



## ARCHDIOCESE OF CINCINNATI

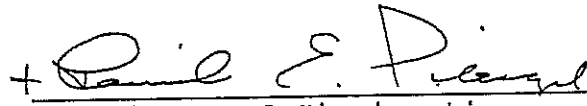
### DECREE

#### PROMULGATION OF EXTRA-SYNODAL DOCUMENT ON TEMPORAL AFFAIRS

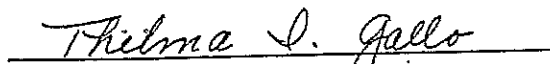
Twenty-four years ago, my predecessor, Archbishop Paul F. Liebold, promulgated the documents of the Sixth Synod of Cincinnati. Recognizing that the Document on Temporal Affairs has been amended officially several times since then, that the 1983 Code of Canon Law has provided new legislation for the whole Church in the area of temporal administration, that the practice of the archdiocesan offices has changed with regard to certain aspects of temporal affairs, and that there have been changes in the law and practice of our civil society with regard to temporal administration, I have determined that the needs of the Archdiocese and its parishes would be better served by a new Document on Temporal Affairs.

Therefore, having consulted with the Council of Priests, the Pastoral Council and the Finance Council of the Archdiocese, and in virtue of Canon 29, I hereby decree in my office as diocesan bishop that the revised Document on Temporal Affairs abrogates the Document on Temporal Affairs promulgated on October 23, 1971, as well as any Extra-Synodal Decrees intended to amend that Document. The revised Document on Temporal Affairs is hereby promulgated as particular law for the Archdiocese of Cincinnati. The Appendices are instructions in accord with Canon 34.

This general decree takes effect on the first day of July, 1995.

  
Archbishop of Cincinnati

Given on this twenty-second day of  
June, 1995 at Cincinnati, Ohio

  
Notary

# THE DOCUMENT ON TEMPORAL AFFAIRS

## I. INTRODUCTION

- (1) From the beginning God has sought to lead people to Himself through His presence in the earthly affairs of our lives. The sacred Scriptures are essentially the history of God's effective presence in every aspect of humankind's earthly concerns, and the story of how His chosen people sought and found God in their history. This penetrating presence of God to His creation is climaxed in the mystery of the Incarnation, when God's love for the world led Him to become a part of His own creation, a man like us, truly immersed in all human experience except sin.
- (2) Christ's Church has been commissioned by Him to continue His redemptive mission in the world. The Church is to lead people to Him through its intimate presence in the world and through its concern for all human affairs. Just as spirit and body cannot be separated in the human person, so the Church's concern is not limited to one's spirit. It extends to the whole of material creation by which human life is sustained, and especially to the manner in which we use created things and share them with one another for the common good. The whole socio-economic structure of human life, learning to be good stewards of God's many gifts, is therefore an integral element of the Church's mission to the world.
- (3) There is still another sense in which the Church must necessarily be concerned with material things. A society composed of human beings with a mission to humanity must necessarily adapt its means to the realities of the human estate. The spiritual "tools" which the Church uses—prayer, worship, the teaching of divine-human values, the mystery of grace and of sacramental contact with God—cannot be separated from those material "tools" with which the former are inextricably connected, such as church and school buildings, equipment, money for the purchase of services and to provide sustenance for those who devote their time to the works of the apostolate. These are the Church's material tools of mission. To the extent that the mission of the Church requires that it possess or have the use of these "tools", there is no choice but to be concerned with material things.

- (4) It is these material tools of mission and their proper use which are intended by the term "Temporal Affairs". It was the intent of Synod 1971 to define and establish apparatus and procedures, as well as to set forth guidelines, calculated to preserve purity of intention in dealing with temporal affairs, and to promote their most effective use in the Church's service to the world. It is the intent of this revision to bring these matters up to date.

## II. GENERAL POLICY PRINCIPLES

- (5) The general policy principles which follow are basic to all that is said about temporal affairs.

### A. Temporal Affairs related to Mission

- (6) Since temporal affairs derive their whole rationale from the Church's mission, they must be always and only commensurate with the needs of that mission. It can happen that false values may sometimes delude even the people of God into totally equating the apostolate with financial success. On the other hand, it is equally wrong for any member of the Church to consider temporal affairs to be beneath the dignity of the Christian calling. This would be an abdication of responsibility, for every Christian is called to one or more of the following: to use the tools in the work of mission; to administer temporal affairs; to share in policy decisions; and to provide the resources when and where they are needed.

### B. Lay Involvement and Shared Responsibility

- (7) With the ever increasing shortage of priests, the talents and skills of the laity must be utilized to the fullest possible extent in the various stages of the process of understanding the needs, securing the resources, determining the priorities, using the facilities, and administering and disbursing the funds. Lay persons, by reason of their particular viewpoint and interest, as well as their individual education, training and experience, have an especially valuable service to offer, and a corresponding duty to make these services available. They must also recognize that such participation carries with it a corresponding share of responsibility and accountability.

C. The Christian Attitude

- (8) The love of God is the supreme law. The two greatest commandments are concerned with the love of God and the love of neighbor. Love, then, must always be the overriding motivation of all stages of the provision and use of the material tools of the Church's mission.
- (9) Especially foreign to this Christian motivation is the narrow spirit of "parochialism". Such a spirit begrudges the sharing of resources with other units of the Church in greater need; it is reluctant to contribute beyond strictly local needs to the broader programs of inter-parochial groupings, the Archdiocese, the Church in the United States, or the universal Church. Pastors especially should be conscious of their unique opportunity and responsibility to foster in the people of the parish a profound Christian concern for the needs of others, especially the poor and all others who have special claim on our charity.

D. Continuing Review and Revision

- (10) The renewal of the Church initiated by Vatican II and the changes which have taken place in the intervening thirty years, point out the need for an ongoing process to review management policies and procedures in light of changing situations. The purpose of this document is to update the apparatus and define the responsibilities.

III. POLICY AND PLANNING PROCEDURES

A. Parish

- (11) Canon 537 of the 1983 Code of Canon Law requires that each parish have a Finance Committee (Finance Council).
- (12) The Parish Council shall therefore have a standing Finance Committee, which shall be composed of persons with special training or experience in this area. Because of the large portion of the total parish finances devoted to the operation of the parish school or consolidated school, (in parishes which have a school or participate in a consolidated effort) special effort should be made to include persons who are knowledgeable about school finances. This Finance Committee will serve the Pastor as well as the Parish Council. Its

primary function will be to advise both the Pastor and the Parish Council regarding the financial implications of their respective policy decisions. It will also prepare budgets in accord with the policy and priority decisions of the Pastor and the parish.

- (13) The basic function of the Finance Committee is to provide necessary research and financial planning. The ultimate responsibility for policy, priority decisions, fund raising, approval and implementation of budgets shall rest, not with the Finance Committee, but with the pastor in consultation with the Parish Council.
- (14) The annual financial planning process at each parish, and the budget generated thereby, ought to include some provision for the voluntary sharing of resources with other Church units. To this end, the members of the Parish Council, the Parish Education Commission, and the Finance Committee should not fail to acquaint themselves with the comparable financial status of their parish and others, as well as with the needs of the deanery, and of Archdiocesan, national, and universal aspects of the Church's mission. It is further recommended that the Parish Council have a standing committee to establish lines of communication for this purpose, which will report regularly to the Council on these matters.
- (15) Without prejudice to the regulations elsewhere in Synod 1971, the following procedures (TA 16, 17) will apply to the temporal affairs of the parish, in recognition of the fact that the Parish Council has a particularly significant role in temporal affairs.
- (16) The Parish Council (and its committees) shall generally exercise an advisory/consultative role in setting policy for the administration of the temporal affairs of the parish. In certain cases, it is specifically stated that the affirmative vote of the Parish Council is a prerequisite to action by the pastor, or permission from the Director of Financial Services is required, (cf. TA 53, 54) in which cases the affirmative vote of the Council is a consultative requirement, which must be satisfied before action may be taken.

