

PARISH NORMS

for Parish Finance Committees and all other bodies
reporting to the bishop as required by Canons 537 and 1291
effective as from 1 December 2019

Signature:



Paul Martin SM
Bishop of Christchurch

Date:

1 December 2019

CATHOLIC DIOCESE OF CHRISTCHURCH

FOR PARISH FINANCE COMMITTEES AND FOR ALL OTHER BODIES REPORTING TO THE BISHOP AS REQUIRED BY CANONS 537 AND 1291

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PREAMBLE

The Parish

Christ's Church finds its most immediate and visible expression in the parish. It is there that the Church is visible in a place. The parish is the Church living in the midst of the homes of her sons and daughters.

The true meaning of the parish becomes clear in the light of faith. It is the place where the mystery of the Church is present and at work, even if at times lacking persons or means, even if at other times it might be scattered over vast territories and submerged in crowded cities.

It is not principally a structure, a territory, or a building but rather, the family of God, a fellowship afire with a unifying spirit, a familial and welcoming home, the community of the faithful.

The parish is a community suited to the celebration of the Eucharist, suited because it is a community of faith and an organic community made up of Christians and their ordained minister who is its hierarchical bond with the diocese. Through its celebration of the Eucharist, the parish is united with the Risen Lord, the living source of its growth, and brought into communion with the whole Church.

1. The Code of Canon Law provides that:

In all juridical matters, the parish priest acts in the person of the parish, in accordance with the law. He is to ensure that the parish goods are administered in accordance with Canons 1281 - 1299.¹

In each parish there is to be a finance committee to help the parish priest in the administration of the goods of the parish, without prejudice to Canon 532. It is ruled by the universal law and by the norms laid down by the diocesan Bishop, and it is comprised of members of the faithful selected according to these norms.²

2. The norms contained in this document apply to all parish finance committees within the diocese as from 1 December 2019.

In addition to parish finance committees these norms also apply to the finance committees (or equivalent) of other bodies within the diocese, where such committees have been established with the approval of and report to the Bishop. Accordingly, references to "the parish priest" and "the parish" should be read to include their equivalent in those other bodies.

3. These norms replace those in effect from 30 November 2001. In addition to treating such matters as book-keeping, preparation of accounts, the management of funds and the approval of payments, these norms emphasise the management of the parish.

¹ Canon 532

² Canon 537

PRINCIPAL PURPOSES OF THE PARISH FINANCE COMMITTEE

In light of Canon 537 the finance committee collaborates with the parish priest in fulfilling the mission of the Church in terms of:

1. **Resourcing**, i.e. ensuring that the parish has the financial capacity both for the provision of assets and facilities (such as church, presbytery, hall, etc.) and for the financial support of those involved in pastoral works, i.e. the parish priest, his staff, parish pastoral assistants, youth ministers, etc.
2. **Planning**, in a systematic way, both for the provision of this resourcing and its budgetary management.
3. **Accounting for, administering & safeguarding** parish income, expenditure and assets.

These norms establish policy and requirements under each of the three headings listed above.

THE ORGANISATION OF THE PARISH FINANCE COMMITTEE

1. Parish priests and administrators are ex officio members of parish finance committees.³
2. There must be at least two other members.⁴
3. It is recommended that total membership not exceed six.⁵
4. Individual members are to be appointed for three-year terms. Re-appointments for further terms may be made, however the roll-over of members should be staggered to ensure continuity. It is recommended that members serve for no more than two or at most three consecutive terms so as to allow recruitment of new and fresh members.

Appointments and re-appointments are made by the parish priest or administrator. It is recommended that there be consultation with existing members and the parish council before appointing new members.

Commitment to Christ and to the Church is a pre-requisite to appointment in addition to appropriate professional competence. Membership should embrace the diversity of the community, including a balance of gender and ethnicities.

5. In all matters where the finance committee must be consulted or give consent, ideally all members should participate.

All members must participate if the membership (excluding the parish priest) is two or three.

³ Canon 532

⁴ Canon 537, 1280

⁵ Canon 537, 1280

At least four must participate if membership is five or six.

Where formal consent is required (please refer to page 10) votes for and against are to be minuted.

6. The finance committee would normally meet at least once in each two-month period.
7. Minutes of all meetings must be kept and copies forwarded to the Bishop as required and at the time of parochial visitation.
8. The finance committee should endeavour always to reach decisions in a harmonious manner, relying upon the guidance of the Holy Spirit. Good corporate governance should guide members who are required to declare any personal conflict of interest in matters under consideration.

RESOURCING

1. The parish finance committee has a particular responsibility to ensure that the parish is adequately resourced for its work. The parish is required to contribute to the work of the diocese, the support of the clergy and the support of the Bishop. Accordingly, there is a responsibility both to maximise income for these purposes and to make the best use of the parish's resources.
2. The maximisation of income and use of resources (land, building, plant, etc.) is driven by the objective of matching resources to needs. Finance committees should actively seek to ensure that high priority pastoral needs are not continually constrained because of a lack of the necessary resources.
3. The resourcing of the parish needs to keep in view both short and longer term pastoral priorities. A balance needs to be struck so that, without unnecessarily restricting continuing pastoral work, prudent provision is made for longer-term needs, e.g. the replacement of buildings.
4. The use of qualified volunteers for both administrative and pastoral work is encouraged.
5. The finance committee should not attempt to establish or accept responsibility for the pastoral plan of the parish. That task lies with the parish priest, and the parish pastoral council linked to the overall vision and plan of the diocese as they are formulated through the priests council, regional gatherings, etc. Nevertheless, financial planning and pastoral planning need to proceed in tandem if both bodies are to be effective. When resources are simply not available it may be necessary and desirable for the finance committee to ask the pastoral council to prioritise the various elements of its pastoral plan.

