



*Diocesan Administration*

*Administration diocésaine*

June 25, 2010

Dear Pastors / Parish Administrators:

Upon the recommendation of the College of Consultors, Archbishop Prendergast has approved a new policy with respect to projects submitted to the College. The policy has the goal of streamlining the process as well as clarifying those situations which, in every case, require College review. This policy will be in effect as of September 1<sup>st</sup> 2010.

Please note that the following are always subject to review by the College of Consultors:

- 1) Any project which will alter the interior of a church. Alterations include additions to, or removal from, the sacred art or architecture of the church interior;
- 2) Any project the cost of which is in excess of \$15,000;
- 3) Any project which includes financing by a loan to, or other debt obligation of, the parish concerned.

That is to say, any parish project under \$15,000 that does not alter the interior of the church, and is financed from funds on hand, does not require review by the Consultors or a Regional Consultor. For those projects requiring review by the Consultors, please refer to the enclosed policy.

Please also note the requirements for exemptions from diocesan tax. In brief, only funds specifically raised for major capital expenditures will be considered for exemption. You are invited to read the full text herewith.

If you have any questions concerning this policy, please feel free to contact your Regional Consultor or me.

Fraternaly yours in Christ our Lord,

Msgr. Kevin Beach, P.H., V.G.

Enclosure

## Policy for Approvals by the College of Consultors

### **1 Term Definitions**

- 1.1 Church: a sacred building intended for divine worship to which the faithful have right of access for the public exercise of divine worship. Such a sacred building shall be duly designated by the Archbishop of Ottawa; canonically it may be classified as a church, a chapel, or an oratory.
- 1.2 Extraordinary expenditures are those which are not foreseen in the approved budgets, or which concern certain categories of acts.

### **2 Intent of the Policy**

- 2.1 To ensure that building projects for churches, rectories or renovation projects are undertaken only after appropriate study and consultation, showing that there is indeed need for the new construction or for the renovations in question.
- 2.2 To ensure that applicable civil and canonical legislation is observed before building projects are undertaken.

### **3 Policy**

#### 3.1 Projects Requiring the Approval of the Archbishop

Before they are undertaken, the following projects are subject to the approval of the Archbishop whose approval will take into consideration the recommendation, or the consent as the case may be, of the College of Consultors:

- a) Any project which will alter the interior of a church. Alterations include additions to, or removal from, the sacred art or architecture of the church interior;
- b) Any project the cost of which is in excess of \$15,000;
- c) Any project which includes financing by a loan to, or other debt obligation of, the parish concerned.

#### 3.2 Approval Procedure for Projects

For projects requiring the approval of the Archbishop, the recommendation of the College of Consultors will be determined as follows:

- a) For any project having a value of between \$15,000 and \$24,999, the Archbishop need only consider the recommendation of the Regional Consultor, or in his absence, the recommendation of the Episcopal Vicar for Administration, or in the absence of both, the recommendation of the Episcopal Vicar for Pastoral Services;
- b) For projects having a value of \$25,000 or more, the Regional Consultor will present his recommendation to the College of Consultors who will present their recommendation to the Archbishop. In the absence of the Regional Consultor, the Episcopal Vicar for Administration, or, in the absence of both, the Episcopal Vicar for Pastoral Services may present a recommendation for the consideration of the College of Consultors.

### 3.3 Exemptions from the Diocesan Administration Tax

As part of a recommendation by a Regional Consultor, or, in the case of a project requiring the recommendation of the College of Consultors, as part of the College's recommendation, an exemption from the Diocesan Administration Tax can be accorded by the Archbishop on the following bases:

- a) The project requires a major capital expense, in the nature of new construction or major restoration, the amortization of which would be done on a minimum of ten years according to Generally Accepted Accounting Principles. In the event of any disagreement as to an acceptable capital expense, the advice of the Archdiocesan external auditor for the current year will be considered final;
- b) The exemption will be for funds specifically raised for an approved project, to the limit of the full value of the project, approved by the Archbishop. No general exemption on parish revenues is given;
- c) Based on the foregoing, the exempted funds must be raised in such a way that donors are clearly informed that funds are raised for the project (e.g. special envelope, special collection, pledge campaign, etc.);
- d) Exemptions from Diocesan Administration Tax will normally be given for a determined time period. Parishes may apply to the Archbishop, through the Office of the Episcopal Vicar for Administration, for a further period of tax-exempted fundraising;
- e) Tax exemptions are not given for funds, or accounts, whose objects are general whether the objects are for construction or restoration. Specific approvals for specific projects are required before tax exemptions will be considered.

#### 4 Exceptions

Any exception to this policy requires the explicit written approval of the Archbishop.

#### 5 Effective date

This policy comes into effect on September 1<sup>st</sup> 2010 and, subject to the provisions of the Code of Canon Law and the Decrees of the Canadian Conference of Catholic Bishops, supersedes and replaces the provisions of existing particular laws and customs of the Archdiocese of Ottawa that may be in conflict with, or inconsistent with, the provisions of this policy.