In all other cases, every effort must be made, in a spirit of Christian charity and shared responsibility, to achieve a consensus. Failing this, the ultimate responsibility for the decisions rests with the pastor. The Parish Council, however, by a vote of two thirds of the membership, may appeal the

decision of the pastor, after hearing his reasons for the decision. The Appeal Board shall consist of the Director of Financial Services, who shall act as Chairman; the local Dean; a lay designee appointed by the dean (if the dean is the pastor in question, the Archbishop shall make the appointment); and the chairperson of the Archdiocesan Pastoral Council, or his/her designee.

- (17) The Parish Education Commission shall exercise a consultative vote in all temporal affairs concerning the parish school and the religious education programs both adult and youth. In the event of failure to reach agreement, as above in #16, the ultimate responsibility for the decision rests with the pastor. The Parish Education Commission, however, by a vote of two-thirds of the membership, may appeal the decision of the pastor to the Parish Council, after hearing the pastor's reasons for his decision. If the pastor overrules the Parish Council's recommendation on the appeal, the procedure set forth in #16 may be followed. Whenever the controverted issue however, originated in the Parish Education Commission, the Appeal Board shall include, in addition to those specified in #16, two members of the Archdiocesan Commission on Education, one lay and one clerical, to be appointed by the chairperson of the Archdiocesan Commission on Education.

**B. Archdiocese**

- (18) Those activities of the Church's mission which are of a supra-parochial or inter-parochial nature are conducted, or at least funded, for the most part, on an Archdiocesan basis. In addition, the Archdiocese must provide the service of coordination and assistance to the parishes, institutions and agencies in their own activities. The specific functions required for the fulfillment of these Archdiocesan responsibilities are:
1. The procurement of the necessary tools of mission;
  2. The determination of the priorities in the use of the available resources;
  3. The supervision of the effective use of the allotted tools of mission;
  4. The custody of the financial resources, their disbursement and accurate accounting thereof;

5. The coordination and direction of the activities of the units comprising the Archdiocese.
- (19) The responsibility for these functions shall rest with the Director of Financial Services, in consultation with the Archdiocesan Finance Council. The required organization shall consist of a Financial Development Office, an Office of Finance and Accounting, an Office of Property Management, the Department Directors of the Administrative Offices, and a Treasurer. (One person may fulfill the functions of one or more of the aforementioned offices.)

1. Development Office

- (20) The Director of Financial Development will be responsible for the Archbishop's Annual Fund Drive, programs to increase parish support and stewardship, and will assist parishes in procuring the services of professional fundraisers or supply the materials to conduct such drives on their own. The office shall also render advice and assistance to the parishes and other units of the Archdiocese in the efforts of these units to meet their own needs for the material tools of mission. The office shall provide materials necessary for the annual Stewardship Sunday throughout the Archdiocese.

2. Department Directors

- (21) The Archdiocesan Department Directors (the Director of Financial Services is a Department Director) shall have the responsibility for reviewing and approving budgets of Archdiocesan offices before actual disbursements of funds are made; evaluating the effectiveness of the use of the material tools of mission; and offering advice and directives for improving effectiveness.

3. Treasurer

- (22) The archdiocesan treasurer (Director of the Office of Finance & Accounting) shall receive, conserve and, when necessary, invest the funds that are provided for the various Archdiocesan activities. He/she shall keep records of these funds in accordance with approved accounting procedures and shall disburse the funds to their approved uses. In addition, he/she will supply to the other offices and boards of the Archdiocese the financial information they require in order to

fulfill their functions. The treasurer shall prepare periodic financial reports on a regular basis which will be made public.

4. Office of Property Management

- (23) The Director of the Office of Property Management at the instruction of the Director of Financial Services (and in consultation with the Office of Planning and Research and such other offices as may need to be involved) shall be responsible for reviewing all building and renovation projects and for offering guidance and suggestions with regard to the building plans. The Director of Financial Services will address issues dealing with the financing of the project. Final approval for each step of the project will be given by the Director of Financial Services. The Financial Services Department has established the Steps in a Building Process by which "step by step" approval is given.

5. Director of Financial Services

- (24) The Director of Financial Services shall be responsible to the Archbishop for all of the functions described in paragraphs 18 to 24 inclusive and shall direct the work of the other officers and commissions. He/she shall also receive and analyze financial reports from the parishes, institutions and agencies. He/she shall organize the accumulated financial data from these reports in such a way as to be useful to other officers and boards in the Archdiocese. He/she will render any reasonable service possible that may be helpful to the parishes and other units in regard to the material tools of mission.

6. Archdiocesan Finance Council

- (25) As required by Canon Law, the Archbishop will appoint various persons who possess management, legal, or other appropriate skills to advise him relative to policy decisions dealing with Temporal Affairs. The term of appointment is five years. A person may receive successive appointments. The Archbishop will delegate the Director of Financial Services to chair these meetings in his absence.

C. Other Units

- (26) It appears that there is an emerging and growing need for coordinated efforts at an organizational level between parish and archdiocese. Through Archdiocesan planning efforts,



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parishes are encouraged to work together, in deaneries and clusters, in responding to the needs of the faith community. These collaborative efforts should always include an examination of how to use the financial and other temporal resources of the Church more efficiently and effectively.

- (27) The Deanery Councils and parish clusters are encouraged to establish an apparatus for receiving suggestions from their constituents regarding temporal affairs issues, researching and discussing them, and if approved, referring them to the Director of Financial Services.

**IV. ADMINISTRATION**

A. Introduction

- (28) The Second Vatican Council is explicit in the statement that the pastoral care of souls by bishops and priests implies the exercise of authority, and that service is closely linked to authority. One of the ways in which service is rendered, responsibilities fulfilled and authority exercised is in the administration of the tools of mission.
- (29) The Council, however, did not limit itself to the pastoral care centered in the bishops and priests, but also stressed the concept of the priesthood of all the baptized. Among its other implications, this emphasis requires a close cooperation between the clergy and the laity in temporal administration. The council wished to create an atmosphere of collective and mutual pastoral concern. It wished to forge closer the operative bonds of charity that unite us all in Christ.
- (30) There is no way in which the Church and its members can remain aloof from the society in which it is a part. It must act and react within that society in order to bring to bear the very basic principles of Christianity which it means to bring to all humanity. Whatever tools of mission are developed, they must be managed in such a way as to bring this about as successfully as possible. In the new awareness of the role of the laity, it is important to plan to use all of their skills in this effort.

B. General Charge of Administration

Role of the Administrator

- (31) By definition, temporal administration is concerned with the management, supervision and operation of parochial, diocesan and other ecclesiastical property and temporal affairs.
- (32) Administration and management are really interchangeable points of view and have actually only one broad intent—to aim at ordering, as well as possible, the personnel and resources available to carry out the type of work or the specific task, however defined.
- (33) The fundamental responsibility of an administrator is one of direction. In our present era it is of particular importance to use all the means that are available to improve and to develop further this area of guidance, leadership and control if we are to best serve the interests of the Church. For today's priests-administrators, the complexities surrounding the administration of the parish, school, institution or diocesan office are more demanding in all ways. In a society of ever increasing rate-of-change and expanding needs, they are called upon to administer in congregations whose members have wide variations in skills, knowledge and competence. They are required, therefore, to be more effective leaders in their role of administrator.
- (34) The complexities indicated as part of the modern parish are not diminished at the archdiocesan, institutional, inter-parochial or other levels of administration. For the total organization to be effective, general policies and regulations are required for governing and focusing all activities toward reaching the common goals. Regulations are normally required for good order. In all cases, they form a link of communication necessary for ordering the total resources and facilities of the Archdiocese toward the objectives of the Church.
- (35) Besides the practical purpose of promoting the effective functioning of the whole organization toward the objectives of the Church's mission, general administration policies and regulations are also one of the means of producing an awareness of the role of the bishop as chief pastor of the diocese. Through these procedures the priests and people should be associated with the bishop in a spirit of trust and cooperation to make him present in the local congregation,

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and to foster in the faithful a sense of being part of their diocese, of which the parish is the basic unit.

(36) Planning is generally considered as the basic management responsibility. From this effort the objectives are determined. Then the implementing of the planning entails the organizing, directing, motivating, communicating and controlling the function necessary to attain the goals or objectives that have been decided upon. Effective inter-communication must be recognized as a first necessary step before the other steps are undertaken.

