

PARISH CORPORATIONS & BOARDS OF DIRECTORS

I. Creation

a.) As part of the *Plan of Reorganization (2007)* which specified the terms of the Diocese of Spokane's bankruptcy settlement, every parish in the Diocese of Spokane acquired civil status as a non-profit corporation in the State of Washington. This corporate identity is expressed in the articles of incorporation of each parish corporation.

II. Purpose and Ecclesial Relationship

a.) The purpose for creating parish corporations is to establish and clarify the **civil** dimension of a reality already stipulated in the *Code of Canon Law* of the Roman Catholic Church: "Under the supreme authority of the Roman Pontiff, ownership of goods belongs to that juridic person which has acquired them legitimately" (C. 1256). The corporation provides for the parish ownership of ecclesiastical goods in the context of a civilly recognized entity. The goods of the parish are not the goods of the Catholic Bishop of Spokane, a corporation sole in the State of Washington.

b.) The actions of the corporation regarding the temporal goods of the parish confirm rather than question decisions made by the pastor, who administers the goods of the parish according to the norm of law (C. 532) and with the assistance of the parish pastoral council and/or finance council/committee (cf. C. 537). The actions of the corporation are not additional steps in ecclesial decision-making. Rather, they are the necessary **civil dimension** of decisions already reached by proper parish authority. The board of directors may not act without an associated prior action on the part of that authority.

c.) The *Code of Canon Law* directs administrators of ecclesiastical goods to "take care that the ownership of ecclesiastical goods is protected by civilly valid methods" (C. 1284 §1). Each parish, as a juridic person in canon law and a non-profit corporation in civil law, acquires and administers its temporal goods with due regard for the responsibility of the Bishop to exercise vigilance over the administration of the goods of the juridic persons subject to him. The Bishop issues instructions or policies within the limits of universal and particular law concerning the administration of goods (cf. C.1276). Thus, the articles of incorporation of each parish corporation specify that the corporation must act "in conformity with the tenets, laws, regulations and polity of the Roman Catholic Church." (cf. *Articles of Incorporation #3*).

d.) No other corporation associated with the temporal goods of the parish or associated with parish ministries may be created without the explicit, written permission of the Bishop. Reasons for the creation of such a separate corporation may include clarity of ownership of temporal goods, protection from liability and/or fostering lay governance. The articles of incorporation, nevertheless, must specify that the corporation must act "in conformity with the tenets, laws, regulations and polity of the Roman Catholic Church."

III. Articles of Incorporation

a.) The articles of incorporation for each parish corporation are on file at the office of Washington State's Secretary of State. With the exception of a minor adaptation for parishes entrusted to Religious Orders (specifically, regarding the number of members on its board of directors), for the sake of commonality, efficiency and episcopal oversight these articles are the same for each parish corporation. Amendment of the articles of incorporation of an individual parish corporation exceeds the limits and manner of ordinary administration and may not be done without a written faculty from the Bishop (C. 1281). This faculty will be granted only if the amendment applies to all like parish corporations.

b.) Each parish corporation is responsible for maintaining its status in the State of Washington by filing an annual Corporation Report.

IV. Bylaws

a.) Each parish corporation is to conduct its business in accord with bylaws whose content is common to all parish corporations of the Diocese of Spokane for the sake of commonality, efficiency and episcopal oversight. The amendment of these bylaws by any individual corporation exceeds the limits and manner of ordinary administration and may not be done without a written faculty from the Bishop (C. 1281).

V. Responsible agent

a.) For the sake of commonality, efficiency and episcopal oversight, the Vicar for Finance at the time the parish corporation files its annual report with the Secretary of State is *ex officio* the corporation's "Registered Agent" and is to be identified as such in the filing of the report. The street address to be used for the registered agent is: [person's name], 1023 W. Riverside, Spokane, WA 99201. The mailing address to be used is: [person's name], P.O. Box 1453, Spokane, WA 99210.

VI. Temporal goods of the parish

a.) The deeds to real estate as well as contracts, billings, vehicle titles, financial accounts and other instruments relating to the temporal goods of the parish are to be in the name of the parish corporation.

b.) The articles of incorporation for all the parish corporations specify certain actions regarding the temporal goods of the parish which require the unanimous affirmative consent of the parish board of directors: i) the purchase, sale, transfer, mortgaging or any form of alienation of real property; ii) the amendment of the articles of incorporation; iii) the dissolution of the corporation; iv) the merger with or acquisition of another corporation; v) the filing of a petition of relief under the United States Bankruptcy Code. Normally, all other actions are approved by a simple majority.

