



**POLICIES RELATION TO
TEMPORAL MATTERS**

Diocese of Great Falls-Billings

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PREFACE

Temporal goods provide the Church with the means to attain its purposes and goals. Book V in THE CODE OF CANON LAW specifically addresses the temporal goods of the Church and the general requirements for their administration. According to Canon 1276, the diocesan Bishop is ultimately "...responsible for supervising the administration of goods belonging to the Church. Administration refers to those actions or sets of actions which are directed to preserving church property; improving property or resources; managing the collection and distribution of income from a variety of sources, including offerings of the faithful and return on investments. It also includes keeping accurate records and properly reporting income and expenses."

The Bishop's responsibility for protecting the Church's goods is all inclusive within the diocese. Canon 1276 clearly intends this and, as a result, the temporal goods of diocesan parishes, missions, chapels and institutions are his to protect. The inclusive nature of the Bishop's responsibility to protect church goods throughout the diocese is also reflected in the organizational structure of the church. The Roman Catholic Bishop of Great Falls is incorporated as a "Corporation Sole". As such, the Bishop, as the corporation sole, legally owns the temporal goods of the diocesan church, including the temporal goods of all parishes, missions, chapels and diocesan institutions. This organizational structure simplifies fulfillment of the Bishop's protective role with regard to church goods.

To fulfill his responsibilities relating to the administration of diocesan goods, the Bishop is encouraged by THE CODE OF CANON LAW to provide more detailed directives for the orderly administration of ecclesiastical goods under his supervision. The CODE OF CANON LAW also recognizes the pastoral demands on the local bishop and therefore authorizes the appointment of a finance officer to provide the day to day administration of the church's temporal goods. The finance officer is responsible to the Bishop and, in our diocese, administers the church's temporal goods through the Business Office by development and implementation of the directives contained in this handbook which have been approved by the Bishop.



THE BUSINESS OFFICE

The Business Office provides services related to the administration of the Church's temporal goods to diocesan offices, parishes, missions, chapels and diocesan institutions. The following are areas of concern in which the Business Office provides assistance:

- A. Budgeting - Annual budget forms for those parishes and missions using a manual accounting system are included in the annual Budget Guidance mailed to the parishes. Parishes with computerized accounting systems may use computer generated budget forms. Assistance with the budgeting process is available upon request.
- B. Annual Financial Statements - Annual Financial Statements must be filed with the Business Office no later than September 15 for the fiscal year ending on the previous June 30. Reporting forms are included in the annual Budget Guidance mailed to parishes. Parishes using a manual accounting system must use these forms to file their annual report. Parishes with computerized accounting systems should not use these report forms. Rather, they must file computer generated financial reports including a Statement of Position (previously known as a Balance Sheet), a Statement of Activity (previously known as an Income Statement) and a Detailed General Ledger.
- C. Accounting Forms - Accounting ledger forms are available to those parishes using a manual accounting system.
- D. Health Insurance Enrollment Forms - Forms to enroll your lay employees as well as information on the diocesan group health insurance plan are available.
- E. Workers' Compensation - All diocesan, parish and institutional employees must be covered by the diocesan group Workers' Compensation Insurance Plan. Payroll information is reported to the Business Office quarterly on forms available from the Business Office. Premiums are billed quarterly to the employing entity. All accident claims must be filed promptly but no later than ten days after the accident on forms available from the Business Office. The employing entity is responsible for filing the accident report. A copy of the report must also be sent to the Business Office.
- F. Property and Liability Insurance - The only approved source for property and liability insurance coverage is Catholic Mutual Group under a diocesan policy. Questions on coverage or premiums should be directed to the Business Office or to Catholic Mutual Group, Omaha, Nebraska (1-800-228-6108).
- G. Diocesan Deposit and Loan Fund - Status of deposit or loan accounts is available by phone or letter upon request of pastor/pastoral administrator or delegated representative. Interest on deposits is either paid by check annually in July or redeposited based on the depositor's choice. Loan payments are made monthly in accordance with an approved amortization schedule.