(37) Good administrators elicit, persuade and weave into working arrangements the best assistants and assistance they can recruit to aid in their efforts. To accomplish this is an ever increasing burden which demands that the activities must be standardized as much as possible. To a great degree, administration concerns itself with this "routinizing" for a wider realization of the common goals envisioned and planned.

C. Modern Techniques

(38) Even though the "science" of management and administration is relatively recent in development, it offers a great deal of flexibility in providing the ways and means for developing the operational skills and methods required to accomplish these works and tasks. It is not a rigid science, but requires a great deal of experience in practicing and implementing the principles involved. Continued study is required to keep abreast of the most recent means to be used in getting the work done effectively.

(39) Ecclesiastical administration has certain unique elements not encountered elsewhere. Moreover, no two parishes or institutions are alike in all respects. Nevertheless, the church administrator can still adapt modern techniques and principles to his task, and certain fundamental management activities are common to all units.

(40) Accordingly, a concerted effort is to be made to incorporate training in management principles and a systematic retooling of procedures for those assigned or destined for administrative duties at any level. The implementation of the principles may vary, but competence in this area needs to be developed in order to progress in the systematic scheduling of today's change and rate of change.

D. Lay Involvement

- (41) As has been emphasized before, the spiritual and the temporal aspects of the work of the Church's mission are intimately and inextricably intertwined. The pastor's fundamental and primary role, and his first obligation, is as the shepherd of souls. But to be effective in this spiritual capacity, he must also lead and direct the use of the material tools of mission. In this latter function he is therefore acting as "another Christ", although less directly and immediately than when he administers the sacraments. Fortunately, it is possible that the heavy responsibilities of temporal administration be more fully shared with willing and able members of the laity. In fact, it is imperative both for the pastor and the people. Their own spiritual needs demand it. His heavy responsibilities demand it. The over-all needs of the Church dictate it.
- (42) The spirit of Vatican II in this area is expressed in Chapter IV of the Constitution on the Church when it states: "Let ...pastors recognize and promote the dignity as well as the responsibility of the layman in the Church. Let them willingly make use of his prudent advice. Let them confidently assign duties to him in the service of the Church, allowing him freedom and room for action. Further, let them encourage the layman so that he may undertake tasks on his own initiative...Attentively in Christ, let them consider with fatherly love the projects, suggestions and desires proposed by the laity...."
- (43) In our society today the pastor has a reservoir of aid available. One of the most effective means of recruiting and channeling this aid is through the work of the Parish Council. Good parish administration requires that the pastor be ably assisted by a knowledgeable, well motivated and cooperative Parish Council.
- (44) Every parish and institution needs accurate and complete financial records. Accounting is a specialized profession and qualified bookkeepers are essential to the proper administration of temporal affairs. Each pastor or institutional administrator is to see that this service is provided to the parish, whether it be by the pastor, volunteers, full-time or part-time employees or a shared accounting service with other parishes or institutions. Where feasible and financially possible, the employment of trained business managers is encouraged. This type of manager might be employed particularly by the Archdiocese itself, by

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institutions, by large urban parishes or, on a shared basis, by coalitions of parishes on a deanery basis or other geographical proximity, or even on a task oriented basis.

E. Guidelines

## 1. General Guidelines

- (45) In addition to his spiritual responsibilities, the pastor or the institutional administrator is charged with the following major duties relating to temporal affairs:
- (46) A. The supervision, management and administration of church properties and the temporal affairs connected therewith, such as the care of the buildings, the collection of funds, the purchase of supplies, the payment of salaries and other financial obligations.
- (47) B. The initiation and organization of management efforts to accomplish the purposes of the parish, institution, agency, or Archdiocesan office.
- (48) C. The organization and initiation of the Parish Council, or the corresponding committee or board for non-parish units required to carry out these purposes in order to achieve the planned goals.
- (49) It is to be noted that these duties of administrators are shared with the Parish Council or the corresponding committee or board for non-parish units, according to the authority and responsibility committed to these respective bodies.

## 2. Specific Guidelines

- (50) Day to day operating funds belonging to a parish or institution are to be deposited in an FDIC insured checking account. (The Archdiocesan Pooled Investment Checking Account is such an account.) The parish checking account shall be in the name of the parish, with the pastor and his associate pastor(s) authorized to sign checks, as sole signatories. (When there is no associate pastor or neighboring pastor available, the pastor may designate two or three other management level parish employees to sign parish checks under a dual signatory arrangement.) The Archdiocese provides a blanket bond covering all persons who handle cash or sign checks. A copy of the signature card on file at the bank

shall be kept in the parish files. Priests must carefully avoid commingling their personal funds with those of the parish or institution.

(51) Certificates of ownership, bills of sale, and any other legal papers not required to be kept in the Chancery files are to be kept in a safe-deposit box at a bank, registered in the name of the parish, with the pastor and/or his designee having right of entry. A copy of the signature card on file at the bank shall be kept in the parish file.

(52) All current debts for satisfactory work done or materials received must be paid in accordance with the terms set forth on the invoice. No current bills, in any event, should remain unpaid for more than thirty days.

REVISED 12-2004  
(53) ~~The expenditure by a parish of over \$1,000.00 for repairs, except in case of emergency, improvements or equipment must be submitted to the Parish Council. An expenditure of over \$10,000.00 for such purposes must have the approval of the Parish Council and the written approval of the Director of Financial Services. This latter approval is also required in the case of Archdiocesan institutions and agencies. The amounts specified shall be reviewed and adjusted periodically in view of the economic conditions. Interparochial high schools will follow the directives of the Archdiocesan Office of Education in regard to such expenditures.~~

(54) The permission of the Archbishop is required for the contracting of a loan by a parish, institution or agency. Such loans must be made only from the Archdiocese. In the case of a parish, the Finance Committee of the Parish Council shall first make a realistic projection of the ability of the parish to service the proposed indebtedness, and the Parish Council's approval of the loan is required. All debt retirement shall be programmed not to exceed fifteen years, and for a shorter time, should the future projected needs and goals of the parish or institution so indicate. (Acceptable structure of amortization schedules is addressed in "Steps in a Building Process.")

(55) Surplus funds which might be accumulated against future needs are to be invested only in notes issued by the Archdiocese. Such funds are used by the Archdiocese to make loans to other parishes and institutions which are in need of financing. The interest rates will be adjusted periodically after consultation with the Pastoral Council.

DECREE


December 1, 2004

Archbishop Pilarczyk, in consultation with the Presbyteral Council, his Department Directors and the Archbishop's Finance Council, has approved changes to the wording and the amounts specified for action in paragraph 53 of the Document for Temporal Affairs. Paragraph 53 now reads:

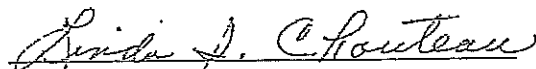
- (53) The expenditure by a parish of over \$5,000.00 for repairs (except in case of emergency), for capital improvements, for equipment or for contributions for a charitable purposes, must be submitted to the Parish Pastoral Council for consultation. An expenditure of over \$25,000.00 for such purposes must be submitted to the Parish Pastoral Council and receive its consent (i.e. approval) before action may be taken by the pastor. Additionally, such expenditures require the written approval of the Director of Financial Services. This latter approval is also required in the case of Archdiocesan institutions and agencies. Archdiocesan High Schools will follow the directives of the Archdiocesan Office of Education in regard to such expenditures. Institutions and agencies of the Archdiocese will consult with their Advisory Boards to satisfy the requirements specified in this paragraph. The amounts specified shall be reviewed and adjusted periodically in view of economic conditions.

This text replaces paragraph 53 on page 13 of the Document on Temporal Affairs as promulgated on June 22, 1995.

This change takes effect on the first day of December, 2004.

