\_\_\_\_

\_\_\_\_\_ Remodeling Project to Start \_\_\_\_\_

\_\_\_\_\_ Repair and Maintenance Current Diocesan Loan/Debt \_\_\_\_\_

\_\_\_\_\_ Purchase of Real Estate or Furnishing Loan Needed \_\_\_\_\_

**Annual Debt Retirement Upon Project Completion** \_\_\_\_\_

Amount of Diocesan Deposit \_\_\_\_\_

Amount to be Withdrawn \_\_\_\_\_

Balance After Withdrawal \_\_\_\_\_

Expenditure Will Be Paid From Current Receipts \_\_\_\_\_

Explanation of Project or Purchase \_\_\_\_\_

Contractor \_\_\_\_\_ Architech \_\_\_\_\_

(Supplier) \_\_\_\_\_

Address \_\_\_\_\_ Address \_\_\_\_\_

Requested By \_\_\_\_\_ Approved by \_\_\_\_\_

Date \_\_\_\_\_ Date Approved \_\_\_\_\_

### Note:

*Any expenditure over \$20,000 must receive approval.*

*Any expenditure over \$10,000 needing a loan must receive approval.*

All major construction and purchases must be awarded on a bid basis. Please send **copies of three bids**, and attach drawings, or any other pertinent information.

## Description of Procedure

### PHASE 1

**A.** The parish forms a committee, with the pastor as the head, to consider the renovation project or building program. Meetings with the parishioners in general would be held to get their input, educate them, and to get them involved. The Environment and Art Advisory Committee and the Office of Worship should be involved in assisting in the educational study programs in the parish. The parish would have to do the necessary demographics, if needed, to show the need for the project. Consulting with the Development Office of the diocese, the parish would investigate the best way to fund the project.

**B.** The parish then would make contact with the Bishop indicating the need for construction and renovation.

**C.** The Bishop then would give permission for them to present the project to the Diocesan Finance Council.

**D.** The Diocesan Finance Council would approve the project when one half of the money is in hand and the other half of the money is pledged.

### PHASE 2

The pastor and his advisors would select an architect to work with the parish to begin preliminary designs. A liturgical consultant should be hired to help them. The Environment and Art Committee would assist the pastor in working with the architect, making sure the final plans are liturgically appropriate.

### PHASE 3

**A.** The architect would submit final plans to the Parish Committee. The Environment and Art Committee would review them making certain that they conform to liturgical norms. The parish would procure at least three (3) bids for the project.

**B.** The finances are in place for payment of the project.

**C.** The Buildings and Improvements Advisory Committee would review the bids and give approval for contracts to be signed and construction to begin.

### PHASE 4

**A.** Construction Begins

**B.** The Environment and Art Committee would continue to be available for consultation, with special emphasis on the appointments and furnishings.

**C.** The Finance Office would monitor payment and loans needed to fulfill the project.