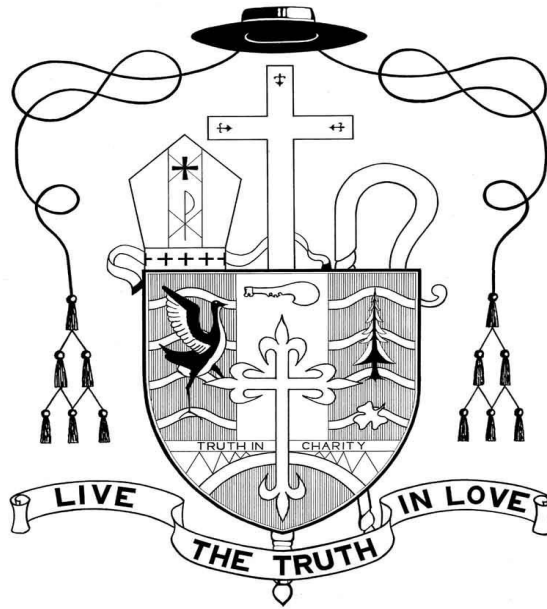


Catholic Diocese of Hamilton



PARTICULAR LAW

FINANCIAL HANDBOOK

for

THE DIOCESE, PARISHES

and CHAPLAINCIES

Approved by the RC Bishop of Hamilton

27 July 2021

TABLE OF CONTENTS

INTRODUCTION	4
Stewardship	
Financial Stewardship In The Church	
CANON LAW and CIVIL LAW	5
Civil Laws Directly Affecting Parishes	
THE DIOCESE OF HAMILTON	7
The Catholic Parish	
Chaplaincies	
FINANCIAL ADMINISTRATION OF PARISHES	8
Parish Income	
Regular Giving	
Donations	
Issuing of Receipts	
THE PARISH FINANCE COUNCIL	9
The Purpose of The Parish Finance Council	
The Functions of the Parish Finance Council	
Resourcing of the Parish	
Special Collections and Appeals	
PASTORAL AND FINANCIAL PLANNING	13
Accounting, Administering And Asset Protection	
Taxation	
Asset Protection	
Parish Collections Cash Management Policy	
Policy On Sunday Collections	
PLANNING PARISH PROJECTS	16
PARISH EXPENDITURE POLICY	18
Operating Accounts	
Debit Cards	
Expenditure Limits	
APPENDICES	20
1. Legal Issues	
2. Goods & Services Tax (GST)	
3. Insurance	
4. Application Letter To Bishop For Project Approval	
5. Financial Policy for Priestly Chaplaincies	

INTRODUCTION

Stewardship

The Catholic principle of stewardship – **kaitiakitanga** – is about being responsible guardians. We are kaitiaki - guardians of the earth. Exercising stewardship is caring for the gifts God has given us, including the environment, our own personal talents and other resources. ‘We received this world as an inheritance from past generations, but also as a loan from future generations, to whom we will have to return it!’ - *Pope Francis, Ecuador, July 7, 2015* (*Caritas.org.nz*)

Stewards of God's gifts are not passive beneficiaries. We cooperate with God in our own redemption and in the redemption of others. We are also obliged to be stewards of the Church—collaborators and cooperators in continuing the redemptive work of Jesus Christ, which is the Church's essential mission. This mission—proclaiming and teaching, serving and sanctifying—is our task. It is the personal responsibility of each one of us as stewards of the Church. All members of the Church have their own roles to play in carrying out its mission:

- Parents, who nurture their children in the light of faith;
- Parishioners, who work in concrete ways to make their parishes true communities of faith and vibrant sources of service to the larger community;
- All Catholics, who give generous support—time, money, prayers, and personal service according to their circumstances—to parish and diocesan programs
- and to the universal Church.

(USCCB.org)

Financial Stewardship In The Church

The ownership of any property makes its holder a steward of Providence, with the task of making it fruitful and communicating its benefits to others, first of all towards the family. (CCC 2402) This holds especially true for the property given to and held by the Church. It is destined for the Glory of God, The worship of his Name, the redemption of humanity, love of Neighbour and care for the Poor.

Because of its importance the Church has a number of rules in place to protect and guide our use of these things for the Glory of God. Those who have the distinct responsibility of managing our finances need to act with prudence and care so that these good things are spent in the service of God.

This document makes explicit a number of provisions in both Church Law and Civil Law that affect the Church in New Zealand. This Handbook contains both the Legal Basis for the financial administration of the Diocese, its Parishes, and equivalent entities like Chaplaincies and Pastoral Areas. The first part is the Particular Law of the Diocese (in legal language). The Second part are appendices, explanations, forms and checklists designed to aid parishes, priests and finance councils in their day to day tasks.

All previous Finance Policies cease to have any force.

CANON LAW and CIVIL LAW

The Catholic Church is governed by the Code of Canon Law. Book I (General Norms) and Book V (The Temporal Goods of the Church) provide the legal foundation for the administration of the Parishes. In addition there are Particular Laws and the Policies of the Hamilton Diocese which must be followed. This document is one of these Particular Laws.