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- H. Legal Counsel - Contact the Business Office if the need for legal advice arises. The Business Office acts as liaison between diocesan entities and the diocesan attorney.
- I. Building Commission - For new construction or renovation of existing facilities, the Bishop appoints a Building Commission to insure compliance with applicable norms. Contact with the Building Commission is made through the Business Office.
- J. Property Taxes and Special Assessments - Questions on these matters should be addressed to the Business Office.
- K. Annual Care and Share Appeal and Special Collections - These collections are coordinated through the Business Office.
- L. Parish Stewardship Program - Assistance in formulating a program or ordering additional materials is available through the Business Office.

The Business Office is located at:

Diocesan Pastoral Center
121 23rd Street South
Great Falls, MT 59401-3997

Mailing address: P.O. Box 1399
Great Falls, MT 59403-1399

Phone: 1-800-332-9998 or (406) 727-6683
FAX: 406-454-3480



RECORDKEEPING, BUDGETING AND REPORTING

- A. Adequate recordkeeping of income and expenses must be maintained by each parish, its assigned missions and diocesan institutions. The diocese accepts a manual or computerized accounting system if a general ledger is maintained and financial reports can be accurately produced to effectively manage church goods. Software from Parish Data Systems is approved for general use. Other accounting software packages may be adopted provided the using entity has prior approval of the Business Office.
- B. All parishes, missions and diocesan institutions are to use July 1-June 30 as their fiscal year for budgeting and annual reporting.
- C. Annual budgets must be submitted to the Business Office no later than June 15 for the next fiscal year beginning July 1.
- D. Annual Financial Statements must be submitted to the Business Office no later than September 15 for the prior fiscal year ending June 30.

PARISH FINANCIAL REVIEWS

Parish financial reviews are scheduled every four years or whenever a change in parish pastoral leadership is scheduled to occur. The purpose of the review is to assist the pastor/pastoral administrator in fulfilling pastoral responsibilities relating to the management of the parish's temporal goods. The review is conducted by an independent certified public accountant engaged by the diocese. The annual Budget Guidance identifies the specific vicariate(s) and parishes to be scheduled each year. The parish is responsible for funding the cost of the review plus out-of-pocket expenses which are billed directly by the CPA firm. The parish is also responsible for making available to the reviewer **all parish financial records**. Specific records to be made available during the review are identified in the appointment letter sent to each parish. Upon completion of the review, the reviewer will discuss pertinent financial issues with the pastor and appropriate staff. A written summary of review comments will also be provided to the parish and the Business Office for continuing action.

PROPERTY AND LIABILITY INSURANCE

- A. All properties are insured on a group basis through Catholic Mutual Group. Parishes and other entities are billed directly by Catholic Mutual for their share of the total premium. Diocesan entities may choose the level of property coverage:

Replacement Cost, Actual Cash Value, or Agreed Upon Amount. Replacement cost coverage provides reimbursement for a property loss based on the current cost of replacement minus the policy deductible. Depreciation of the asset is not a consideration in calculation in determining



the amount of loss. Unlike replacement cost coverage, actual cash value property coverage takes depreciation into account when a loss has occurred and the claim is adjusted. For example, if a diocesan entity has enjoyed the use of real property for one-half of its economic life when a loss occurs, the claim is adjusted such that the loss is equal to one-half of the replacement cost minus the deductible. Agreed Upon Amount property coverage may be considered only for those diocesan properties that will not be replaced if a loss occurs. Approval from the Business Office is required for Agreed Upon Amount Coverage.

Replacement Cost Coverage is the recommended coverage for all diocesan entities.

- B. Claims should be reported by each parish or entity directly to the Claims Department of Catholic Mutual Group, Omaha, Nebraska by calling 1-800-228-6108 Monday through Thursday 6:30 A.M. to 3:30 P.M. (Mountain Time) and Friday 6:30 A.M. to 10:30 A.M. (Mountain Time).
- C. A deductible of \$250.00 applies to all property losses, including theft.
- D. Copies of the ledger sheets issued by Catholic Mutual that detail the property and liability coverage for each parish or other entity should be kept on file at each location.
- E. Injuries sustained on church property should be reported to Catholic Mutual Group as soon as possible. Seek medical attention for the injured party or parties immediately if required. Priests, diocesan, parish and school employees should refrain from acknowledging any responsibility for an injury. Advise the injured that Catholic Mutual Group will be in contact with them.
- F. Questions concerning property or liability coverage may be addressed by Catholic Mutual Group or the diocesan Business Manager.