  
Archbishop of Cincinnati

Given on this 30<sup>th</sup> day of November, 2004  
At Cincinnati, Ohio

  
Notary

The Temporal Affairs Document

- (56) Surplus funds are considered to be any amount in excess of three month's normal or average operating expenses.
- (57) Investments of parish funds in certificates of deposit, in real estate, equities and fixed amount obligations are strictly prohibited. If such assets are received as gifts or bequests, the Director of Financial Services shall be consulted for a recommendation as to whether such securities shall be held or liquidated.
- (58) Bequests and donations for restricted purpose must be used in exact accord with the directions of the donor or testator. Care should be exercised in the acceptance of restricted funds to avoid incurring an obligation, especially of a spiritual nature such as Masses, which might turn out to be impossible or extremely difficult to fulfill.
- (59) With the prior approval of the Archbishop, restricted funds may be solicited and collected by the parishes, schools, and institutions under his authority. However, no such funds collected in the name of the Archbishop or in the name of one of these entities may be held in, or transferred to, a trust or foundation which is incorporated, or otherwise established separately. The allocation of funds collected in the Archbishop's name, or that of one of the parishes, schools, and institutions under his authority, to any such unauthorized trust or foundation shall be considered misappropriation. Agents and employees of the Archbishop or one of the parishes, schools, and institutions under his authority are prohibited from using their position or employment status to solicit or collect funds to be placed in any such unauthorized trust or foundation, even if the Archbishop or one of his parishes, schools, or institutions is designated as the primary beneficiary thereof.
- (60) Endowments of any kind, i.e. restricted funds from which only the income may be used, are to be accepted or established only with the written permission of the Archbishop. Applications for permission should be made to the Director of Financial Services, and must contain the following information:
- (61) A. The appraised value or cash value of the principal of the restricted fund, whether it be real estate, equities or other assets.
- (62) B. The obligation(s) imposed by the acceptance or establishment of the restricted fund:



- (63) C. A certified true copy of the will or other instrument by which the restricted fund is established.
- (64) D. The length of time the restricted fund is to endure. Founded Masses are strongly discouraged (not to be accepted without the permission of the chancellor), but if accepted will be limited to a life of twenty-five years. In general, restricted funds to which spiritual benefits are attached in perpetuity are discouraged.
- (65) E. A list of the restricted funds by which the parish or institution is already obligated.
- (66) Any documentation by which a restricted fund is established shall be required to contain a provision for the transfer or commutation of the obligations attached, in the event of the cessation of existence of the beneficiary entity, or in the event changing circumstances make the obligations impossible.
- (67) All employees of the Church are to be paid a just and living wage. They are also to be provided the benefits prescribed by law, such as FICA (Social Security) benefits, Worker's Compensation, Unemployment Compensation, and the like. Other Archdiocesan benefits such as Lay Employee Retirement may also be mandated by the Archbishop. All clergy, religious, and full time lay employees are to have the opportunity to participate in health insurance coverage, in accordance with eligibility requirements.
- (68) The pastor has jurisdiction over the hiring, appointing, directing and discharging of all parish employees within the limits of the employee regulations authorized by Archdiocesan policy. Each parish is to have and maintain Personnel Policies modeled after and in conformity with the required elements of the Archdiocesan (minimum standard) generic policy.
- (69) In those cases where a priest is pastor or administrator of more than one parish, responsibilities of each parish are delineated on page 20, paragraph J (2) of the Decree on Income, Benefits and Retirement of Priests (July 1, 1993).
- (70) Additional specifications for compensation of Archdiocesan priests is contained in the aforementioned document.

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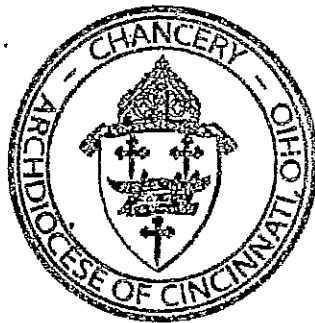
Archbishop Pilarczyk, after consultation with the Presbyteral Council, the Archdiocesan Finance Council, and the Department Directors, has approved changes to the wording of paragraph 72 of the Document on Temporal Affairs. After the changes, Paragraph 72 reads as follows:

- (72) The Archdiocese has instituted a Central Insurance Program covering fire, windstorm, extended coverage, casualty, Workers' Compensation, Unemployment Compensation, and general liability risks, as well as medical coverage, and a Lay Employee Pension Plan. All parishes and Archdiocesan institutions shall be covered by the Archdiocesan program, unless expressly exempted by the Archbishop. Likewise, all parishes and Archdiocesan institutions shall participate in the Archdiocese's common payroll services plan unless expressly exempted by the Archbishop. The Director of Financial Services is charged with the responsibility for overseeing these plans.

This text replaces paragraph 72 on page 16 of the Document on Temporal Affairs as promulgated on June 22, 1995.

This decree takes effect on the first day of June, 2008.

Given at the Chancery  
Archdiocese of Cincinnati  
May 19, 2008



A handwritten signature in cursive script, appearing to read "Daniel E. Pilarczyk".

Most Reverend Daniel E. Pilarczyk  
Archbishop of Cincinnati

A handwritten signature in cursive script, appearing to read "Linda A. Heidi".

Ecclesiastical Notary

- (71) All pertinent parish records, including the parish registry book, the baptism, confirmation, marriage and death record books and the accounting records, one copy of the final working drawings and specifications for the building together with one set of the "as-built" plans, shall be kept in a locked safe or file, and made available for inspection at any reasonable time by qualified authority. Where practicable, the files used are to be fire resistant in accordance with Fire Department Underwriters regulations. At the completion of all new construction or renovation, a second set of "as built" drawings are to be supplied to the Finance Office of the Archdiocese for placement in the Archdiocesan Archives.
- (72) The Archdiocese has instituted a Central Insurance Program covering fire, windstorm, extended coverage, casualty, Workers' Compensation, Unemployment Compensation, and general liability risks, as well as medical coverage, and a Lay Employee Pension Plan. All parishes and Archdiocesan institutions shall be covered by the Archdiocesan program, unless expressly exempted by the Archbishop. The Director of Financial Services is charged with the responsibility for overseeing these plans.
- (73) All contracts, notes, leases or other legal instruments must be signed by the Archbishop, as Trustee for the respective parish or other unit, as is required by civil law in Ohio.

#### V. SOURCES OF FUNDS AND OTHER RESOURCES

- (74) The ultimate true source of support for the parish, school, institution or agency, as well as for the Archdiocese, is the financial support of the people. Without the material support provided by the people, the Church's work will remain undone. It is therefore the obligation of every member of the Church to contribute his just share in proportion to his means. This revised section of Synod 1971 presumes their obligation, and is intended to indicate the means by which the obligation can be fulfilled, and the avenues available for channeling the resources to the needs.

##### A. Parish

- (75) The primary source of funds is the offertory collection on Sundays and Holydays, and at those Masses at which the obligation related to those days is fulfilled.

- Other fund-raising means and devices are to be considered secondary or supplementary. Stewardship, tithing programs, and offertory-increase programs in general are greatly encouraged as representative of the effective presentation of the ideal of sacrificial giving. Stewardship programs based on annual pledges, or budgeted giving are highly desirable means of planned fulfillment of the obligation of support of the mission of the Church.
- (76) An extra or second collection for some specific parish purpose is not forbidden, at the discretion of the pastor after consulting with the Parish Council, provided all of the proprieties of the liturgical celebration are carefully observed.
- (77) If the ideals of a just share, and even sacrificial giving, do not provide sufficient revenue, such fund raising techniques as festivals, socials and the like are permitted. All those responsible for their operation are strictly enjoined, however, to observe all civil laws, especially as they apply to gambling, alcoholic beverages, and other potential liabilities.
- (78) Special fund drives which involve individual solicitations of parishioners, or which request pledges to be paid over a period exceeding twelve months, whether or not they employ the services of professionals, require the permission of the office of the Director of Financial Services.
- (79) The participation of parishes in fund raising activities sponsored ecumenically, or contributions by the parish to ecumenical organizations or projects shall be referred to the Archdiocesan Office for Ecumenical and Inter-faith Relations.
- (80) No fund-raising activity, including socials, shall be undertaken by a parish society without consultation with the Parish Council and the approval of the Pastor. The approval must include both the procedure and the purpose for the funds.
- (81) All funds of parish societies are presumed to have been acquired in the name of the parish, even though deposited in a separate bank account in the name of the parish society. The use of these funds for parish purposes, for support of activities of other units of the Church or for other charitable purposes shall be at the discretion of the membership or officers of the society as provided in its constitution or by-laws, but shall be subject to the approval

of the pastor and consultation with the Parish Council. It is recommended that the parish make all purchases, with the society reimbursing the parish. Otherwise, complications regarding the application of sales tax may arise. All such accounts are to be deposited in checking accounts in FDIC protected institutions. Although the pastor of the parish is a "sole signatory" on each such account, normally all checks will be signed by no less than two officers of the organization. A report is to be issued to the pastor on an annual basis of all revenues, expenditures, and other activity in these accounts.