6. Specific responsibilities concerning the maximisation of income are:
- (a) to ensure that **Thanksgiving** programmes are established in the parish and renewed every three years. The use of a Thanksgiving programme is strongly recommended. Experience within the diocese, over many years, indicates that results are consistently better if such professional expertise is used;
 - (b) to ensure the taking up of ordinary **collections** at all Masses on the Saturday evenings and Sundays, Christmas Day and Good Friday (no Mass - special collection);
 - (c) to ensure the taking up of Christmas and Easter offerings;
 - (d) to ensure collections are banked as soon as possible;
NB: Insurance cover will be jeopardised if this is not so. Adequate security must be in place
 - (e) to promote Special Collections and Appeals; to distribute promotional letters and leaflets on these collections to parishioners; to ensure the amounts collected are remitted to the appropriate office.

The normal **Special Collections** and **Appeals** are:

Special Collections

Holy Places	taken up on Good Friday
Seminary Collection	taken up on Vocations Sunday (4th Sunday of Easter)
Peter's Pence	taken up on the Sunday nearest 29th June
Maori Mission Sunday	taken up on the last Sunday in August
Propagation of the Faith	taken up on the 2nd last Sunday in October

Appeals

Caritas Lenten Appeal	during Lent
Bishop's Care Appeal	during Advent
Other Appeals	As approved by the Bishop

Lenten Appeal receipts should be remitted regularly during Lent to the

Catholic Office for Social Justice-Caritas Aotearoa-NZ
 Catholic Centre
 PO Box 12193, Thorndon
 Wellington 6144

The Special Collections, except for the Propagation of the Faith, and Bishop's Care Appeal should be remitted to Diocese at

Cathedral House
 PO Box 4544
 Christchurch 8140

or by direct electronic transfer of funds.

The Propagation of the Faith collection should be remitted to the Director for the Pontifical Mission Societies (as advised from time to time);

- (f) to manage the income-producing assets of the parish, e.g. hall or other property rentals;
- (g) to invest surplus funds with the Catholic Development Fund;

Parishes are not permitted to invest funds except with the CDF.

Parishes are encouraged to review parish cash flows at regular intervals to retain at all times a minimal level of operational funds in parish transactional accounts and arrange investment of funds in the CDF according to parish cash flow estimates. While such levels will differ in each parish a maximum sum (float) of approximately \$1,000 is recommended.

- (h) to promote within the parish the Catholic Development Fund and its various services;
- (i) to assist the proprietor in the collection of outstanding primary school attendance dues;
- (j) to encourage bequests in favour either of the parish, the Catholic Foundation of the Diocese of Christchurch, or the Bishop for the general work and mission of the Church;

The Bishop is to be advised in writing of all bequests received by the parish. Any bequests which have conditions attached to them ***must not be accepted*** without the approval of the Bishop.⁶

- (k) to give assistance (when requested) to the Catholic Foundation in its quest for new members and renewal of membership;
- (l) to organise capital fundraising or special effort campaigns to meet one-off capital expenditure (e.g. new church, new organ, etc.) or pastoral needs (e.g. missionary projects).

PASTORAL AND FINANCIAL PLANNING

1. The parish council with the parish priest should establish the pastoral goals for the parish for the subsequent year according to the resources available. The parish finance committee will then set a budget for the year.
2. The annual parish plan provides essential background for drawing up a budget of operating income and expenditure, and a budget for capital expenditure and income. These budgets are to be for the financial year 1 April to 31 March. They are to be drawn up in collaboration with the parish council so that both bodies are clear concerning the financial realities, which will likely face the parish during the next financial year. This interaction between the two groups can also provide a creative opportunity for discussing special fund-raising initiatives.
3. The annual budget should take account of the longer term needs and parishes are asked, where possible, to establish a "Capital Depreciation Fund" with the CDF so that funds can be systematically put aside for future capital requirements.

⁶ Canon 1301

ACCOUNTING, ADMINISTERING AND SAFEGUARDING

1. The parish priest may appoint, with the consent of the finance committee, a parish treasurer or accountant. All payments (electronic or cheques) must have two authorised signatories. It is recommended that a pool of four (4) authorised signatories (any two of which must sign together) are retained by the parish. It is recommended that the signatory pool comprise: the parish priest, the chairman and a member of the parish finance committee and the parish secretary and/or treasurer: all signatories and changes thereto to be approved by resolution of the parish finance committee.
2. All parishes are separately registered as charities. Parishes have an annual balance date of 31 March. They are required to file annual returns in the required format by 30 September each year. All parishes use the Xero accounting system. Support for Xero and assistance with the annual returns is provided by the diocesan office. The annual return should be certified by the committee and the parish priest. It is recommended that this information be made available to parishioners.
3. Where parishes reach certain expenditure thresholds they will be required to have a review or audit undertaken. The diocesan office will liaise with the parish to determine if this is required and provide assistance if necessary to arrange the audit or review.
4. The reporting standards applicable to parishes as charities require the provision for depreciation (a non cash item) on parish-owned buildings and furniture in accordance with the standards. Where circumstances permit (i.e. where funds are available) it is recommended that the whole or some part of this depreciation charge be paid into the "Capital Replacement Fund". These actions will ensure that the true costs involved in the operation of the parish are recognised and that, where circumstances permit, at least some provision is made for future capital needs. Parishes which can make little if any provision of this kind for the future will, when capital expenditure becomes necessary, need to undertake capital fundraising.