UNEMPLOYMENT INSURANCE

Effective January 1, 1998, church employees are subject to unemployment insurance taxes, just as they are subject to state withholding and Old Fund Liability Tax. Each parish or institution that has an annual payroll for the current or preceding calendar year that equals or exceeds \$1000.00 (remember that religious order priests and women religious are not considered employees of the parish or institution for payroll purposes) must register with the Montana State Department of Revenue as an employer subject to the state unemployment insurance law. To minimize the cost of unemployment insurance, each parish or institution meeting the annual payroll requirement must select the "Reimbursable Method" of payment for approved claims.

Remember that all priests and women religious are exempt from unemployment insurance taxes. Employers using the "Reimbursable Method" of claims payments must submit quarterly wage reports and pay the Administrative Tax on total wages paid each calendar quarter. The Administrative Tax rate is published each year in the Budget Guidance to parishes and institutions.



If a claim for benefits is approved by the state, the Department of Revenue will notify you monthly of the benefits charged to your account and you may pay these monthly or pay the entire quarterly charges within thirty days following the end of the quarter. Our schools, parishes, missions, chapels and other diocesan entities are exempt from paying Federal Unemployment Tax (FUTA).

WORKERS' COMPENSATION INSURANCE

- A. Montana requires that all employees be covered by Workers' Compensation Insurance. Therefore, all diocesan entities must be included in the diocesan group coverage with the State of Montana. No exceptions to this policy will be considered. Workers' Compensation Insurance is provided to all employees, including priests (both order priests and diocesan priests), women religious and lay employees.
- B. Diocesan entities must report payroll information by name, Social Security Number and work classification category code to the Business Office by the 15th of the month following the calendar quarter. Reporting forms are available from the Business Office. The Business Office will compute the premium due based on the payroll information provided and bill the diocesan entity accordingly. The fair market value of rectory housing is included as income for priests in determining the premium to be billed to the employing entity.
- C. Accidents and injuries to workers must be reported on forms available from the Business Office as soon as possible but no later than 10 days of the occurrence. Accident reports should be filed with the State with an information copy sent to the Business Office.

VEHICLES

All vehicles purchased by a parish or other diocesan entity must be titled in the name of the "Roman Catholic Bishop of Great Falls, Montana, a Corporation Sole," as owner. The vehicle should be registered in the county where it is garaged. Vehicle insurance is provided under the diocesan group automobile insurance policy which is managed by the Business Office. All vehicle titles should be sent to the Business Office. The diocesan entity controlling or utilizing the vehicle should keep a copy of the title for recordkeeping purposes.

The Business Office will bill insurance premiums to the owning entity annually. Vehicle operating guidelines are described under the section entitled "Vehicle Safety Policy".

Diocesan priests own their own vehicles individually and must secure their own automobile insurance. Religious order priests use vehicles owned by their communities and have insurance provided by their respective religious communities. Diocesan priests are encouraged to carry the maximum (at least \$50,000 or higher if available) in medical payments coverage provided by their



carrier. The premium for higher medical payments coverage is very inexpensive. If your carrier does not write coverage for more than \$5000.00, shop around for another carrier.

VEHICLE SAFETY POLICY

People are our most valuable resource. Other resources such as vehicles, equipment and facilities can be repaired or replaced following an accident. Diocesan personnel, be they employees or students, are fragile and not replaceable. Therefore, to insure the safety of our employees and students, the following procedures will be observed by all who operate motor vehicles owned by the diocese, parish or school:

- A. During an employment interview, a potential employee must complete the attached “APPLICATION FOR EMPLOYMENT DRIVER INFORMATION FORM” if driving a motor vehicle is included in the position description or the employee will operate a motor vehicle to fulfill job responsibilities. Any individual offering services on a volunteer basis must likewise complete the attached “VOLUNTEER DRIVERS FORM” if driving a motor vehicle, including a personally owned vehicle, is incidental to the services to be performed or will be operating a motor vehicle to fulfill the responsibilities or duties being volunteered. If responsibilities or services being provided by a current employee or volunteer are expanded to include the operation of a diocesan, parish or school owned motor vehicle, the employee or volunteer must provide the same information to the Diocesan Business Office. These forms may be copied for local use.
- B. The Diocesan Business Office will furnish the driver information gathered during the employment interview or upon the addition of duties requiring motor vehicle operations to the diocesan insurance provider to allow for a motor vehicle record check.
- C. If the motor vehicle record check reveals any of the following citations or convictions during the last three years, the employee will not be allowed to drive a diocesan, parish or school owned motor vehicle:
 1. hit and run
 2. failure to report an accident
 3. negligent homicide arising out of the use of a motor vehicle
 4. operation of a motor vehicle during a period of suspension or revocation
 5. using a motor vehicle in the commission of a felony
 6. operating a motor vehicle without the owner’s permission
 7. permitting an unlicensed person to drive
 8. driving under the influence of alcohol or drugs
 9. reckless driving
 10. drag racing
 11. any combination of lesser accidents and moving violations which total three



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- D. Each location will maintain a separate file on each motor vehicle operator to include a copy of the driver's license and any endorsements allowing operation of a school bus or van. During a risk management inspection by Catholic Mutual, these files should be provided to the inspector for review. During the annual risk management self-inspection, these files should also be reviewed and an appropriate annotation made on the self-inspection report.
- E. The driver of a motor vehicle must possess the proper license and endorsement to operate the motor vehicle.
- F. A motor vehicle driver who is at fault in an accident or is involved in more than one accident in a 12 month period, or who is cited for a moving violation, shall be required to attend a defensive driver's course.
- G. All school buses and passenger vans must be equipped with a first aid kit. As a minimum, these kits must include items to prevent the spread of disease by bloodborne pathogens such as rubber gloves, compression bandages, a plastic bag to dispose of gloves and bandages, paper towels and a plastic bottle of antiseptic solution.
- H. Each school bus or passenger van must be inspected annually by an "SAE certified" mechanic and required safety repairs made before the vehicle is returned to operation. A copy of the vehicle inspection and all maintenance and repair records must be kept on file.
- I. In addition to the yearly inspection, each school bus or passenger van shall be inspected by the operator prior to operations and again at the conclusion of operations. A suggested checklist and maintenance log are available from the Business Office. Problems noted should be repaired before the vehicle is returned to service.
- J. All motor vehicle operators will use seat belts and require their use for passengers if the vehicle is so equipped.
- K. For all diocesan, parish or school owned motor vehicles, the manufacturer's suggested maintenance schedule should be considered the minimum maintenance requirement and completed punctually. A more frequent or comprehensive maintenance program is recommended.



**APPLICATION FOR EMPLOYMENT
DRIVER INFORMATION**

Instructions: Please complete the form by supplying the requested information or checking the appropriate block.

Driver's License Information

First Name _____ Middle Name _____ Last Name _____
State _____ License Number _____ Exp. Date _____
Type: Automobile _____ Commercial Vehicle _____

Driving Experience

Employer _____ Address _____
City _____ State _____ Phone _____

School Bus _____ Type _____ Dates(from/to) _____

Passenger Van _____ Type _____ Dates(from/to) _____

Truck _____ Type _____ Dates(from/to) _____

Accident Record for past 3 years:

- 1)
- 2)
- 3)

Moving Traffic Convictions and Forfeitures for past 3 years:

- 1)
- 2)
- 3)



VOLUNTEER DRIVERS FORM

Name of driver _____

Address _____

Driver's license number _____

State where issued _____

Year, Make, Model of Vehicle _____

Your Insurance Company Name _____

Agent's name _____

Liability Insurance Coverage Limits _____

Liability coverage minimum requirement is \$100,000 per individual, \$300,000 per occurrence.

In order to provide for the safety of our students or other members of the parish and those we serve, we must ask each volunteer driver to list all accidents or moving violations they have had in the last five years:

Please be aware that as a volunteer driver, your insurance is primary. Depending upon the liability coverage you currently have, you may want to consider additional liability protection available through your agent.

Thank you for helping us with our transportation needs.