- (82) Each year, both on the designated Stewardship Sunday and at other appropriate times throughout the year, the advantages, both spiritual and temporal, should be explained to the faithful, of including religious, educational, and charitable bequests in their wills. Special attention should be given to the advantage of remembering one's own parish. The difference between a Mass bequest and a bequest intended to benefit the parish, institution or agency, should be clearly explained. (see Appendix #1: Counseling Your Catholic Client, a brochure available from the Archdiocesan Finance Office)

*B. Archdiocese*

- (83) The Archdiocese must operate its administrative offices, support a broad spectrum of activities within the Archdiocese, and fulfill its obligation to the national and universal needs of the Church. For these purposes, all parishes shall be assessed a percentage of their adjusted revenues. This percentage shall be reviewed and determined periodically by the Archbishop relying on the advice of the Director of Financial Services, and after consultation with the Pastoral Council and the Council of Priests.
- (84) The following special collections are for external purposes. The entire offertory collection on the designated days shall be sent to the Chancery for forwarding for the designated purpose. There shall be no second collections on these days. These external designated collections shall not be a credit against the General Diocesan Assessment, but they shall be exempted from the General Assessment base (see TA 85),
1. Laetare Sunday Collection, for overseas relief
  2. Good Friday Collection, for the support of the Shrines of the Holy Land

3. Mission Sunday Collection
4. National Campaign for Human Development
5. Holy Father Collection in June, for the Holy Father and for appeals sponsored by the Holy See.

(85) The General Diocesan Assessment shall be based upon all parish revenues except the following:

1. The amount received and remitted for the special collections (including the mission cooperative appeal, AAFD, funds collected for Catholic Telegraph subscriptions, and others periodically requested by the Archbishop)
2. Revenues from insurance claims
3. Proceeds from the sale of real property
4. Elementary school tuition whether paid by parishioners or received from another parish for children attending the parish school
5. School book rental, school fees, and fees
6. Receipts from the operation of the school cafeteria
7. The amount by which a bequest exceeds \$5,000.00
8. Educational Endowments approved by the Archbishop. Both receipts and interest earned are non-assessable. For reference, a copy of the Policy regarding Educational Endowments has been appended to this document as Appendix #3.
9. Archdiocesan subsidies to inner-city schools

Only the net revenues from socials shall be part of the assessment basis. New parishes will not be assessed for the first two full years of their existence.

(86) The special mission appeal assigned by the Archdiocesan Mission Office (Mission Cooperative Plan) is forwarded through the Missions Office directly to the specific missionary. The amount contributed to this appeal is exempt from the computation of the Assessment.

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- (87) It shall be the responsibility of the Pastoral Council and the Council of Priests in consultation with the Director of Financial Services to advise the Archbishop on the purposes, number, and dates of the designated collections.
- (88) The Treasurer is responsible for the investment of trusts, such as seminary funds, which are committed to the custody of the Archdiocese. The rate of income to these funded accounts shall be determined annually by the rate of income realized by the total Archdiocesan funds investment portfolio.
- (89) The Treasurer shall use the most effective means consistent with safety to invest funds temporarily entrusted to his care on a short term basis.
- (90) The Archbishop's Annual Fund Drive will be held annually during the Liturgical Season of Lent. The collection and distribution of these funds is handled by the Financial Services Department of the Archdiocese.

C. Others

- (91) The guidelines set forth above for parishes hold also for the Archdiocesan institutions and other agencies inasmuch as they are applicable. Inter-parochial schools are to follow the directives for fund-raising activities established by the Archdiocesan Commission on Education.

**VI. ACCOUNTING AND REPORTING**A. Parishes

- (92) The financial transactions of each parish and elementary school of the Archdiocese shall be recorded on the standard Archdiocesan accounting forms, in accordance with the procedures set forth in the standard accounting manual and chart of accounts adopted by the Archdiocese. The chart of the various accounts are uniform in all the dioceses of Ohio. For this reason, parishes and schools are not to add accounts or alter the chart of accounts without the written approval of the Director of Financial Services.
- (93) All parishes and elementary schools must comply with the applicable federal, state and local laws and regulations as

they relate to the withholding and payment of payroll taxes. All are to participate in the Workers Compensation and Unemployment Compensation programs provided through the Archdiocese.

- (94) It is strongly recommended that all financial activities of the parish be recorded in one set of records and the funds be disbursed from one bank checking account. In instances where this is not possible, the transactions related to funds deposited and disbursed from other checking accounts must be recorded in conformity with approved Archdiocesan accounting procedures. Such transactions handled through any bank account which is maintained apart from the regular parish account must in any event be combined and included in the financial report required to be submitted to the office of the Director of Financial Services. This, however, does not apply to the usual parish societies which maintain their own accounts and may have a separate bank account, and who make periodic contributions to the parish or purchase specific items for the parish (see TA 81).
- (95) The parish financial records shall be examined annually either by the Finance Committee of the Parish Council or by a Certified Public Accounting Firm.
- (96) Each parish and elementary school shall submit a financial report to the Office of Finance and Accounting on the standard Archdiocesan reporting forms and in accordance with the standard accounting manual on a semi-annual basis. The reports shall be due twenty days after the close of the period covered by the report. The accounts and reports shall be based on the fiscal year beginning July 1 and ending June 30. The pastor or administrator shall have the primary responsibility for the timely submission of the required financial reports.
- (97) Each year prior to June 1, the pastor, working with the Parish Council, the Parish Education Commission and the Finance Committee shall prepare a budget for the entire parish operation, including the school, for the next fiscal year. The budget should contain the same items as the approved chart of accounts and may be prepared on an extra copy of the official reporting form. The provisions for review and adjustment of the budget, set forth in the Archdiocesan Accounting Manual (Section IV, Procedure VIII) should be



followed. A copy of the budget shall be furnished to the Financial Services Department upon request.

- (98) Each year within three months after the end of the fiscal year, the pastor must publish a financial report for the fiscal year ended June 30 to the members of the parish, including a separate report of the elementary school operations. These reports are generally to follow the form of those submitted to the Financial Services Department, using at least the main categories of the approved chart of accounts. The purpose of the uniform accounting system adopted by all the dioceses of Ohio could be defeated if parishes were to consistently publish reports in a form not consistent with this approved state-wide policy. The report to the parishioners shall contain the projected budget for the year reported, the actual experience, and the budget for the coming year.
- (99) Every pastor or administrator is to maintain an inventory in which are described and evaluated all of the movable and fixed assets which belong to the church, school, rectory, faculty residence and other buildings. There should be appropriate notation made of any of the items which are the personal property of the clergy. The inventory is to be kept current.
- (100) The financial files of the parish should be adequate to safeguard the various records, to provide for the orderly filing of paid invoices, contracts, and the various formulas relating to the allocation of expenses among the various parish entities. As a general guideline, cancelled checks and paid invoices with their related documents should be retained for seven years.

B. Other Institutions and Agencies

- (101) The provisions set forth above for parishes and elementary schools hold also for other institutions and agencies of the Archdiocese to the extent that they are applicable.
- (102) Inter-parochial High schools of the Archdiocese shall maintain their accounts and records in accordance with the chart of accounts and accounting manual approved by the Archdiocesan Commission on Education. They shall submit the required financial reports and budgets on the forms approved and provided by the Archdiocesan Department of Educational Services.

- (103) The financial records of inter-parochial high schools and of other institutions and agencies shall be examined annually by a certified public accountant.

C. Archdiocese

- (104) The financial accounts and records of the Archdiocese shall be maintained by the Treasurer, and these accounts shall be examined annually by an independent certified public accounting firm. Their report thereon shall be submitted to the Archbishop.
- (105) The Treasurer shall publish an annual financial report within six months of the close of the fiscal year.