Currently Catholic parishes are exempt from income tax and fringe benefit tax.

5. The parish finance committee should ensure that systems exist within the parish for the receipting and recording of planned giving gifts, the reconciliation of bank accounts with the parish's accounting records, and the proper authorisation of all payments made from parish funds. To enable parishioners to claim a refund in respect of their giving to the parish, receipts are to be prepared and distributed each April as soon as possible after the 31 March balance date. Certain information is required on Donation receipts to comply with IRD requirements. Parishes must ensure that receipts issued contain this information. If required advice and assistance is available from the diocesan office.
6. The transfer of funds (except for GST/PAYE purposes) from house account to parish account, or from parish account to house account, except where funds collected pass through the parish account for immediate transfer to the house account, are a breach of trusteeship and contravene Canon Law. An audit of the house account is arranged from time to time by the Diocesan Clergy Trust Fund.

7. The parish finance committee is to ensure that the parish is registered for GST and that GST returns are completed and submitted to the IRD in a timely manner. While 'House' accounts are not separately registered for GST claims for GST refunds arising from house account expenditure can be incorporated in the parish's return. However, care must be taken to ensure that all GST refunds so claimed are returned to the house trust account.)
8. All lay staff should be employed under an employment agreement, signed by the parish priest as the authorised signatory of the parish before they are admitted to the payroll. Standard diocesan employment agreements and employment policies are available from the diocesan administration and should be used for all lay staff employed. It would be wise to seek professional advice if variations to that standard contract are contemplated. The employment of a housekeeper is the responsibility of the priest and not the parish. However as with GST on house account expenditure, PAYE for housekeepers can be included with the parish returns, again ensuring that the PAYE cost is attributed to the correct account.
9. Where staff are employed, arrangements must be put in hand to ensure that all related payments or deductions are made, including PAYE. The finance committee should also take an active role in supporting the parish priest in fostering a good employer/employee relationship and provide advice on human resource matters.
10. It is essential that records relating to employment are maintained such as employment agreements, timesheets, leave requests and payroll information. A record of employees needs to be retained in perpetuity, with other records retained for seven years. For further clarification please refer to information from the Diocesan Archivist.
11. All parish buildings are to be adequately maintained on a systematic basis.
12. All parish assets are to be safeguarded. It is recommended this should include installation of security, burglar and fire alarms and smoke detectors where possible. "Safeguarding" also includes compliance with the Building Act, Health & Safety Act and other relevant legislation where possible.
13. Replacement insurance cover for buildings is mandatory. Exceptions to full replacement cover require written approval from the Bishop.

N.B: It is the responsibility of the finance committee to value all furniture, floor coverings, stained glass windows, sacred vessels, vestments, statues, works of art, musical instruments, curtains and all other building contents and to record them in a parish asset register which is to be updated annually. The diocese will make available, where necessary, professional valuations (replacement and indemnity) for all buildings (excluding stained glass windows).
14. Public liability and money insurance for all parishes is arranged by the diocese. Parish finance committees should assess whether insurance cover should also be arranged for other identifiable risks e.g. increased cost of working, or fidelity guarantee.
15. The alienation (e.g. sale) of the "stable patrimony" of the parish, together with any other acts of extraordinary administration cannot lawfully be carried out until the consents indicated in the following tables have first been obtained.⁷

ADMINISTRATION OF TEMPORAL GOODS - CODE OF CANON LAW

Approved by NZCBC 2018

Canon 1277: Acts of Extraordinary Administration

13. The following are acts of extraordinary administration for diocesan bishops:

- a) An act of administration by which a diocese would be committed to an annual repayment, principal and interest, in excess of 5% of the maximum sum approved by the Holy See (\$5,500,000) as the maximum sum for alienation (\$275,000).
- b) An act of administration by which the diocese would forego an annual sum equal to 2% of the maximum sum approved by the Holy See as the maximum sum for alienation (\$110,000).

AMOUNT OF EXPENDITURE	PARISH	BISHOP
Up to \$5,000	Parish Priest may act alone.	-
\$5,000 - \$15,000	Parish Priest must seek the advice of the Parish Finance Committee.	-
\$15,000 - \$50,000	Parish Priest must: <ul style="list-style-type: none">▪ Seek the advice of the Parish Finance Committee▪ Inform the Bishop and▪ Obtain the written consent of the Bishop.	Bishop may act alone in giving consent.
\$50,000 - \$500,000	Parish Priest must: <ul style="list-style-type: none">▪ Seek the advice of the Parish Finance Committee▪ Inform the Bishop and▪ Obtain the written consent of the Bishop.	The Bishop requires the advice of both the Diocesan Management and Finance Board and the College of Consultors.
Over \$500,000	Parish Priest must: <ul style="list-style-type: none">▪ Seek the advice of the Parish Finance Committee▪ Inform the Bishop and▪ Obtain the written consent of the Bishop.	The Bishop requires the consent of both the Diocesan Management and Finance Board and the College of Consultors.

Canon 1292: Acts of Alienation

- c) The maximum sum of alienation as mentioned in Canon 1292 is NZ \$5,500,000.
- d) The minimum sum for alienation as mentioned in Canon 1292 is 5% of the maximum sum (\$500,000).

