



Proxies for Extraordinary Administration

All acts of extraordinary administration, (\$10,000 or more), require proxies to proceed, (as defined in Section 16-29, Parish Governance). This requirement is Diocese of Winona-Rochester policy and is set by Minnesota corporation law.

The parish or diocesan institution will, in writing, request the proxy from the Bishop and Vicar General of the Diocese of Winona-Rochester. Information supplied for proxy should include, (but may not be limited to), the following information:

- a. Description of the act of extraordinary administration (project)
- b. Timeline of the project
- c. Project estimate, including (as applicable):
 - i. Allowance for uncollectable pledges (typically 10% of total pledges)
 - ii. Debt service expense (a conservative interest rate of 7% is recommended)
 - iii. Allowance for contingency expense (typically 5 – 10% of project estimate)
- d. Supporting project documentation (as applicable), including copies of:
 - i. Contractor estimates
 - ii. Contracts / leases
 - iii. Purchase agreements
- e. Acknowledgement of the following items (as applicable):
 - i. All contracts will be reviewed by the diocesan liability insurance carrier, Catholic Mutual Group, prior to signature.
 - ii. Treatment/abatement of asbestos material will be handled in accordance with local, state or federal law, which requires asbestos to be removed by certified professionals. If a parish is fined for not following state regulations, the Diocese of Winona-Rochester and the Self-Insurance Program will not pay for those fines.
- f. The project needs to be recommended and supported by the Parish Finance Council and the Parish Pastoral Council.

Each project must meet minimum funding requirements. For projects commencing on or after July 1, 2010: A minimum of seventy-five (75) percent of the total estimate must be on hand. The remaining twenty-five percent of the project must be backed by documented pledges. Documentation should include itemized parish households, amount of individual pledges and timeframe during which pledges will be redeemed. Exceptions to the funding requirements must have the expressed written approval of the Bishop of Winona-Rochester.

The Chief Finance and Administrative Officer will facilitate the creation of the proxy and present to the Vicar General for review. (A minimum of two weeks should be allowed for processing and review). The conclusion of the review will yield one of the following outcomes:



- a. Approval of the proxy, including signature by the Bishop and Vicar General.
- b. A request by the Vicar General for the parish to present the project to the Bishop of Winona-Rochester and the College of Consultors.
Projects in excess of \$100,000 will be subject to review by the Diocese of Winona-Rochester College of Consultors.
- c. Denial of the proxy.

If the parish is required to present the project, the presentation materials (e.g. architectural drawings, PowerPoint presentation, etc.) must be submitted to the Chief Finance and Administrative Officer. Upon receipt, the Chief Finance and Administrative Officer will contact the pastor to confirm the placement of the parish on the meeting agenda.

After the presentation, the Bishop of Winona-Rochester, with the advisement of the College of Consultors, will elect to pursue one of three actions.

- a. Approval of the proxy, including signature by the Bishop and Vicar General.
- b. A request for further discernment and/or additional information. The request may also require a follow-up presentation.
- c. Denial of the proxy.

Upon approval of the proxy, the parish will initiate the work outlined in the document. If there a significant change in the scope of the project outlined in the proxy, (greater than \$10,000), a letter outlining the change must be submitted to the Chief Finance and Administrative Officer. Upon completion of the work, the pastor should submit a letter to the Chief Finance and Administrative Officer stating the closure of the project. The letter should reference the approval date of the original proxy request.

Diocesan Guidelines for Building and Renovation of Churches

See Appendix B.