

He Pānui

Memorandum

Te Rā:	28 January 2019
Ki a:	TO – Diocesan Financial Administrators
Nā:	FROM - James van Schie, Executive Officer, NZCBC
Kaupapa:	SUBJECT – Update to particular legislation

Kia ora,

I am writing to advise you of some specific changes to particular legislation of the New Zealand Catholic Bishops Conference relating to *Acts of Extraordinary Administration* (Canon 1291) and *Alienation* (Canon 1292).

After consultation with the NZCBC Finance Committee, the bishops have received approval from the Holy See to update the maximum sum for *Alienation*. The bishops have also consulted with the NZCBC Finance Committee and agreed to update the thresholds required for *Acts of Extraordinary Administration*. I enclose with this memo a detailed outline of the updated legislation.

I have been asked to emphasise in the commentary for *Acts of Extraordinary Administration* that the ‘whole of project’ costs need to be accounted for when considering whether an application for permission is required. You will see reference to this in the commentary.

I would be grateful if you could promulgate this updated legislation within your diocese in the usual way. It is important that parish priests/administrators, along with diocesan and parish finance committees, are alerted to these changes. I am aware that some of you have preferred local formats, such as reference sheets, which you use to more easily reflect this legislation and you are of course welcome to use whatever format you feel is most effective.

Kind Regards

James van Schie

CANON 1277: EXTRAORDINARY ADMINISTRATION

Canon 1277: In carrying out acts of administration which, in the light of the financial situation of the diocese, are of major importance, the diocesan Bishop must consult the finance committee and the College of Consultors. For acts of extraordinary administration, except in cases expressly provided for in the universal law or stated in the documents of foundation, the diocesan Bishop needs the consent of the committee and of the College of Consultors. It is for the Episcopal Conference to determine what are to be regarded as acts of extraordinary administration.

In 2018 the New Zealand Catholic Bishops Conference approved the following levels for Acts of Extraordinary Administration in accord with Canon 1277:

1. If a parish priest (or Administrator or trustees of Church funds) wishes to make an expenditure he may spend up to \$5,000.
2. If a parish priest wishes to make an expenditure over \$5,000 but not more than \$15,000 he requires the advice of the Parish Finance Committee.
3. If a parish priest wishes to make an extraordinary expenditure over \$15,000 he requires
 - a) the advice of the Parish Finance Committee and
 - b) the permission of the Bishop.
4. The Bishop may authorize such extraordinary expenditure alone up to \$50,000.
5. If the Bishop wishes to authorize or make an expenditure from \$50,000 to \$500,000 he requires:
 - a) the advice of the Diocesan Finance Council and
 - b) the advice of the College of Consultors.
6. If the Bishop wishes to authorize or make an extraordinary expenditure above \$500,000, he requires:
 - a) the consent of the Diocesan Finance Council and
 - b) the consent of the College of Consultors.

The following are acts of extraordinary administration for diocesan Bishops:

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

COMMENTARY

Canon 1277 provides that the Episcopal Conference is to determine which acts of temporal administration constitute acts of extraordinary administration.

The Code distinguishes three categories of acts: ordinary administration (recurring expenditures), acts which in view of the particular circumstances of the diocese are of major importance (these are to be determined by each bishop in his diocese), and acts of extraordinary administration.

The total cost of a project should be taken into account when considering whether advice or consent is needed. Often projects of expenditure are made up of a range of items that individually may be under a set threshold but when these items are seen in the context of the whole project, consent or advice would be required.

Acts of extraordinary administration require the consent of both the Diocesan Finance Committee and the College of Consultors before they can be carried out validly.

Law suits are governed by the prescriptions of Canon 1288.

CANON 1292 §1: ALIENATION

Canon 1292 §1: Without prejudice to the provision of Can.638 §3, when the amount of the goods to be alienated is between the minimum and maximum sums to be established by the Episcopal Conference for its region, the competent authority in the case of juridical persons not subject to the diocesan Bishop is determined by the juridical person's own statutes. In other cases, the competent authority is the diocesan Bishop acting with the consent of the finance committee, of the College of Consultors, and of any interested parties. The diocesan Bishop needs the consent of these same persons to alienate goods which belong to the diocese itself.

The maximum sum for alienation or conveyance of Church property in New Zealand as mentioned in Canon 1292 §1 is NZ\$5,500,000.

The minimum sum for alienation or conveyance of Church property in New Zealand as mentioned in Canon 1292 §1 is NZ\$500,000.

When church land or buildings are to be sold, or other transactions entered into which could jeopardize the stable patrimony of a juridical person in the Church, the following norms of the Bishops' Conference are to be observed:

1. If a parish priest (or Administrator or trustees of Church funds) wishes to alienate up to \$5,000 he must first consult with the chairperson of the Parish Finance Committee.
2. If a parish priest wishes to alienate over \$5,000 but not more than \$15,000, he requires the advice of the Parish Finance Committee.
3. If a parish priest wishes to alienate above \$15,000 he requires
 - a) the advice of the Parish Finance Committee
 - b) the permission of the Bishop.
4. If the Bishop wishes to alienate between \$50,000 and \$500,000 he requires
 - a) the advice of the Diocesan Finance Committee
 - b) the advice of the College of Consultors.
5. If the Bishop wishes to alienate between \$500,000 and \$5,500,000 he requires

- a) the consent of the Diocesan Finance Committee
 - b) the consent of the College of Consultors
 - c) the consent of interested parties.
6. If the Bishop wishes to alienate above \$5,500,000 he requires
- a) the consent of the Diocesan Finance Committee
 - b) the consent of the College of Consultors
 - c) the consent of interested parties
 - d) the consent of the Holy See

COMMENTARY

Alienation, strictly speaking, is any act by which the right to ownership of ecclesiastical temporal goods is transferred to another. It includes any act by which the use of the right of ownership itself could be endangered, restricted, or diminished, e.g. by entrusting the running of an institution to a board.

Among the acts subject to these requirements, may be mentioned:

- *the sale of church land and buildings*
- *entering into long-term loans or mortgages,*
- *entering into long-term leases,*
- *issuing bonds and debentures,*
- *transfer of corporate ownership to lay boards*