VII. SCHOOLS AND EDUCATION

A. Sources of Revenues

- (106) The provision for proper training in the faith, whether through Catholic schools or CCD programs, requires financing and is a responsibility of all the people of God. We cannot ignore the necessity of financing CCD programs and adult education programs as well as Catholic schools.
- (107) Students attending parish elementary schools or consolidated elementary schools will be charged a tuition fee generally commensurate with the per pupil cost (or a portion of the per pupil cost) of education in the school. The support of Catholic schools and educational programs however is an obligation incumbent upon all Catholic persons. Ideally, scholarships designed to allow every child the opportunity to attend a Catholic School should be supported by the parish as a whole, so that every family can reasonably afford this opportunity for their children with some reasonable personal sacrifice on their part.
- (108) Students attending inter-parochial high schools will be assessed a tuition fee to be determined annually. Each parish

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will also contribute toward the secondary education of the students from the parish. This assessment is commonly known as the High School Equalizing Fund. The purpose of this parish payment is to broaden the base of support of the archdiocesan secondary inter-parochial schools beyond the parents of the students themselves, to include the total Catholic community.

- (109) The use of federal and state programs shall be continued and enlarged upon where feasible. All members of the Church, especially parents of students, teachers, clergy, and school administrators are urged to cooperate with the legal counsel of the Catholic Conference of Ohio and with the Archdiocesan Commission on Education in the efforts to obtain assistance from public funds, and in the implementation of any such aid programs. Strict adherence to the law and to the directives regarding records, accounting and other requirements is enjoined upon all administrators.

B. Projections and Planning

1. Parish Education Commission

- (110) The financial administrator of the parish school is the pastor, in cooperation with the school principal and the Parish Education Commission. The Parish Education Commission with the assistance of the Finance Committee of the Parish Council, shall review projections and budgets for the operation of the parish elementary school, and shall share in the responsibility for implementing the means of securing the revenues to meet the needs.

2. High School Advisory Committee

- (111) Each inter-parochial high school shall have an Advisory Committee, constituted according to the directives of the Archdiocesan Commission on Education. The committee shall review projection and budgets, and shall especially devote its attention to securing funds for capital improvements. In addition, it shall give assistance to the administrators in such matters as accounting procedures and building maintenance arrangement.

3. Archdiocesan Commission on Education  
(See Revised Synodal Document on Education and Document of Post-Synodal Task Force)

4. Catholic Inner-City Schools Educational Fund

- (112) In order to support Catholic Education in the inner city, the annual budget of the Archdiocese will include subsidies to inner city schools. Need and level of support is to be determined by the Director of the Educational Services Department of the Archdiocese.
- (113) The Catholic Inner City School Education Fund (CISE) has been established to generate new sources of revenue to supplement these subsidies in the Cincinnati Area. The three major annual fundraising efforts of the program include the CISE Raffle, the Parish Appeal, and the Corporate Campaign. The purpose of the program is to invite support from the greater Cincinnati community for these schools.

C. School Property

- (114) For insurance and planning purposes, schools are to maintain a perpetual inventory of equipment, furniture and fixtures.
- (115) All plans for new buildings and for major repairs on existing school buildings shall be consistent with procedures established by the Archdiocese.
- (116) Buildings (with the exception of dedicated worship space) should be designed, in so far as it is possible, to allow for the greatest latitude of potential usage with minimal modification. The more flexible the potential uses of the structure, the better it can serve the changing needs of the parish in the future.
- (117) Every effort should be made to utilize school buildings and faculty residences which are no longer in use for activities benefiting the parish or the local community.

D. Salaries

1. Religious

- (118) The salaries, retirement fund payments, living allowance and other forms of reimbursement for religious teachers and administrators, as well as for other religious employed by the Archdiocese, shall be determined by the Bishops of Ohio after consultation with the Major Religious Superiors. Religious

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employed in pastoral ministry at Archdiocesan parishes will be compensated in accordance with this agreement. Religious priests will receive the same salary as Archdiocesan priests.

- (119) Salaries for lay teachers should be determined by the parish or administrator after consideration of the scales provided by the Archdiocesan Department of Educational Services and in comparison with scales paid by other parochial schools in the area.

VIII. BUILDING AND GROUNDS
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- (120) Each Parish Council shall have a standing Committee or a sub-committee of the Finance Committee for issues regarding building and grounds. This committee or sub-committee shall consist of members who have experience in the fields of maintenance and construction. Its function is to assist the Pastor and Council in planning the maintenance of parish properties, in studying the necessity and/or advisability of acquiring real estate or undertaking a building project. In the last instance, this Committee will assist in the planning of the new building or renovation, in close cooperation with the Council's Finance Committee.
- (121) Minor repairs to buildings should be competitively bid to at least two competent contractors. To be eligible to do work at an Archdiocesan parish or institution, a contractor must supply a copy of the current liability insurance certificate as well as a copy of his/her Workers' Compensation Certificate. (For use of volunteers, see Appendix #5.)
- (122) When new buildings or the renovation of existing buildings are being planned, the primary consideration should be the service of the people of the parish. Churches should be designed to facilitate participation in the liturgy as suggested by Vatican II. Schools should be designed to be adaptable to current methods of education. All buildings should be designed for the life expectancy of the community they serve. They should be constructed of the best available materials consistent with economy in original cost and maintenance, and with the safety of those occupying the building. (See also VI Synod, Document on Worship, #60. and Steps in a Building Process, Exhibit F: "Policy Regarding Major Construction")
- (123) Before any real estate is acquired (by purchase, trade or gift) or real estate is disposed of (by sale, gift or trade)

and before a new building or major renovation is planned, it must be approved by the Parish Council and written permission obtained from the Director of Financial Services in accordance with Exhibit A of Steps in a Building Process (Appendix #2) and Policy regarding Use of Attorneys (Appendix #7).

- (124) Application for permission for building projects shall be submitted to the Director of Financial Services in accordance with the Steps in a Building Process.

#### IX. CLERGY & STIPENDS

- (125) All diocesan priests are expected to participate in social security.
- (126) The fees and living expenses of diocesan priests taking advantage of the programs offered by the Priestly Formation Office will be paid by the Archdiocese.
- (127) Excess Mass stipends, which cannot be satisfied in the Parish, may be sent to the Chancery or to the Archdiocesan Missions Office for distribution.

#### X. WILLS AND BEQUESTS

- (128) The people of the Archdiocese are also encouraged to remember the activities of religion and charity conducted by religious orders, especially within the territory of the Archdiocese. Most of these religious orders have available a set of suggested bequest forms which can be obtained from their provincial headquarters.
- (129) Whenever a parish or Archdiocesan institution or agency is the beneficiary of an estate, a copy of the last will and testament should be obtained and retained in the files of the parish, institution or agency. In addition, a copy should be sent to the Chancellor. In the case of a residual bequest, the pastor or administrator should also obtain a copy of the final account which the executor files in the probate court, in order to satisfy himself that the estate was properly

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administered. Any doubts in this regard should be referred to the Chancery.

- Appendix #1 "Counseling Your Catholic Client"
- Appendix #2 "Steps in a Building Process"
- Appendix #3 "Endowments for Educational Purposes"
- Appendix #4 "Guidelines for Usage of Parish Facilities"
- Appendix #5 "Using Parish Volunteers"
- Appendix #6 "Policy regarding Charitable Giving"
- Appendix #7 "Policy for Utilizing Attorneys"

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## Appendix #1

Sometimes a Catholic client may express interest in making a gift of property or in remembering his or her church in a will. To assist attorneys towards that end, we offer the following.

### LEGAL PRECEDENT REGARDING PROPERTIES OF THE ARCHDIOCESE OF CINCINNATI.

The properties of the Catholic Archdiocese of Cincinnati are held in the name of the incumbent Archbishop, as Trustee for each parish, congregation or institution. This procedure for holding property and other assets is a result of an opinion rendered by Hamilton District Court in 1883, John B. Mannix, Assignee, vs. John B. Purcell, et al, (Weekly Cincinnati Law Bulletin Vol. X Pages 53-55). This judgement was affirmed by the Ohio Supreme Court in 1888, John B. Mannix vs. William Henry Elder, et al, (Weekly Law Bulletin Vol. XX Page 478).