AMOUNT OF ALIENATION	PARISH	BISHOP
Up to \$5,000	Parish Priest must consult with the Chairperson of the Parish Finance Committee.	-
\$5,000 - \$15,000	Parish Priest requires the advice of the Parish Finance Committee.	-
\$15,000 - \$50,000	Parish Priest must: <ul style="list-style-type: none"> ▪ Seek the advice of the Parish Finance Committee ▪ Inform the Bishop and ▪ Obtain the written consent of the Bishop. 	Bishop may act alone in giving consent.
\$50,000 - \$500,000	Parish Priest must: <ul style="list-style-type: none"> ▪ Seek the advice of the Parish Finance Committee ▪ Inform the Bishop and ▪ Obtain the written consent of the Bishop. 	The Bishop requires the advice of both the Diocesan Management and Finance Board and the College of Consultors.
\$500,000 - \$5,500,000	Parish Priest must: <ul style="list-style-type: none"> ▪ Seek the advice of the Parish Finance Committee ▪ Inform the Bishop and ▪ Obtain the written consent of the Bishop. 	The Bishop requires the consent of both the Diocesan Management and Finance Board and the College of Consultors.
Over \$5,500,000	Parish Priest must: <ul style="list-style-type: none"> ▪ Seek the advice of the Parish Finance Committee ▪ Inform the Bishop and ▪ Obtain the written consent of the Bishop. 	The Bishop requires the consent of the Diocesan Management and Finance Board, the College of Consultors interested parties and the Holy See.

* All figures are exclusive of GST

Notes

- (a) **"Alienation"** is a term with a technical meaning in Canon Law. Simply defined it is the transfer of property, or rights over property, from one person to another.
- (b) **"Stable Patrimony"** as used in Canon Law means "immovable property" or "fixed capital". The term "immovable property" is straightforward and covers all land, buildings and fixtures. Furniture is movable and therefore does not constitute "stable patrimony". The term "fixed capital" refers to money or its equivalent (i.e. deposits) which is "fixed" because it has been designated by its donor or by the Church as being set aside for a particular purpose. For example, if a parish raises funds to construct a new church, those funds become fixed capital. Likewise, if the parish finance committee sets aside a CDF deposit amount to meet the cost of a specific (rather than general) capital project, the amount so set aside immediately becomes "stable patrimony". A third example would be a bequest given for "religious education". That amount becomes "fixed capital" (and therefore part of "stable patrimony") because, in line with the wishes of the donor, it can be used only for religious education.
- (c) **"Extraordinary Administration"** for parishes of the diocese includes:
- i) the alienation of stable patrimony
 - ii) the purchase of real estate
 - iii) the construction of new buildings or the refurbishment (i.e. beyond normal repairs and maintenance) of existing buildings
 - iv) special purpose fundraising
 - v) entering into a lease (as lessor or lessee)
 - vi) any other acts of administration which do not fall within the definition of "ordinary administration"
 - vii) the borrowing of funds by way of overdraft.
- (d) **"Ordinary Administration"** includes the collection of debts, rents or interest; ordinary maintenance of the church buildings; support of personnel; the acceptance of ordinary donations; and the short term rental of church property.
14. When seeking **consent** under Item 13 above, the parish priest is to inform the Bishop as to:
- i) the reason why the alienation or other action is proposed⁸:
 - "1. To alienate goods whose value exceeds the determined minimum sum, it is also required that there be:*
 - i) a just reason, such as urgent necessity, evident advantage, or a religious, charitable, or other grave pastoral reason.*
 - ii) a written expert valuation of the goods to be alienated.*

⁸ Canon 1293

2. *To avoid harm to the Church, any other precautions drawn up by lawful authority are also to be followed.*”, and

ii) in the case of alienation, how the money obtained is to be invested or expended⁹:

“1. *Normally goods must not be alienated for a price lower than that given in the valuation.*

2. *The money obtained from alienation must be prudently expended according to the purposes of the alienation or carefully invested with the Catholic Development Fund.*”

15. Requests to the Bishop for his consent are to be made in writing, quoting the appropriate minute of the finance committee meeting. The consent of the Bishop must likewise be received in writing, before any kind of commitment has been entered into.

16. In all that pertains to parish property the finance committee is required to follow the “Parish Property Procedures” which have been promulgated by the diocese and which form part of these norms.

N.B: The Canons in the Code of Canon Law most relevant to the work of parish finance committees are Canons 222, 231, 532, 537 and those in Book V on “The Temporal Goods of the Church”¹⁰.

GENERAL PRINCIPLES FOR ALIENATION OF PLACES OF WORSHIP:

- i) a proper use (not an unworthy one);
- ii) all sacred objects remain with the building as appropriate;
- iii) if the use of the building is secular a formal decommissioning service should be held, and appropriate storage/use of sacred objects and church furnishings. All parties should be aware that no religious objects from Catholic churches should be disposed of through secondhand dealers.

In the alienation of a church a parish is asked to inform the Bishop in the first instance that they are thinking of selling a church. The Bishop will make a decision in principle before any planning has begun.

⁹ Canon 1294

¹⁰ Canon 1254-1310

PROCEDURES TO BE FOLLOWED IN PLANNING PARISH PROJECTS OR PURCHASES AND SALES OF PROPERTY WITH VALUES EXCEEDING \$15,000

IMPORTANT:

- Written approval from the diocese is required before professionals, e.g. architect, engineer, etc. are engaged. Any preliminary stage expenditure on a project that is likely to exceed \$15,000 must be approved according to the diocesan norms and the steps below.
- In the case of a new church, or extensive alterations to an existing church, a copy of the initial proposal should be forwarded to the secretary of the Building & Sites Committee for liturgical comment and approval. A brief outline of what is proposed should be forwarded to the bishop. The appointment of an architect and engineer for a large project must have the approval of the bishop.
- The Diocesan Management and Finance Board has been established to assist the juridical entities in the diocese in property and finance related matters. The group comprises dedicated clergy and lay people, who freely give of their time and expertise, to assist the diocese, parishes, chaplaincies, etc. with regard to property and financial matters. The group is available through the Diocesan General Manager to provide advice to the parish during a project if required.
- All parish funds must be deposited in the Catholic Development Fund.