The Code of Canon Law makes a number of provisions that need to be remembered:

1. The Pastor represents and is responsible for the parish in all legal/fiscal matters. ¹
2. The Pastor is to take care that the goods of the parish are administered according to the norm of cann. 1281–1288.
3. The Finance Committee exists to advise and assist the Pastor in his Role. At times its assistance comes by way of granting or withholding consent. Given the call to co-responsibility this should be more a cooperative venture. .
4. Canon Law deliberately yields to local Civil Law unless that law is contrary to Divine Law, or contradicts Canon Law provisions.²
 - a. Therefore each Pastor and Parish must observe the local Civil Laws that affect the administration of the Parishes as if it were Canon Law.
 - b. Failure in this regard will not only invite civil action but give rise to canonical redress also.
5. Consequently there are a number of Civil Laws that must be adhered to by parishes and finance committees
 - a. RC Bishops Empowering Act 1997
 - b. Charities Act 2005
 - c. TAX LAWS (Income, GST, PAYE, ACC)
 - d. Employment Law
 - e. Health and Safety at Work Act 2015
 - f. Education (Amendment) Act 2017
 - g. The Privacy Act 2020

¹**Can.532** In all juridic affairs the pastor represents the parish according to the norm of law. He is to take care that the goods of the parish are administered according to the norm of cann. 1281–1288.

²**Can.22** Civil laws to which the law of the Church yields are to be observed in canon law with the same effects, insofar as they are not contrary to divine law and unless canon law provides otherwise.

Can.1290 The general and particular provisions which the civil law in a territory has established for contracts and their disposition are to be observed with the same effects in canon law insofar as the matters are subject to the power of governance of the Church unless the provisions are contrary to divine law or canon law provides otherwise, and without prejudice to the prescript of can. 1547.

Civil Laws Directly Affecting Parishes

RC Bishops Empowering Act 1997: Consolidates different Acts of Parliament starting from 1890 empowering the Church to operate in New Zealand as a legal entity.

The Law:

1. Makes the Bishop a “Corporation Sole” to act on behalf of the Diocese.
2. Vests property owned by the parishes in the Bishop.
3. Registers the bishop as proprietor of certain lands.
4. Provide a means to alter certain Trusts under certain circumstances.
5. Recognises Canon Law and its institutions

In essence the Land and Bank holdings of the parish are vested into the RC Bishop of Hamilton, for him to hold. He does so “on Trust” because all donors give to the church trusting that the money will be used for the Religious purpose for which a Parish exists. The Law requires the bishop to act on this trust in his administration of the parish goods vested in him. (Canon Law also requires this by different means. (c.1276 ff))

Charities Act 2005: establishes certain rules which affect parishes in how they collect and report money. It allows them to issue receipts to donors to apply for tax refunds from the IRD. Parishes are to be registered as Charities and need to quote their Registration Number on receipts and in relevant correspondence.

Tax Laws: These are quite complex, especially if the Parish employs anyone. Also affecting the parish is GST, Tax receipts for donors. Parishes are to follow the Law regarding Taxes.

Employment Law: Priests are not Employees of the Diocese. Deacons may or may not be. Paid staff are employed by the RC Bishop of Hamilton in order to safeguard the relationships, even if the functional (Canonical) employer is the Pastor. Employment law affects leave, hours and conditions of work, the relationships between priest and employee, and the why’s and wherefore of termination of employment.

Health and Safety at Work Act 2015: This Law establishes the parish as a PCBU. (Person Conducting a Business or Undertaking), and Priests and other parish leaders as officers of this PCBU, and employees as workers. Each of these persons can be held personally accountable by the Courts for failure to maintain or operate a safe environment.

Education (Amendment) Act 2017: has repealed the Integration Act (re: schools) and incorporates State Integrated schools directly into the Education Act This further complicates administration of the parish. Legally (both Canon and Civil Law) the Parish School is alienated from the parish (declared by the Apostolic Signatura Prot.N.24582/93). The school operates on Parish Land as a permanent \$0 Lease. The School is governed by a Board, managed by a Principal, and buildings are maintained by the Diocese by way of grants from the Crown and other monies. School Land should be listed as an asset in the Parish Register.

THE DIOCESE OF HAMILTON

The Diocese is the Portion of the People of God entrusted to the Pastoral Care of the Bishop of Hamilton and is situated in the Waikato/King Country/Bay of Plenty/Poverty Bay regions. It has its own set of norms operating its councils and organisations.

The Catholic Parish

The Diocese of Hamilton is divided into a series of parishes. Each parish is best thought of as an adult sibling rather than a branch office of the diocese. Each parish enjoys some autonomy of action and emphasis, while at the same time observing family rules in common with each other.

A Parish is a stable community of Catholics within the diocese. It is usually defined territorially, but can be defined in other ways. It has a Pastor (Parish Priest, administrator, chaplain) who acts under the authority of the Diocesan Bishop³.

There are entities equivalent to parishes - Chaplaincies, Pastoral areas, Quasi-Parishes are some of these names. What is said about parishes in this handbook will apply to these entities also.