VII. Board of Directors

a.) Consistent with the articles of incorporation, the Board of Directors of the parish corporation is constituted by:

- President – the duly appointed priest-pastor of the parish
- Secretary - the chairperson of the parish Finance Council, or in the absence of such a body, the chairperson of the Finance Committee of the parish Pastoral Council.
- The regional representative of the Presbyteral Council or another priest from the Presbyteral Council appointed to this position by its president (the Bishop).

b.) These positions become effective concurrent with the date associated with the holding of the member's respective office, unless specified in a letter of appointment.

c.) The President and Secretary hold their positions on the Board of Directors *ex officio*, that is, not by election or appointment to the Board, but by the fact of the office they enjoy in the parish governance structure.

d.) The president of the Corporation is responsible for assuring the proper identification of the person who holds the position of Secretary on the parish corporation's Board of Directors.

e.) At the first meeting of the Presbyteral Council after August 31, its President shall provide an official list of Council members relative to their positions on parish boards of directors. These appointments may be withdrawn at any time by the Bishop in his role as President of the Council, but only with the concurring appointment of another member of the Council to the parish Board of Directors.

VIII. Priest Board Member from the Presbyteral Council

a.) The priest from the Presbyteral Council who serves on the parish Board of Directors does not represent the Council to the parish Board. Likewise, the Presbyteral Council does not become involved in the deliberations of the parish Board of Directors.

b.) The Presbyteral Council member's role on the parish Board of Directors is to reflect more than his personal or even professional opinion or insight. He must act in union with the Bishop whose canonical responsibility is the "careful vigilance over the administration of all the goods which belong to public juridic persons subject to him." (cf. C. 1276)

c.) A priest may not serve both as pastor-president of the parish corporation and its priest Board member from the Presbyteral Council.

VIII. Meetings

a.) The president of the parish corporation (the pastor) is responsible for convening a meeting its Board of Directors at least annually in the month of October, at a time and place of his designation. He may convene other meetings of the board of directors as deemed necessary to fulfill its scope of civil responsibility for caring for the temporal goods of the parish.

b.) The bylaws of the corporation permit meetings of the Board of Directors in person, through telephonic or electronic communication, or through exchange of documents. All members of the corporation must be present by whatever acceptable means for the Board of Directors to conduct business.

c.) The president of the corporation is responsible for providing Board members in timely fashion any background material related to its decisions.

X. Decision-making

a.) The Board of Directors is to conduct its official business in accord with its articles of incorporation, bylaws and any applicable state and federal law. Likewise, the Board must act "in conformity with the tenets, laws, regulations and polity of the Roman Catholic Church." (cf. *Articles of Incorporation #3*)

b.) The minimum required actions at the annual meeting of the Board of Directors shall be:

- To approve the financial report of the previous fiscal year (July 1-June 30) which has been prepared and approved by the parish Finance Council/Committee. [*The report is to include the financial report of the parish school, unless it is separately incorporated.*]
- To verify that the legitimate parish authorities have acted to assure that the parish:
 - Holds a current Unified Business Identification number (UBI)
 - Holds sufficient replacement insurance on its facilities
 - Holds sufficient liability insurance
 - Is current with maintaining its property tax-exempt status
 - Pays as required social security, federal withholding taxes, health insurance, retirement insurance, etc., for parish employees
 - Is current with payment of any city assessments
 - Files applicable tax forms (e.g., 941 (payroll), W-2 (eoy taxes), W-9 (services), 1099 (contractors), 990-T (non-related income, if applicable)
 - Properly acknowledges contributions, especially those requiring documentation for federal tax purposes

XI. Record keeping

a.) As a separate legal entity in the State of Washington, subject to corporate law and regulation, the corporation must present itself in the public forum as actually acting in accord with the legal requirements of a corporation. Its records are to include:

- Articles of incorporation and bylaws
- Washington State corporation certificate
- Official identification of the corporation’s business license (UBI)
- Property deeds
- Documentation of tax exemptions
- Copies of contracts related to the use of the temporal goods of the parish
- Minutes of the meetings of the Board of Directors
- Actions taken by the corporation
- Special correspondence related to the corporation
- A copy of this policy, as amended from time to time

b.) A hard-copy record of the meetings of the corporation, its actions and decisions is to be maintained in the parish office. The records and correspondence related to the parish corporation are to be kept in a secure and fire-proof place separate from other parish records.

Effective retroactively, September 1, 2010

Approved: _____ **Nov. 15, 2012**
+ Most Reverend Blase J. Cupich

Recorded By: _____ **Nov. 26, 2012**
Rev. Mark Pautler, Chancellor