Volunteer Driver

Parish Representative



CLERGY COMPENSATION

- A. All clergy actively serving in the diocese and who are directly responsible to the Bishop are compensated according to a salary schedule published annually by the Business Office and mailed with the Budget Guidance to diocesan entities in February of each year. The salary schedule provides a monthly salary amount corresponding to the years of service since ordination calculated as of July 1. The salary schedule is reviewed annually and adjusted as required by the Diocesan Finance Council. The salary schedule assumes a priest will deposit all stipends and stole fees into the parish general fund. If a priest elects to retain stipends and stole fees, his monthly salary is reduced by an amount published annually in the compensation schedule.
- B. The employing entity must issue a W-2 form to report a diocesan priest's annual salary. Religious order priests do not receive a W-2.
- C. Priests receive reimbursement equal to 90% of their automobile expenses for a primary vehicle. This includes gas, insurance, licensing, tires, repairs, etc. Receipts are required; otherwise, reimbursements are considered as income and are subject to federal and state taxes.
- D. Mileage reimbursement for diocesan mandated travel is based on the IRS published rate promulgated in the Budget Guidance. If a priest drives over 18,000 miles per year in parish ministry, the employing entity will reimburse the priest at the rate per mile published in the annual budget guidance for mileage in excess of 18,000 miles per year to allow for the increased depreciation on the vehicle.
- E. The employing entity will be billed semi-annually for the contribution to the priest's retirement trust by Norwest Management & Trust Company. The annual amount is determined by the Clerical Benefit Association Board based on advice from their actuarial firm. Priests serving outside the diocese with the approval of the Bishop and who are employed by an entity other than the church are required to make their own retirement contribution to the Clerical Benefit Association. A religious order priest is allowed the same benefit as a diocesan priest.
- F. The employing entity pays the health insurance premium for the priest. Premiums are billed in advance by the Business Office three times per year. The annual premium is established by the Clerical Benefit Association Board. Religious order priests who have health insurance provided by another carrier are entitled to the same premium as a diocesan priest.
- G. Presbyterate dues are paid by the employing entity.
- H. Retreat expenses are 100% reimbursable by the employing entity. Travel expenses to an out-of-state retreat are not reimbursable.



- I. All costs to attend Presbyterate Assembly meetings are 100% reimbursable by the employing entity. Included are the cost of travel, meals and lodging.
- J. A priest accumulates an annual credit for continuing education. Credits may accumulate up to a maximum of three years. The annual credit amount is published in the Budget Guidance each year.
- K. Upon the death of a priest, the Diocese will contribute \$1000.00 to the estate of the deceased to help offset burial costs.
- L. Effective January 1, 1998, diocesan priests are no longer subject to Old Fund Liability Tax (OFLT) and the employer is not subject to the employer's portion of OFLT.

COMPENSATION FOR PASTORAL ADMINISTRATORS

The Pastoral Administrator receives from the parish an annual stipend/salary paid in monthly installments. This amount includes Social Security and retirement contributions.

For those Pastoral Administrators who are members of a religious community, the parish provides the following:

- a) Housing, including all furnishings, utilities and housing supplies (i.e., light bulbs, cleaning supplies, other consumable supplies, etc.). The parish is responsible for all maintenance and repair to the facility.
- b) All food expenses. This expense category should be budgeted annually in the parish budget to satisfy both the personal needs of the Pastoral Administrator and the parish's social obligations. Parish social obligations extend to sacramental ministers and other parish sponsored guests.
- c) Health and dental insurance through the diocese.
- d) Workers' compensation insurance through the diocesan group policy.
- e) Presbyteral/vicariate expenses, including meals, lodging and registration fees.
- f) 90% of all automobile expenses, to include insurance through the diocesan fleet insurance policy, all maintenance and repair expenses to the automobile, gas, oil and license and registration fees. The Pastoral Administrator will be responsible for the remaining 10% of the expenses. All expenses and requests for reimbursement must be supported with actual receipts.
- g) Retreat expenses up to \$300 per year will be reimbursed by the Parish.



For the Pastoral Administrator who is not a member of a religious community, an adjustment will be made to the annual salary for housing and food expenses if neither are provided by the parish.

In accord with diocesan policy, the Pastoral Administrator also receives from the Parish an annual credit for educational and professional purposes, which may accumulate up to a maximum of three years' credit.

Specific stipend/salary information is published annually in the Budget Guidance.

COMPENSATION FOR WOMEN RELIGIOUS

The following paragraphs provide minimum guidance on compensation for women religious.