When a Parish is created it becomes what is called a Juridic Person. This is a Canon Law status which means it can have certain rights and obligations. For example it has the right to own property, and the obligation to support the Diocese by way of Levies.

Civil Law takes a different approach by way of “Corporation Sole”, which gives the Bishop the Civil authority to hold, buy, sell parish property but requires that he do so according to the Rules of Canon Law. This Civil incorporation is a means of protection and not a device to transfer ownership. All parties must obey canon law.

Chaplaincies

A Chaplaincy is like a parish except that it is for a specific group of people, from all over the Diocese. Examples may include a Filipino Chaplaincy, a University Chaplaincy, a Hospital Chaplaincy. If a Chaplaincy is formally established by the Bishop it must conform to these norms like a parish would.

³ **Can.515** §1. A parish is a certain community of the Christian faithful stably constituted in a particular church, whose pastoral care is entrusted to a pastor (parochus) as its proper pastor (pastor) under the authority of the diocesan bishop.

FINANCIAL ADMINISTRATION OF PARISHES

Parish Income:

Income for a parish is mostly by way of gifts of money. These gifts may be split into two categories: Regular Giving and (singular) Donations.

1. Regular Giving for the use of the parish:

- Cash Collected during Religious Services;
- Planned Giving Envelopes;
- Electronic bank Payments of various sorts;
- Annual Donations.

2. Donations:

- Parish collections for special events using methods similar to regular giving;
- A special donation for the Parish or for the clergy;
- Stole Fees;
- Koha.
- Cost Recoveries for specific items eg. flowers, organists, weddings, funerals.

3. Other forms of income may be from:

- hireage;
- rents;
- sale of goods;
- interest and dividends from investments.

Regular Giving

All Regular Giving income is to be split

- 70% for the support of the parish and Diocese,
 - 30% for the support of the clergy.
- a. The pastor may allow this to be split at the time of counting and deposit the 2 amounts in the relevant bank accounts, **or**
 - b. Bank the whole Sunday Collection into the Parish Account and transfer the 30% to the House Account as soon as practicable.

Parish Planned Giving Envelopes:

There is to be a single envelope in every parish. That Envelope is to announce that the money given in this envelope will be split

- 70% for the support of the parish and Diocese,
- 30% for the support of the clergy.

Donations

The wishes of the donor should be respected. If the Donor wishes the money to be used for a specific purpose the money should be earmarked for that purpose. Otherwise permission must be sought from the donor to change the purpose, or it is to be returned. However a regular gift, such as an annual donation to the parish, is not to be earmarked by the pastor as if it is a 'donation' under this category.

Issuing of Receipts

As soon as practical after 1 April the parish is to issue a statement-receipt for each donor detailing the gifts received by the Parish for the use of the Church. This receipt needs to conform to the requirements of IRD and Charities Act 2005 for donations to charities.

For One off Donations - a receipt should be generated upon reception of the gift under similar requirements.

The Parish Finance Council

Every Parish is to have a Finance Council⁴. Pastoral Areas, Ministries, and multiple parishes under the governance of a single priest may have a single Finance Council to help the Pastor administer the parishes in his care.

The Finance Council is to be composed of at least three parishioners who have some expertise in finance and/or household management. Joined to that committee is the Pastor, and the financial secretary/administrator of the parish (if there be one):

- Council Chair is to be chosen by the Council members.
- The Pastor is free to appoint members of the Finance Council for terms of up to three years which may or may not be repeated.
- If a new Pastor is appointed to the parish the term of service of Finance Council member will expire after 6 months and the Pastor is free to either confirm their position or appoint new members.

⁴ **Can.537** In each parish there is to be a finance council which is governed, in addition to universal law, by norms issued by the diocesan bishop and in which the Christian faithful, selected according to these same norms, are to assist the pastor in the administration of the goods of the parish, without prejudice to the prescript of can. 532

The Purpose of The Finance Council

The Primary purpose of the Finance Council is to assist the pastor in the administration of the goods of the parish. In particular through:

- a. **Resourcing**, i.e. ensuring that the parish has the financial capacity both for the provision of assets and facilities (such as church, presbytery, etc.) and for the financial support of those involved in pastoral works, i.e. the parish priest, his staff, parish pastoral assistants, youth ministers, etc.
- b. **Planning**, in a systematic way, both for the provision of this resourcing and its budgetary management.
- c. **Accounting for, administering & asset protection** parish income, expenditure and assets.
- d. **Some finance councils** drive the ongoing maintenance of parish assets others delegate that task to another group.

The Finance Council has general oversight of the Financial situation of the parish. It may achieve this in a manner decided by the Committee.

Meetings are to be regular, depending on the complexity and size of the parish in question.

Many will want to meet monthly, or bi monthly. There may be times when meetings are more frequent than monthly.

The Functions of the Parish Finance Council

The Finance Council is to advise and help the Pastor:

- On matters of ordinary expenditures and maintenance required in the parish.
- To oversee the general state of income and expenditure
- To propose and organise methods of fundraising and stewardship

The Pastor is to listen carefully to the Finance Council when he proposes to spend or alienate property over the limits as required by Law.