### FORMS OF BEQUEST TO THE ARCHDIOCESE, ITS CHURCHES AND AGENCIES

The following are suggested forms of bequests to implement gifts to a church, congregation, institution, or agency of the Archdiocese of Cincinnati, or for Archdiocesan purposes in general.

#### 1. For a church

##### A. In general

I hereby give, devise, and bequeath to Daniel E. Pilarczyk, Archbishop of Cincinnati, his successors in office, title, and trust, as such Archbishop, as Trustee for the use and benefit of the CONGREGATION of (Name) ROMAN CATHOLIC CHURCH, City, Ohio, the sum of ..... dollars.

##### B. For a specific purpose

I hereby give, devise, and bequeath to Daniel E. Pilarczyk, Archbishop of Cincinnati, his successors in office, title, and trust, as such Archbishop, as Trustee for the use and benefit of the CONGREGATION of (Name) ROMAN CATHOLIC CHURCH, City, Ohio, the sum of ..... dollars for (maintenance and upkeep of the parish school or relief of the poor and needy of the parish, etc.).

#### 2. For institutions (agencies)

##### A. Unincorporated

I hereby give, devise, and bequeath to Daniel E. Pilarczyk, Archbishop of Cincinnati, his successors in office, title and trust, as such Archbishop, as Trustee for the use and benefit of (Name of Institution, City, Ohio) the sum of ..... dollars, the same to be expended for the purposes and objects for which said Institution (Agency) was founded.

##### B. Incorporated

I hereby give, devise, and bequeath to (name of incorporated institution or agency) City, Ohio, the sum of ..... dollars, the same to be expended for the purposes and objects for which said ..... was founded. This gift is unrestricted and the Board of Trustees or other governing body may use and expand the same for the benefit of (name of institution or agency) in any manner it deems appropriate.

#### 3. For the Archdiocese in general

I hereby give, devise, and bequeath to Daniel E. Pilarczyk, Archbishop of Cincinnati, his successors in office, title, and trust, as such Archbishop, as Trustee for the Roman Catholic Church of the Archdiocese of Cincinnati, the sum of .....



dollars, for (general Archdiocesan purposes; or for sick or aged priests, or for those public charities to which the Archdiocese may contribute, or for the mission chapels of the Archdiocese).

4. For the seminary

I hereby give, devise, and bequeath to Daniel E. Pilarczyk, Archbishop of Cincinnati, his successors in office, title, and trust, as such Archbishop, as Trustee for the Athenaeum of Ohio the sum of ..... dollars, to be expended for the general educational activities and purposes of said institution.

A bequest, as above, to the Athenaeum, in general, without specific limitations of the gift to be used for the education of young men for the priesthood, may obviate inheritance tax. It can be asserted that a bequest in this form is an educational gift, which is exempt under Ohio law.

5. For Mass bequests

If, in a will, a provision for Masses is in the form of a bequest, and the words "I give" or "I bequeath" are used, same constitutes a bequest to the priest who is to receive the stipend for the Masses, and is subject to estate tax. It is considered technically as a "succession." On the other hand, if the provision for Masses is set out as a direction or instruction to the Executor to expend money for that purpose, it can be argued to be a funeral expense and thus deductible for estate tax purposes.

This form is suggested:

I hereby direct and authorize my executor to expend, out of my estate, the sum of ..... dollars for Masses, for the repose of my soul.

Because of changing interpretations by the courts, inheritance tax is often levied against Mass bequests despite the careful wording. This necessarily reduces the amount of money available for this purpose and correspondingly reduces the number of Masses said. Hence, if the testator wishes to be certain that a specific complete amount of money be set aside to cover the stipends for Masses, it is suggested that he add this directive to his Mass bequest:

I hereby direct my executor, hereinafter named, that this bequest shall be paid free from any inheritance, estate, legacy, or succession tax; and that any such tax which might be levied thereon shall be paid out of the residue of my estate.

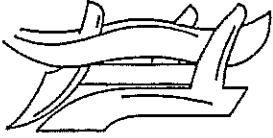
CAUTION

In the past, a common procedure used by a faithful Catholic to name his or her Church as beneficiary to his or her estate was to donate a specific amount of money to be used for the celebration of Masses for the repose of the individual's soul. There was a time when such a bequest did result in needed income for a parish. In recent years, however, such gifts have become less advantageous for a parish and, at times, even a burden. Many parishes, today, receive far more Mass stipends than they could personally fulfill. For this reason, the Mass must be said elsewhere and the stipend surrendered to the place where the Mass is said. It, therefore, does not benefit the donor's parish, as was intended.

Should a client request such a stipulation in his or her Will, it would be wise to suggest that the individual consult with the pastor of the specific parish to determine whether or not such a gift would truly be advantageous for the parish.

If additional information is needed regarding the verification of the correct name of a church, institution or agency or whether the organization is incorporated or not, please contact the

Office of The Chancellor  
Archdiocese Of Cincinnati  
100 East Eighth Street  
Cincinnati, Ohio 45202  
(513) 421-3131



Office of  
The Archbishop

100 East Eighth Street  
Cincinnati, Ohio 45202

513/421-3131

January 5, 1995

Memorial of St. John Neumann, Pastor and Church Builder

Dear Sisters and Brothers in Christ,

The ministerial role of the Church to preach, teach, and sanctify requires certain material tools. A congregation must have space adequate for the needs of the worshipping community. Educational experiences at every age require facilities designed to be conducive to learning. A building can even be a tangible representation of the otherwise intangible faith of those who worship within its walls. Providing physical plants, which accommodate the artistic and practical needs of the Christian faithful, is therefore an indispensable component of our stewardship responsibility.

Buildings can also be unproductive and wasteful. Using precious funds to create interior space that is extravagant or not genuinely needed, or maintaining once useful buildings which have become a drain to the resources of the parish is a misuse of the goods that God has entrusted to us.

Steps in a Building Process is a manual designed to help pastors and other church leaders come to grips with the complications of overseeing a construction or renovation project. Everything they need to know and do is set out here in as clear a fashion as we could make it.

The process does not guarantee success, but it seeks to incorporate the collective wisdom of others who have built or renovated in recent years. Please note that what is called for in this manual involves diocesan policy, and is therefore to be followed in all construction, renovation, and other property-related matters in parishes and other institutions of the Archdiocese.

This manual will undergo periodic revision. It assumes a close working relationship with the various offices of Archdiocesan administration. It is not designed as an alternative to consultation with Archdiocesan administration, but rather as a help for all involved in the process.

Sincerely yours in Christ,

A handwritten signature in cursive script, reading "Daniel E. Pilarczyk".

Most Reverend Daniel E. Pilarczyk  
Archbishop of Cincinnati

## Appendix #3

### Endowments for Educational Purposes

Endowments for educational purposes established by parishes after July 1, 1992 with the approval of the Archbishop are exempt from the Archdiocesan Assessment.

Such endowments will be governed by the following norms:

"Endowments" as the term is used here, signify permanent reserve funds collected from donors for specific purposes. Only the interest from these funds may be used, and then only for the purposes for which these funds were given by the donors. These endowments or permanent reserve funds are different from general reserve funds which may have been earmarked for a specific purpose by a pastor in consultation with parish council and which can be directed toward a different purpose at some later date.

Before the approval of the Archbishop will be given for such educational endowments, the pastor must request permission in writing. Such a request must include:

1. A detailed account of the educational purposes for which the income from the endowment will be used;
2. A provision for the subsequent use of the endowment principal if the school, program, or parish which the endowment was to support ceases to exist;
3. An indication of how the funds for the proposed endowment will be raised.

The principal of such funds is to be deposited in the Archdiocesan Deposit and Loan Fund, in accord with Paragraph 55 of the Temporal Affairs Document. Interest will be paid semi-annually at the same rate paid for other funds on deposit in the Archdiocesan Deposit and Loan Fund.

When approval for an educational endowment is given by the Archbishop, directions for reporting such funds and their interest on the semi-annual archdiocesan financial report will be provided.

This policy will be reviewed periodically by the Archbishop and appropriate advisory bodies.