It is diocesan policy that parishes are required to have a minimum of 50% of the cost of any proposed capital works deposited in the Catholic Development Fund. Parishes are expected to have sufficient resources to enable repayment of any loan from the CDF, together with interest charges within a period of 5 to 10 years. Parishes must provide the diocese with a budget and cashflow.

The following are the steps required to obtain approval:

STEP 1:

It is necessary to achieve consensus within the parish community before any detailed planning for a significant project or asset sale or purchase commences. That consensus needs to be established initially by the parish priest, with the members of the parish finance committee and the parish council. All should be in agreement before the proposal is shared with the wider parish community. Agreement should be permanently recorded in the minutes of each group.

STEP 2:

On agreement of the project between the parish priest, the parish finance committee and the parish council, parishioners should be informed by way of outline and given the opportunity to express their views. This can be done by way of a circular letter, parish bulletin or via a widely publicised open meeting. An opportunity should be allowed for parishioners to ask questions and care taken to give clear, factual answers.

STEP 3:

The parish priest is required to apply for the permission of the bishop to approve capital expenditure or sale of property with a value in excess of \$15,000 by furnishing him with:

- a. A full description of the project or asset being considered for sale or purchase. This may also include the sketch plan, site plan and a summary of parish attitude to the proposal.
- b. Written reasons for the expenditure/sale and all facts bearing on that decision.
- c. A copy of a written professional valuation of the asset which is considered for sale or purchase or a quotation for the capital works.
- d. A complete summary of firm prices for acceptance.
- e. Written evidence that the parish finance committee has been consulted e.g. a copy of the approved minutes.
- f. The written consent of the parish priest to the project or sale/purchase.
- g. Full details of how the project or purchase is to be funded.

This request together with budget and cashflow should be sent via the Diocesan General Manager.

STEP 4:

The next stage will require more detailed planning, such as obtaining working drawings. No application to local bodies for planning consent may be made without written approval from the Diocesan General Manager on behalf of the Diocesan Management and Finance Board and the bishop.

STEP 5:

When the bishop, Building & Sites Committee and Diocesan Management and Finance Board have approved the working drawings, and are satisfied appropriate funding is in place, the bishop is in a position to allow the project to proceed to the next stage. Normally, this will consist in the calling of tenders for the project. This approval must be given in writing by the Diocesan General Manager on behalf of the Diocesan Management and Finance Board and the bishop. No tender is to be accepted and no contract is to be entered into unless approved in writing by the Diocesan General Manager on behalf of the Diocesan Management and Finance Board and the bishop. As details of the tendering process will differ for each project, these will be provided by the Diocesan General Manager on behalf of the Diocesan Management and Finance Board and the bishop.

It is recommended that all parishioners be invited to an open meeting to view the final design and receive a full and complete presentation concerning funding.

All applications for approval should be made in the prescribed form. Refer appendix V.

If parishes have any queries regarding the procedures as outlined they should not hesitate to contact the Diocesan General Manager.



APPENDICES

APPENDIX I

SUNDAY COLLECTIONS

In relation to collections at Sunday Masses, it should be noted that the norm for the diocese is:

One collection divided 1/3rd for the support of the clergy/bishop and 2/3rds for parish/diocesan activities unless otherwise specified by the donor. This provision applies to all funds received whether by cash, cheque or electronic payment. Arrangements outside this norm must be agreed to by the bishop in writing.

Where the bishop consents to the taking up of a single collection using a single envelope, he will require that the allocation between clergy/bishop support and parish/diocesan activities be according to a ratio of between 1:2 and 1:3.

The total collection proceeds are banked in the parish account. The allocation for the clergy/bishop support is then transferred from the parish account to the Clergy Trust Fund account. All receipts and payments must be appropriately recorded in the parish accounting system (currently Xero).

"Electronic collections" using bank A/P's or similar are increasingly a feature of parish life. Care is to be exercised to ensure that the division of a lump sum amount, as between the "Clergy Trust Fund Account" and the "parish account", is made in accordance with the wishes of the donor. The "wishes of the donor" can be assumed to be 1/3rd for clergy/bishop and 2/3rds for parish/diocese only where that ratio (or a 1:3 ratio - when approved by the bishop) has first been communicated to parishioners. This is normally done in conjunction with a planned giving renewal by stating "if you have not given express instructions, your offering will be split 1/3rd for the support of the clergy and 2/3rds for funding parish and diocesan activities".

Christmas and Easter dues are to be banked in the parish account and subsequently transferred to the Clergy Trust Fund Account.

Annual receipts to donors (parishioners) must include the total of the donation (ie the parish/diocesan share and the clergy/bishop share). Therefore the total collections are to be banked intact into the parish bank account and recorded in full in the parish accounts (Xero). The identity of the two collections must be preserved at all times to ensure the correct transfer and recording of funds for the clergy trust fund.

APPENDIX II

LEGAL ISSUES

1. THE CORPORATION SOLE

All parish-owned land must be registered in the name of "The Roman Catholic Bishop of the Diocese of Christchurch".

The name "Roman Catholic Bishop of the Diocese of Christchurch" represents a legal entity known as a "corporation sole" which was established during the 19th century under the Roman Catholic Lands Act 1876 and subsequent Acts of Parliament at various dates. This legislation has been consolidated in "The Roman Catholic Bishops Empowering Act" 1997.