- Failure to consult will invalidate the act and the Pastor can be held personally liable. (can 127, 2.2)
- Even though the pastor is not obliged to accept the opinion even if unanimous, it is unwise to act contrary to that opinion, without a reason which is overriding in the pastor's judgment.
- All whose counsel is required are to offer their opinion sincerely and confidentially.

Minutes of Finance Council Meetings: are to be kept in the Parish Archive. They will be necessary to establish the facts of Consultation and consent should it be necessary to prove such a consultation took place. No minutes - no consultation.

Resourcing of the Parish

The parish finance committee has a particular responsibility to ensure that the parish is adequately resourced for its mission. The parish is required to contribute to the work of the diocese, the support of the clergy and the support of the Bishop. Accordingly, there is a responsibility both to maximise income for these purposes and to make the best use of the parish's resources.

1. The maximisation of income and use of resources (land, building, plant, etc.) is driven by the objective of matching resources to needs. Finance committees should actively seek to ensure that high priority pastoral needs are not continually constrained because of a lack of the necessary resources.
2. The resourcing of the parish needs to keep in view both short and longer term pastoral priorities. A balance needs to be struck so that, without unnecessarily restricting continuing pastoral work, prudent provision is made for longer-term needs, e.g. the replacement of buildings.
3. The use of qualified staff and volunteers for both administrative and pastoral work is encouraged. The parish needs to ensure all paid staff and volunteers are adequately formed and cared for.
4. The finance committee should not attempt to establish or accept responsibility for the pastoral plan of the parish. That task lies with the parish priest, and the parish pastoral council linked to the overall vision and plan of the diocese as they are formulated through the Priests Council and any regional groupings, etc. Nevertheless, financial planning and pastoral planning need to proceed in tandem if both bodies are to be effective. When resources are simply not available it may be necessary and desirable for the finance committee to ask the pastoral council to prioritise the various elements of its pastoral plan.
5. Specific responsibilities concerning the maximisation of income are:
 - a. to ensure that Planned Giving programmes are established in the parish and renewed every three to five years. Experience within the diocese, over many years, indicates that results are consistently better if regular renewals are promoted;
 - b. to ensure the taking up of ordinary collections at all Masses on the Saturday evenings and Sundays, Christmas Day and Good Friday (no Mass but a special collection - The Holy Places);
 - c. to bank collections as soon as possible (refer to Diocesan Cash Collection Handling policy appendix III) ;
 - d. to promote Special Collections and Appeals; to distribute promotional letters and leaflets on these collections to parishioners; to remit the amounts collected to the appropriate office.
 - e. to manage the income-producing assets of the parish, e.g. hall or other property rentals;
 - f. to invest surplus funds with the **Catholic Development Fund (CDF)**;
 - i. Parishes are not permitted to *invest funds* outside the CDF.
 - ii. Parishes are encouraged to review parish cash flows at regular intervals to retain at all times a level of operational funds in parish bank accounts and arrange investment of surplus funds in the CDF.

- g. to promote within the parish the Catholic Development Fund and its various services;
- h. to encourage **bequests** in favour either of the Parish, the RC Bishop of the Diocese of Hamilton for the general work and mission of the Church or any other specific cause.
- i. The Bishop is to be advised in writing of all bequests received by the parish greater than \$10,000. Any bequests which have conditions attached to them ***must not be accepted*** without the approval of the Bishop.⁵
- j. to organise **capital fundraising** or special effort campaigns to meet one-off capital expenditure (e.g. new church, new organ, etc.) or pastoral needs (e.g. missionary projects).

Special Collections and Appeals

Special Collections:

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

Appeals:

- **Caritas Lenten Appeal** during Lent
- **Catholic Caring Sunday** during July
- **Bishop's Annual Appeal** during September

NB:

Lenten Appeal receipts should be remitted regularly during Lent to the Catholic Office for Social Justice-Caritas Aotearoa-NZ (Catholic Centre, PO Box 12193, Thorndon, Wellington 6144).

Holy Places, Seminary, and Bishop's Appeal should be remitted to the Diocese at the Chancel Centre, PO Box 4353, Hamilton East 3247; or by direct electronic transfer of funds.

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

Christmas and Easter Dues: With the changes to the Rules regarding Regular Giving the CTF is happy that the old practise of DUES be allowed to lapse. The Dues began as a type of Christmas gift to the curates and then morphed into a collection for the CTF. Now that the Sunday Collections are more equitably balanced and the use of Envelopes is very reduced these vestiges of the £.s.d. era may be removed over time. If any envelopes are marked Easter/Christmas then these funds are to be remitted to the Clergy Trust Fund in the normal way.

Stole Fees: are fees, donations, or gifts gathered in because of the celebration of a sacrament. Most common are Baptism and Wedding gifts. These belong not to the minister, nor the parish, but to the Clergy Trust Fund and are to be accounted for accordingly.

⁵ **Can.1301** §1. The ordinary is the executor of all pious wills whether mortis causa or inter vivos. §2. By this right, the ordinary can and must exercise vigilance, even through visitation, so that pious wills are fulfilled, and other executors are bound to render him an account after they have performed their function. §3. Stipulations contrary to this right of an ordinary attached to last wills and testaments are to be considered non-existent.