**GUIDELINES FOR USAGE OF PARISH FACILITIES**

PARISH ORGANIZATIONS THAT OPERATE UNDER THE DIRECT CONTROL OF THE PASTOR, ARE NOT IN ANY WAY SEPARATELY INCORPORATED, ARE LISTED IN THE PARISH DIRECTORY AS PARISH ORGANIZATIONS, AND MAKE AN ANNUAL FINANCIAL REPORT TO THE PASTOR, MAY USE THE PARISH FACILITIES AT THE DISCRETION OF THE PASTOR WITH NO NEED FOR ADDITIONAL DOCUMENTATION.

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**WHEN PARISH FACILITIES ARE USED BY A REGISTERED PARISHIONER FOR A PRIVATE GATHERING AFTER A SACRAMENTAL CELEBRATION**

( Example: Family party after a baptism or anniversary mass, wedding reception for a wedding which took place at the parish, family gathering after a special mass at the parish, etc.)

- 1) Secure an executed "Hold Harmless" agreement from the parishioner in charge of the gathering. This agreement should indicate that the parishioner will accept responsibility for any negligent act or negligent oversight relative to the gathering.
- 2) The parish can request a reimbursement from the parishioner for the cost of lighting, heat, cleanup, etc. Although this can be in accordance with a preset schedule, no "rental fee schedule" or any similar named document should ever be published. NB The reimbursement must never exceed the actual cost incurred by the parish.

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**WHEN A PARISH HALL IS USED BY A SEPARATELY INCORPORATED ORGANIZATION , NON-PARISHIONER, OR AGENCY**

(Example: K of C, Daughters of Isabella, Local Fire Department or Public School System, etc.)

- 1) The organization must surrender to the pastor, prior to the event, a certificate of insurance stating that the Archbishop, the Archdiocese, and the Parish are named as "additional insured" on their policy (not just "certificate holder") with limits of at least one hundred and fifty thousand dollars public liability coverage.
- 2) No specific reimbursement fee can be requested, nor can use of the hall be in anyway tied to a donation amount.
- 3) Use of the hall by a separately incorporated organization occurs on an "ad hoc" basis always subject to the approval of the pastor. Any reoccurring agreement must take the form of an Archdiocesan Standard Form Lease.
- 4) The separate agency or organization may not conduct a business or generate profit from actions which take place in parish tax exempt property.

A TAX EXEMPT PARISH HALL SHOULD NOT BE "RENTED" TO NON-PARISHIONERS. NON PARISHIONERS WOULD HAVE TO FULFILL THE SAME REQUIREMENTS AS LISTED FOR A SEPARATE CORPORATION OR ORGANIZATION.

For further information, contact the Finance Office.

## Appendix #5

### USING PARISH VOLUNTEERS

It has been a tradition in the Church that volunteers have frequently been used in remodeling and simple construction projects, to operate festivals and other fundraisers, and for many other projects and purposes. Such voluntarism is a sign of Christian commitment as well as a significant saving to the Church. Nevertheless, in today's litigious society, we must take precautions to make sure that the diocese and the parish are not subject to court award resulting from plaintiff allegations of negligence.

The following are a series of suggested precautions recommended whenever volunteer labor is used:

- 1) No volunteers under age 18 should be permitted to operate power tools or equipment. If volunteers under 18 are permitted to carry materials or sweep up, the signed permission of the parent or guardian should be secured.
- 3) If volunteers are to engage in activities generally performed by a professional or trained worker, the volunteers must be supervised by a specialist designated by the pastor. (This would not apply if a plumber from the parish was willing to do plumbing work. He or she is already a specialist. This is intended to protect the volunteer who is unaccustomed to the dangers of equipment or chemicals.)
- 4) All volunteers are to be made aware that they are NOT covered under workers compensation coverage while volunteering on our projects. Similarly, there is NO disability coverage if the person should be injured and thereby disabled through no fault or negligence of ours.
- 5) There is no insurance coverage for tools of volunteers lost or stolen while on our job site.
- 6) The following types of safety items should be supplied at no cost to the volunteer by the parish whenever appropriate:
  - A) Hard Hats
  - B) Gloves
  - C) Safety Goggles
  - D) Dust Masks
  - E) Other similar safety equipment
- 7) Volunteers should not use power tools other than their own.
- 8) If an individual is injured on our project, medical assistance should be sought immediately.

# **ARCHDIOCESE OF CINCINNATI**

## ***Policy regarding Charitable Giving Strategies and Administrative Procedures***

The Finance Council of the Archdiocese of Cincinnati, based on recommendations from its Development Committee, has secured the approval of the Archbishop to allow for the following norms to be operative in regard to the methods of cultivation, solicitation, and establishment of charitable giving mechanisms:

### **Gift Annuities**

Parishes may permit donors wishing to establish a gift annuity to do so through the services of the Archdiocese. The Archdiocese will use the services of a third part administrator (usually a local bank) to establish the benefit schedule. The Archdiocese of Cincinnati with the help of the third party administrator will administer the annuity for the benefit of the specific parish or school.

Parishes, schools, and institutions of the Archdiocese are not permitted to establish and/or administer gift annuity programs on their own.

### **Pooled Income Fund**

A pooled income fund typically allows the donor to deposit his funds irrevocably into a pooled investment arrangement. The donor will receive income from the fund for himself/herself throughout his/her life.

Parishes, schools, and institutions of the Archdiocese of Cincinnati may permit donors wishing to participate in such a fund to do so through a program offered by the Archdiocese of Cincinnati. At the death of the donor, the asset will be distributed to the parish, school, or institution designated by the donor.

Parishes, schools, and institutions of the Archdiocese are not permitted to establish and/or administer pooled income fund programs on their own.

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### Charitable Trust Instruments

These include charitable remainder trusts, charitable lead trusts, and other similar instruments. The Finance Office of the Archdiocese of Cincinnati will engage a third party administrator (one or more local banks) to serve as "trustee" and "custodian" for each trust arrangement. Parishes, schools, and institutions of the Archdiocese of Cincinnati may permit donors wishing to participate in such trust arrangements to do so by working through the Director of Financial Services of the Archdiocese.

Parishes, schools, and institutions of the Archdiocese are not permitted to establish and/or administer charitable trust programs on their own.

### Insurance Instruments

Parishes, schools, and institutions have benefited over the years by being named as beneficiary to life insurance policies. This has always been done at the discretion of the person purchasing the policy. The beneficiary is not involved, and is often not aware that the institution is so named.

At times, donors may wish to purchase life insurance policies, asking the donee organization to accept "ownership" of the policy. This allows the donor to use premium payments as charitable deductions on his tax return.

Parishes, schools, and institutions of the Archdiocese are permitted to accept ownership of such policies at the specific request of the donor. Parishes, schools, and institutions may not accept ownership based on information provided by a broker or agent. A parish, school, or institution may accept ownership of such policies only with the approval of the Director of Financial Services of the Archdiocese. He or she will keep a list of these in the permanent file of each parish. The donee parish will have the responsibility to show unearned asset on its annual financial report to the Archdiocesan Finance Office. This obligation will endure for each policy until the policy is

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converted to cash, or the beneficiary distribution is received.

*Parishes, schools, and institutions may not endorse, encourage, promote, or otherwise sanction the solicitation of parishioners or potential donors by any broker, agent, or other person or persons representing one or more insurance companies.*

Questions which arise in connection with these or other charitable giving mechanisms should be referred to the Director of Financial Services of the Archdiocese.



## **Appendix #7**

### **Policy for Utilizing Attorneys**

The Archdiocese routinely utilizes the services of specific attorneys in Cincinnati and Dayton law firms. These attorneys are familiar with the specific legislation and unique procedures essential to the Archdiocese's relationship to civil authority. Attorneys from other areas of the Archdiocese are called upon to be "of counsel" on an ad hoc basis. This system provides consistency and efficiency. It is therefore to be used by all parishes and institutions of the Archdiocese, unless exceptions are authorized. Requests for exceptions and other questions are to be referred to the Chancellor or the Director of Financial Services.

On the other hand, in order to avoid unnecessary expenses, reference to the "official attorneys" is to be made only upon authorization of the appropriate Department Director in the central administration of the Archdiocese.

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