Since the corporation sole is a continuing legal entity this form of land ownership means that it is unnecessary for title to be altered on the succession or death of the parish priest or on the succession or death of the Bishop of Christchurch.

The corporation sole holds land **for and on behalf** of the parish which owns the property in canon law. The parish priest represents and acts for the parish in all legal and property transactions.

2. THE ATTESTATION CLAUSE

Whenever parish land is dealt with, i.e. sale and purchase, letting building contracts, easements, right-of-ways, etc., it is necessary legal documents be signed by the Bishop of Christchurch as corporation sole. This is done by writing to the diocesan administration office. It is a legal requirement that all such dealings be confirmed by placing the bishop's "Seal of Office" on the documentation together with the attestation clause which currently reads:

"Signed by Paul Gerard Martin SM, the Roman Catholic Bishop of the Diocese of Christchurch and sealed with his Seal of Office in the presence of ... etc."

It is essential that the correct form of attestation be used in all documents relating to parish land. Please, therefore, ensure that this wording is brought to the attention of your solicitor as necessary.

3. THE PRIVACY ACT 1993

Personal information concerning parishioners (their name, address, telephone number, email address, etc.) is collected by parishes for the purposes both of the parish itself and also of the diocese, including diocesan organisations. No breach of the Privacy Act occurs if a parish discloses such information about its parishioners to the diocese, or to diocesan organisations such as

Catholic Social Services, the Catholic Development Fund, the Catholic Foundation, or ethnic chaplaincies (e.g. Maori, Samoan, etc.) without the express authority of the parishioners concerned. This is because each Catholic is a member **both** of the diocese **and** the parish.

The Privacy Act 1993 allows primary and secondary schools to disclose attendance dues information to the proprietor and agents of the proprietor (including parishes) as one of the purposes for which that information is obtained.

4. TRUSTEESHIP

Funds given by parishioners or received in other ways by the parish (e.g. rents) do not vest in the parish finance committee and do not become impressed with a trust as that term is used in the Trustee Act. Rather, the parish priest, assisted by the parish finance committee, holds all such funds as steward.

Since the Church is a voluntary association of persons and the Code of Canon Law constitutes the bylaws of that association, members of the parish finance committee, both in their capacity as members of the Church and as members of the committee itself, are bound by the "norms for parish finance committees" in respect of the use and investment of parish funds.

GOODS & SERVICES TAX (GST)

1. All parishes are required to register for GST. A single registration, in the name of the parish, covers the taxable activity both of the parish itself and of the presbytery-related "Clergy Trust Fund". Registration will enable the parish to claim back GST on parish expenditure and on a proportion of the Clergy Trust Fund/presbytery-related expenditure. Likewise, registration will mean that GST is payable on parish income from the sale of Catholic newspapers, non-residential rental income and proceeds received on the sale of assets (subject to the exemption set out below).
2. GST is not however payable on "unconditional gifts" received by the parish. This includes collection income and the receipt of donations and bequests.
3. Since the majority proportion of a parish's income is typically from unconditional gifts, registration for GST means that, for the most part, parishes benefit from GST refunds. GST is normally only payable when major assets, e.g. land or buildings, are sold.
4. For the parish to maintain and preserve its GST status, however, two matters are vitally important.
 - (a) The principal taxable activity of the parish, at the time of GST registration, should be described as "the provision of religious services", and
 - (b) the parish must have a "**regular activity**" which generates a taxable income. A "regular activity" has been defined by the IRD to mean an activity which occurs, at a minimum, at least once in every 12 month period. One such regular activity is the sale of Catholic newspapers or Columban calendars through the parish. When items such as those are sold, then GST is payable on the proceeds received. If a parish does not have a "regular activity" of this kind then continued GST registration will be jeopardised. Accordingly, parishes must ensure that, at least once a year and in accordance with a regular pattern, they do sell something which comes within the definition of "religious services". In addition to Catholic newspapers or Columban calendars this could include, for example, prayer cards, Christmas cards, or even the parish bulletin itself.

5. GST is normally recoverable on all expenditure, including capital expenditure, related to churches and halls. A full input tax credit can likewise be claimed in respect of the parish's telephone and toll account. Tax invoices/receipts must be retained by the parish to support all expenditure included in the GST returns (including receipt for expenditure from the house trust account).
6. Input tax credit (i.e. the recovery of GST) for presbytery-related expenses is rather more complicated. Most parish presbyteries fulfil a dual function in that they both provide certain facilities for the parish (e.g. an office, meeting room, counselling room, etc.) and are at the same time a private dwelling (e.g. the priest's bedroom and those other sections of the presbytery which are reserved for purely private purposes). GST refunds can only be claimed on expenditure which relates to the parish utilisation of the presbytery. No claim can be made for expenditure which relates to the private use of the presbytery. Accordingly, in most parishes, an apportionment between parish and private use needs to be calculated. This can be done on a simple square metre basis. If, say 40% of the presbytery is deemed to relate to parish rather than private activities, then 40% of the GST payable on items such as rates, insurance, electricity, repairs and maintenance can be claimed.

GST on the purchase of presbytery furnishings can be reclaimed if the furniture is for that part of the presbytery utilised by the parish; but not on that used only by residents for private accommodation purposes.