PASTORAL AND FINANCIAL PLANNING

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

Accounting, Administering and Asset Protection

1. All parishes are separately registered as charities. Parishes have an annual balance date of 31 December. They are required to file annual returns in the required format by 30 June each year. All parishes are to use the same approved accounting system (currently Xero). Accounting system support and assistance with the annual returns is provided by the diocesan office. The annual return should be certified by the Finance Chair and the parish priest. It is recommended that this information be made available to parishioners.
2. Where parishes reach certain expenditure thresholds they are required to have a review or audit undertaken. The diocesan office will liaise with the parish to determine if this is required and provide assistance if necessary to arrange the audit or review.
3. Where circumstances permit (i.e. where funds are available) a regular sum is paid into the parishes CDF "Capital Replacement Fund". These actions will ensure that the true cost involved in the operation of the parish are considered and some provision is made for future capital needs. Otherwise when capital expenditure becomes necessary, parishes will need to undertake capital fundraising.

Taxation

Currently Catholic parishes are exempt from income tax and fringe benefit tax but are liable for GST.

1. Every Parish is to use the Diocesan Package provided by Xero in order to account for its financial activities. It is to ensure the proper reconciliation of bank accounts with the parish's accounting records, and the proper authorisation of all payments made from parish funds.
2. The parish finance committee is to ensure that the parish is registered for GST and that GST returns are completed and submitted to the IRD in a timely manner. 'House' accounts are part of the Parish entity and are not separately registered for GST (however, care must be taken to ensure that all GST refunds relating to the House Account are returned to the house trust account.)
3. All lay staff should be employed under an employment agreement, signed by RC Catholic Bishop of Hamilton (or delated authority), with the staff member reporting to the parish priest before they are included on the payroll. Employment agreements will be provided by the Diocesan General Manager or delegate, please discuss any variations being considered to the standard contract.
4. Where staff are employed, arrangements must be put in hand to ensure that all related payments or deductions are made, including PAYE, Kiwisaver and the like.

Asset Protection

1. All parish buildings are to be adequately maintained on a systematic basis.
2. All parish assets are to be protected. It is recommended this should include installation of security, burglar and fire alarms and smoke detectors where appropriate. "Asset Protection" also includes compliance with the Building Act, Health & Safety Act and other relevant legislation where possible.
3. Replacement insurance cover for buildings is mandatory. Exceptions to full replacement cover require written approval from the Bishop. Insurance is managed through the Diocese.
4. *It is the responsibility of the finance committee to value all furniture, floor coverings, stained glass windows, sacred vessels, vestments, statues, works of art, musical instruments, curtains and all other building contents and to record them in a parish asset register which is to be updated annually. The diocese will regularly update the building rates for different categories of buildings, in order to arrive at the replacement value for all individual buildings.*
5. Public liability insurance for all parishes is arranged by the diocese.

Parish Collections Cash Management Policy

The basic premise is that **cash is never handled by only one person**. A policy of utilising two independent people must apply at all times to ensure safe cash handling and to safeguard both the parish and the individual people involved with the collections.

The following rules must be adhered to:

1. The passing around of the collection plate is to be overseen by an appointed person, and wherever possible by two or more people.
2. Two or more independent people must securely lock the collection in a secure location, which should be out of sight.
3. At least two independent people must always be present when the secure location is opened, the collection is transported, and when counted.
4. Those counting the collection must record the amount of the cash and cheques collected.
5. This cash received record must be retained with the accounting records and reconciled to the amount banked.
6. All of the collection must be banked in total i.e. no funds are to be removed before banking.

Other considerations:

- A. The secure location should be made as secure as practical to reduce the risk of robbery.
- B. The number of keys and codes accessing the safe locations must be kept to a minimum and closely managed.
- C. Collaboration for fraudulent purposes between independent persons is difficult to identify, changing of rosters will reduce this risk.

Policy On Sunday Collections

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

The collection is divided 30% for the support of the clergy/bishop and 70% for parish/diocesan activities. This provision applies to all funds received whether by cash, cheque or electronic payment. These regular gifts are to be considered as "Regular Income". Arrangements outside this norm must be agreed to by the Bishop in writing.

All monies collected must be banked into the parish accounts. Then allocations for the clergy/bishop support can be transferred from the parish account to the house account. All receipts and payments must be appropriately recorded in the parish accounting system (currently Xero). For example Stole Fees are banked in the parish account and subsequently transferred to the relevant Clergy Trust Fund Accounts.

"Electronic collections" using bank A/P's or similar are increasingly a feature of parish life. Care is to be exercised to ensure that the division of a lump sum amount, as between the "parish house account" and the "parish account" is made in accordance with the prescribed split (currently 30% 70%).

Annual receipts to donors (parishioners) must include the total of the donation (ie the parish/diocesan share and the clergy/bishop share). Therefore the total collections are to be banked intact into the parish bank account and recorded in full in the parish accounts.