7. Under a ruling received from the IRD, GST can also be claimed as to 100%, on food and sustenance purchased for the priests, i.e. food, drinks, toiletries, etc. Although these expenses are paid from the Clergy Trust Fund they can be included with other expenditure in the parish's regular GST return. However, when the applicable GST is received and credited to the parish account care must be taken to ensure that a refund is made to the house trust account. In order to support the GST return all tax invoices/receipts must be retained by the parish.
8. When a presbytery is sold GST will normally be payable based on the apportionment between parish and private use. Likewise, when a presbytery is purchased or constructed, an input tax credit can be sought relative to the "parish use" percentage.
9. GST is normally payable in full on the sale of parish land, churches and halls. No GST, however, is payable on the sale of residential accommodation. Additionally, no GST is payable on the sale of land or buildings which were originally donated to the parish. Whenever parish land or buildings are to be sold research should be undertaken to ascertain whether or not original acquisition was by way of donation or gift, e.g. a bequest. GST is not payable in these circumstances because disposal constitutes "the sale of donated goods by a charity" as those terms are defined in the GST Act.
10. GST is not involved in allocations from parish income to the diocese or the Clergy Trust Fund.

Notes:

- (a) Care should be taken to claim a refund of the GST amount included in the bill of costs received from a solicitor. In addition to the solicitor's fee itself, GST may also have been included in items such as land agents' commissions, land registration fees, filing expenses, and other disbursements. Frequently solicitors do not automatically supply tax invoices for these items. If they do not, they should be asked to do so, so that the GST refund claim is properly supported.
- (b) When parishes receive a bequest, administration is normally undertaken by a solicitor, the Public Trust Office, or an accountant, and the net proceeds only are paid in cash to the parish after all costs have been deducted. Parishes should be careful to claim back the GST deducted on costs and, where necessary, to request tax invoices.

INSURANCE

- 1. Effective 1 January 1999, it is diocesan policy that all property, including contents, is to be insured on a **full replacement basis** for all material damage risks **including** earthquake unless otherwise agreed in writing by the diocese.
- 2. It is the responsibility of the parish finance committee to ensure that all parish buildings and their contents remain insured at all times.
- 3. Replacement values for buildings are determined by the diocese based on Valuations obtained every 3 years by an accredited Valuer, or as and when required by the Insurer.
*NB: The valuations obtained by the dioceses, however, **exclude** stained glass windows which should be included in the **contents valuation** (see next paragraph).*
- 4. It is the responsibility of the parish finance committee to value all furniture, floor coverings, stained glass windows, sacred vessels, vestments, statues, and works of art, organs and other musical instruments, curtains and all other building contents. Should the value of these contents change significantly through purchase or sale, the Diocesan Insurance Officer should be notified as soon as practically possible. However, if no significant change occurs throughout the year then the Diocese only needs to be notified prior to renewal (31st May) annually.
- 5. Liability insurance increased costs of working, loss of rents (if applicable), and money insurance covers are arranged for all parishes by the diocese.
- 6. Insurance Contacts and Insurance Claims

DIOCESAN INSURANCE OFFICER 03 366 9869
JAN COLENZO, EXECUTIVE BROKER, CROMBIE LOCKWOOD 03 339 7933
GEK-TUOR KOUCH, CLAIMS MANAGER CROMBIE LOCKWOOD 09 358 7227

In the event of a material damage loss occurring or liability claim, Contact the Diocesan Insurance Officer or our Crobmie Lockwood Claims Manager as soon as practically possible.

Insurance Schedules and a claims procedure manual will be issued to each parish annually following renewal (31st May). For copies of these documents please contact the Diocesan Insurance Officer.

Mid term additions and/or deletions to the parishes' insurance schedule should be advised to the diocesan Insurance officer as soon as practically possible. Premium adjustments may be applicable.

APPLICATION FOR APPROVAL

UNDER APPENDIX “A” OF THE DIOCESAN ADMINISTRATION AND DEPARTMENTS
NORMS FOR THE ADMINISTRATION OF TEMPORAL GOODS

Note: Refer to Explanatory Notes for requirements and guidance on each point below.

1. Name and address of applicant:
2. Parish:
3. Location of application:
.....
4. Description of project (attach additional information if necessary):
5. Costs of project or anticipated sale proceeds if the sale of property involved:
.....
.....
.....
6. How it is proposed to finance project:
.....
.....
7. Description of project management:

8. Strategic issues affecting project:

.....

.....

9. Description of consultation undertaken with community:

.....

.....

10. Level of liaison with Sites & Building Committee:

.....

.....

11. Attach evidence of Parish resolution to proceed (if required):

12. Signatures of Parish Priest and Parish Finance Committee Chairperson:

..... (Parish Priest)

..... (Chairperson Parish Finance Committee)

..... (Date)

Explanatory Notes

- Note that the bishop's approval is needed for the rearrangement of the liturgical appointments of a church even where the cost is less than \$5,000.

The following notes explain procedures or elaborate on the information required.

The numbering corresponds to the numbering on the application form.

Special Note: It is expected that information accompanying each application be sufficient to enable it to be readily understood. Further information may be requested before the bishop accepts the application.

1. State the full name and address of the applicant.
2. State the name of the parish that is promoting the application.
3. Describe the location that is the subject of the application. Be precise with either a legal description of the land, a copy of the certificate of title, a plan of the area or a combination of all of these.
4. Fully describe the project, the reasons for it, what outcome is expected, what options were considered and why this option was chosen over other options considered. Sketches, conceptual drawings, or plans should accompany the application where appropriate.
5. This should be a reasonable attempt to provide an **all-inclusive** price for the project or an estimate of proceeds from the sale of an asset after expenses, and an explanation of the expenses. This should be supported with evidence as to how the sum was arrived at, e.g. a registered valuation for land and buildings to be sold, or an architect's estimate for a new building, or an estimate by an appropriately qualified person.

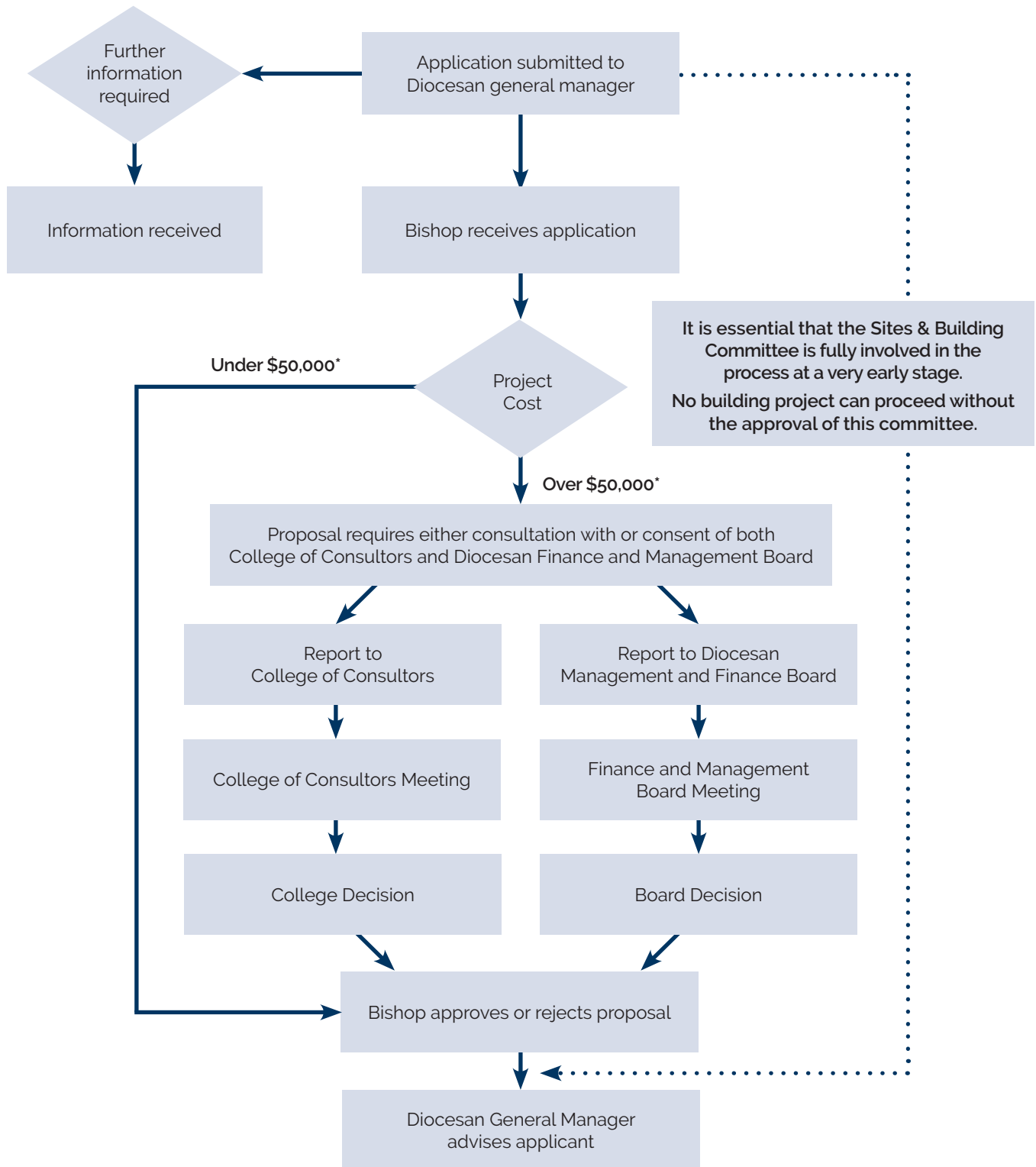
It is very important that costs for the project are properly scoped at this stage.

6. This should clearly set out how the project is to be financed, e.g. funds on hand, future fundraising, loans and provision for servicing (if loans are involved, the current status of the Catholic Development Fund application), gifts of money, the status of any applications to external funding organisations.

7. In this section the bishop is looking for some real comfort that the project will be adequately managed, that the outcome sought will not be compromised, e.g. Who is the project manager? Is an architect involved? How will the contractor be appointed? Is it intended to put the project to tender? Who is the contractor? Who will be selling the property? How will it be sold? Who is providing legal advice? What are the critical points in the project? What is the time frame?
8. In this section the bishop is looking at what the parish is seeking to achieve in the long term and how that links into both the goals of the parish and the pastoral priorities of the bishop. One of the over-riding issues to be considered in major projects is the life of the parish and whether the bishop can sustain the presence of a parish priest.
9. Clear evidence of involvement of the parish community at a very early stage is a critical factor in any project. Discussion and full involvement of relevant committees and evidence that the parish community understands what it is committing to is essential. Results of parish surveys and votes should support any application.
10. Very early involvement of the Sites & Building Committee in project planning is essential. No building or rebuilding project can proceed without the diocesan Sites & Building Committee consent. The focus of this committee is one of practicality, design and suitability rather than finance.
11. Finally ensure that relevant copies of minutes of meetings and the parish resolution to proceed with the project are attached.
12. The parish priest and the parish finance committee chairman should also sign the applicant form.

CONSENT PROCEDURE

PLEASE ALLOW UP TO 6 WEEKS TO PROCESS ANY APPLICATION



*Refer to table for Acts of Alienation for the differing levels of financial delegations