PLANNING PARISH PROJECTS

WITH POTENTIAL VALUES EXCEEDING \$50,000

REQUIRING EPISCOPAL CONSENT

A project may be (but is not restricted to) a new build, a modification of buildings, major planned maintenance, sale or purchase of a significant asset.

STEP 1: A level of consensus within the parish community is required before any detailed planning for a significant project commences.

That consensus may initially be between the Parish Priest and Parish Finance Committee and the Parish Pastoral Council. Such agreement should be permanently recorded in the minutes of each group.

STEP 2: On agreement of the project between the Parish Priest, the Parish Finance Committee and the Parish Council; parishioners should be informed by way of outline and given the opportunity to express their views. This can be done by way of a circular letter, parish bulletin or via a wider publicised open meeting. An opportunity should be allowed for parishioners to ask questions and care taken to give clear, factual answers.

STEP 3: Having received parish input the Parish Priest is to:

- a) Prepare a proposal for Bishop containing:
 1. A full description of the project. This may also include the sketch plan, site plan and a summary of parishioner views on the proposal.
 2. Written reasons for the project and all factors bearing on that decision.
 3. An expert's estimate of the project's cost and process, or a professional valuation of the asset in question.
 4. A complete summary progress to date.
 5. Outline of how the project is to be funded.
- b) Obtain the consent of his Finance Committee, either via a minuted meeting, or a letter signed by the majority of the committee members.
- c) Write to the Bishop requesting permission to move from general and remote planning to specific and detailed plans, appraising the bishop of any peculiarities that apply to this situation, enclosing all the materials referenced above
- d) Bishop will act as required by Canon Law before giving or withholding his consent.

STEP 4: The next stage will require a more detailed planning, such as obtaining working drawings. Ongoing consultation with the Parish and other stakeholders may be necessary. Approval to engage professionals is to be provided in the permissions granted at step 3.

Bishop is to approve Working Drawings having satisfied himself that both the parish and Bishop's consultative bodies are still on board with the project, and that funding is in place. Bishop may call upon other experts as he sees fit to help him in his evaluation.

STEP 5: Tenders for the project are to be invited. As details of the tendering process will differ for each project, these may be provided by the Financial Administrator.

STEP 6: After Tenders are received it is recommended that all parishioners be invited to an open meeting to view the final design and receive a full and complete presentation regarding the funding.

STEP 7: The Project requires final Consent of Bishop before the contracts are signed. Restrictions of consultation with or consent from Finance Council and College of Consultors apply.

Remember that the Diocese has access to a number of professionals and experts in project and asset management. They are able to help and advise a parish at any stage.

PARISH EXPENDITURE POLICY

This policy applies to simple purchase and sales of goods by a Parish Priest in the course of his duties. It makes explicit the provisions of Book V of the Code of Canon Law.

Operating Accounts

Operating accounts are lodged with the BNZ and are managed by the Diocese.

The Bishop, as Corporation Sole, owns the Accounts, the Pastor is often assigned as Sole Signatory, or if Bishop determines otherwise a committee of persons may be appointed to operate the Parish Bank Accounts.

As soon as practical, upon appointment or transfer a Pastor must effect the change of authorities and signatures in the manner required by the Diocese and the Bank. This requires liaison with the team at Chanel Centre.

Cheques are no longer being issued by banks, and therefore Electronic Transfer of Funds is now the preferred method of payment.

In the Ordinary course of events the Pastor is to pay bills and disburse payments through the aegis of Internet Banking protocols.

Debit Cards

In other instances a DEBIT card is to be retained by the Pastor and used for certain purchases.

Bills are to be paid in a timely manner, and receipts for payments and costs are to be kept for accounting and GST purposes.

If a Debit Card is required

1. Card is to be assigned to a Pastor, embossed with his Name and the Parish Name.
2. Receipts and Invoices are to be provided for Verification and GST purposes within the month
3. Transactions Limits are to be placed on the Cards according to the parish size.
4. Upon leaving office the Pastor will return the Card to the Diocesan office, enabling another to be issued to the new Pastor.
5. Bishop may revoke use of the Card if he determines it is prudent for him to do so.

Limits on Parish Expenditure

Expenditure or Alienation Amount (excluding GST)	Required actions
Up to \$5,000	1. Parish Priest may act alone. 2. Quotes only as Parish Priest determines necessary.
\$5,000 to \$15,000	1. Parish Priest must 'consult' with the Parish Finance Committee. 2. Quotes as the Parish Priest or the Parish Finance Committee determine is necessary.
\$15,000 to \$50,000	1. 3 prices/estimates/quotes are required, or an 'expert's estimate' is obtained and compared to a price offered by the parish's preferred supplier. 2. Parish Finance Committee must consent to the request. 3. Bishop's consent is required before progressing to sale/purchase. 4. Bishop may act alone.
Above \$50,000 ²	1. For complex situations Bishop may require steps outlined in the "Parish Projects Policy" to be followed prior to permission being sought/granted. 2. Three (3) prices/estimates/quotes are required, or an 'expert's estimate' is obtained and compared to the price offered by the parish's preferred supplier¹. 3. Parish Finance committee must consent to the request. 4. Bishop's consent is required before progressing to sale/purchase. 5. Bishop will consult with his College of Consultors and Diocesan Finance Council before making a decision.
Above \$500,000 ²	1. The steps outlined in "Parish Projects Policy" must be followed. Bishop must obtain consent from his College of Consultors and Diocesan Finance Council before making a decision (above \$5.5 million also requires Papal Consent).
Please note: 1. If an expert's estimate cannot be obtained, the pastor is to provide an explanation why this is the case to the Bishop when he seeks consent. 2. When seeking consent the entire project cost must be taken into consideration.	

APPENDICES

APPENDIX 1

LEGAL ISSUES

N.B these notes are for your information only and do not constitute legal advice

1. THE CORPORATION SOLE

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

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

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

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

2. THE ATTESTATION CLAUSE

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

*"Signed by, the Roman Catholic Bishop of the Diocese of Hamilton
and sealed with his Seal of Office in the presence of ... etc."*

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

3. The Privacy Act 2020

Personal information concerning parishioners (their name, address, telephone number, email address, etc.) is collected by parishes for the purposes of both the parish itself and of the diocese, including diocesan organisations.

Parishes may disclose or share any personal information about its parishioners to the diocese, or to diocesan organisations such as Catholic Family Support Services, the Catholic Development Fund, the Catholic Care Foundation, or ethnic chaplaincies, with the express authority and consent of the parishioners concerned.

This can be achieved by ensuring at the time of the collection of personal information, adequate privacy notices and disclaimers are in place. These disclaimers should inform individuals that collection and disclosure of their personal information is for the purposes of administrative, pastoral and financial functions of the parish, Diocese and Diocesan organisations.

Under the principals of the Privacy Act 2020, primary and secondary schools are allowed to disclose attendance dues information to the proprietor and agents of the proprietor (including parishes) as one of the purposes for which that information is obtained.

All collection, disclosure and destruction of personal information by the parish, diocese and Diocesan organisations will be in accordance with the Diocesan Privacy Policy and Parish Records Retention and Disposal Schedules.”

4. TRUSTEESHIP

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

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

APPENDIX 2

GOODS & SERVICES TAX (GST)

1. All parishes are required to register for GST. A single registration, in the name of the parish, covers the taxable activity both of the parish and house accounts. Registration will enable the parish to claim back GST on parish expenditure and on a proportion of the house account related expenditure. Likewise, registration will mean that GST is payable on parish income, i.e. from the sale of Catholic newspapers, non-residential rental income and proceeds received on the sale of assets (subject to the exemption set out below).
2. GST is not however payable on "unconditional gifts" received by the parish. This includes collection income and the receipt of donations and bequests.
3. Since the majority proportion of a parish's income is typically from unconditional gifts, registration for GST means that, for the most part, parishes benefit from GST refunds. GST is normally only payable when major assets, e.g. land or buildings, are sold.
4. For the parish to maintain and preserve its GST status, however, two matters are vitally important.
 - a. The principal taxable activity of the parish, at the time of GST registration, should be described as "the provision of religious services", and
 - b. the parish must have a ***“regular activity”*** which generates a taxable income. A "regular activity" has been defined by the IRD to mean an activity which occurs, at a minimum, at least once in every 12 month period. One such regular activity is the sale of Catholic newspapers or Columban calendars through the parish. When items such as those are sold, then GST is payable on the proceeds received. If a parish does not have a “regular activity” of this kind then continued GST registration will be jeopardised. Accordingly, parishes must ensure that, at least once a year and in accordance with a regular pattern, they do sell something which comes within the definition of "religious services". In addition to Catholic newspapers or Columban calendars this could include, for example, prayer cards, Christmas cards, or even the parish bulletin itself.
5. GST is normally recoverable on all expenditure, including capital expenditure, related to churches and halls. Tax invoices/receipts must be retained by the parish to support all expenditure included in the GST returns (including receipt for expenditure from the house trust account).
6. Under Section 20 (3K) of the Goods and Services Tax Act 1985 GST can be claimed on all food and sustenance paid through the parish accounts for the priests, i.e. food, drinks, toiletries, etc. When the applicable GST is received and credited to the parish account care must be taken to ensure that a refund is made to the house account. In order to support the GST return all tax invoices/receipts must be retained by the parish.

7. For GST payable on the sale of parish land, churches and halls guidance should be sort from the Chancel Centre Finance Team for the current GST treatment

GST is not involved in allocations from parish income to the Diocese or the Clergy Trust Fund.

NOTES:

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

APPENDIX 3

INSURANCE

1. It is current diocesan policy that all property, including contents, is to be insured on a full replacement basis for all material damage risks including earthquake unless otherwise agreed in writing by the diocese.
2. The Diocese is a member of the NZ Catholic Church Insurance Scheme. The Scheme arranges a single policy of insurance covering all property placed under the Scheme by the six Catholic Diocese of New Zealand. In order to reduce the cost of cover the Scheme operates a self insurance scheme which in 2020 covered \$200,000 of each claim up to an aggregate of \$1m.

The policy of insurance effected under the Scheme is subject to agreed limits in respect of the total amount claimable as a result of a single event in New Zealand (in 2020 it was \$50m for all perils and \$250m for natural disaster). Members of the Scheme have agreed that in the unlikely event that claims exceed the limits the insurance proceeds will be shared by claimants on a pro rata basis, this could result in Parishes bearing some loss.

3. It is the responsibility of the parish finance committee to ensure that all parish buildings and their contents remain insured at all times.
4. Replacement values for buildings are determined by the diocese based on estimates provided on a regular basis by the appropriate qualified person such as a Quantity Surveyor or Valuer.
5. NB: The valuations obtained by the dioceses, however, exclude stained glass windows which should be included in the contents valuation (see next paragraph).
6. It is the responsibility of the parish finance committee to value all furniture, floor coverings, stained glass windows, sacred vessels, vestments, statues, and works of art, organs and other musical instruments, curtains and all other building contents.
7. Liability insurance increased costs of working, loss of rents (if applicable), and money insurance covers are arranged for all parishes by the diocese.
8. Insurance claims are progressed through the diocesan Insurance Brokers and contact should be made with them in the first instance. They will in turn contact the underwriters and the diocese and a decision will be made on the most expedient course to ensure a prompt settlement of any loss. Please contact the Diocesan Office where assistance with claims is required.
9. Mid term additions and/or deletions to the parishes' insurance schedule should be advised to the diocesan administration office and any premium adjustments can be processed if applicable.

APPENDIX 4

APPLICATION LETTER TO BISHOP **FOR PROJECT APPROVAL**

The Letter written to Bishop for project approvals needs the following information.

1. Name and address of applicant:
2. Parish:
3. Location of project:
4. Description of project (attach additional information if necessary): _____
5. Anticipated total costs of project and/or proceeds from sale.
6. How it is proposed to finance project: _____
7. Description of project management: _____
8. Strategic issues affecting project:
9. Description of consultation undertaken with community:
10. Level of Professional Input:
11. Attach evidence of Parish resolutions to proceed (if required): (Pastoral and Finance council)
12. Signature of Parish Priest

APPENDIX 5

FINANCIAL POLICY FOR PRIESTLY CHAPLAINCIES

Preamble:

This is a living document and will be revised from time to time to address new issues as they might arise.

This document is based on the letter of appointment from the Bishop and the terms agreed to between the Bishop and the Chaplain.

This policy is directed to those priests assigned specifically to a chaplaincy in the Hamilton Diocese.

1. The finances of each Chaplaincy will be managed according to the Diocesan Fiscal Management policy (available on the Diocesan Website).
2. Each Chaplaincy must have a Finance Committee of at least two members with some financial skills in addition to the chaplain.
3. The Bank Account will be opened by the Diocesan Office in the name of the applicable chaplaincy, eg RC Bishop of HamiltonChaplaincy.
4. Two signatories are required for each transaction. The chaplain would always be one of the signatories.
5. The Finance Committee will be responsible for maintaining the financial records through the approved accounting software, currently Xero. The Diocesan Office will be responsible for the setup of Xero and the training of users on the system.
6. All collections received are to be banked in their entirety without any of the collection being removed before banking. The protocols in place for Parish Collections are to be observed by the chaplaincy.
7. When activities related to the group are held around the Diocese and a collection is taken up – the money is to be deposited in the relevant chaplaincy account.
8. After a period of proven management of the finances of the chaplaincy in accordance with these financial policies, the Chaplaincy may request the Diocese to apply to the Charities Commission to become a registered charity under the RC Bishop of Hamilton Group. Upon receiving registration, the chaplaincy will then be able to issue donor receipts from their records to donors which will qualify for tax rebates.
9. Sustentation for the Chaplain will be supplied by way of an Eftpos Card from the parishes of residence House Accounts.

10. Car running costs will be split on a percentage basis across the assigned parishes.
11. Car depreciation costs will also be met at the above rate.
12. The chaplain is a beneficiary of the Clergy Trust Fund (CTF) of the Hamilton Diocese.
13. The chaplain will receive from the CTF the same stipend as all other priests working in the Diocese.
14. The authorised levy for the Clergy Trust Fund (currently 30%) should be deposited into the CTF account on a monthly basis.
15. It is the practice in the Diocese of Hamilton that donations received for weddings and baptisms are part of the CTF's income and are to be forwarded accordingly. Donations for funerals are received by the priest celebrant.
16. The chaplain is to report to the Bishop on a quarterly basis to keep him abreast of what is happening in the chaplaincy.

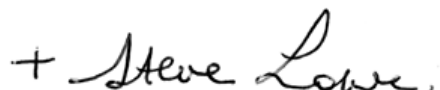
Enrolment in a Catholic School

Families normally obtain a Preference Certificate from the Parish.

The chaplain needs to familiarise himself with local parish practices before signing preference certificates.

The actual enrolment at any Catholic school is the responsibility of the School Principal.

The signing of Preference Certificates is attended to by the approved agent of the Bishop.

A handwritten signature in black ink that reads "+ Steve Lowe," with a small flourish at the end.

✠ Steve Lowe

BISHOP OF HAMILTON

31 January 2019