The preferred model of compensation is the "market model." The market model provides compensation based on the position description and the education and experience required for the position. It is totally independent of any distinction between potential employees based on vocation. In other words, the employing entity is encouraged to compensate women religious in exactly the same way a lay person with the same skills and experience would be compensated for the same position. The diocese has adopted the "market model" to compensate women religious employed in diocesan staff positions. Parishes and other diocesan entities are encouraged to do likewise.

If the 'market model' has not yet been adopted by a parish or diocesan institution, reimbursement for women religious ministering in a parish or diocesan institution is determined by negotiation. The guidelines for negotiations are as follows:

- A. The parties in the negotiation can vary. For some groups of Sisters, the negotiation will be between the Congregation or Community itself and the parish or institution. In other cases, it will be between each individual sister and the parish or institution. In the latter instance, it is to be in accord with the policies of the religious community.
- B. The negotiation should take place annually, and it should reflect the increase in the cost of living. The final negotiation should be set forth in writing with copies in the possession of the woman religious herself, the Motherhouse or Congregation, the parish or institution, and the Diocesan Pastoral Office.
- C. Factors to be considered in the negotiation should include:
 1. Needs of the individual sister,
 2. Needs of the Congregation or Religious Community, including the amount each Sister is expected to send to the community for the costs of operation and support of the community,



3. In-service training needs of the Sister,
4. Status of the position,
5. The education and experience of the individual Sister,
6. The needs of the parish community,
7. The time-table for finalizing the negotiation determined by the religious community and the employing entity.

D. In addition to the salary, the parish or diocesan entity is responsible for:

1. Housing costs: a house or convent is provided, or reimbursement for actual housing costs,
2. Continuing education: \$300.00 per year accumulating for three years to a maximum of \$900.00,
3. On-the-job transportation costs,
4. Costs for hospitalization/health insurance and for retirement plans. Two approaches are possible:
 - a) Paid directly by parish or institution into a diocesan approved plan or
 - b) Added to the salary and paid by the sister to her own religious community.

E. In the exercise of ministry by women religious in the diocese (e.g., religious education, youth ministry, ministry to the sick, etc.), provision must be made for the adequate funding of the ministry itself.

LAY EMPLOYEE COMPENSATION

Lay employees in the diocese are compensated through negotiation with the entity by whom they are employed, e.g., diocese, parish, or other diocesan institution that is under the direction of the Bishop.

A. Diocesan Lay Employees

1. Salaries are determined by the requirements of the position and the qualifications and experience of the employee. The annual salary survey published by the National Association of Church Personnel Administrators (NACPA) is used as a guide in establishing salary levels for professional staff positions. Local wage rates are used to establish hourly



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rates for administrative staff. Cost of living adjustments for all lay employees are included in the annual budget request. Salary and wage adjustments are also made as required changes are implemented in position descriptions or as the employee advances to positions requiring additional skills, knowledge or specific experience.

2. Life, health, dental and disability coverage is provided for full-time employees and one-half of the family premium for health, life and dental insurance is paid by the diocese for those who select any of these coverages.
3. The diocese contributes 6% of an employee's gross salary into a retirement plan on behalf of the employee. The employee is fully vested at all times and may make voluntary pre-tax contributions into the plan.

B. Parish or Other Entity Employees

1. Salary and benefits are negotiated at the local level between the pastor or his designee and the employee.
2. Subject to acceptance by the insurance carrier, employees who work at least 20 hours per week are eligible to join the Diocesan Group Health Plan.
3. Parish or other entity employees are eligible to join the diocesan retirement plan providing the monthly contribution credited to each individual is at least \$20.00.

MEDICAL AND DENTAL INSURANCE COVERAGE FOR CLERGY

Medical insurance coverage for priests is provided through a group policy that is funded on a self-insured basis. For active priests, premiums are paid by the parish or other employing entity to which a priest is assigned. Medicare provides primary health care coverage for retired priests. Retired priests should enroll in Medicare Part B, hospitalization insurance. The premium for Medicare Part B is the retired priest's responsibility. For a retired priest, the group health plan is secondary to Medicare and functions as Medicare Supplemental insurance covering those costs that Medicare does not cover. Premiums for Medicare Supplemental Insurance for retired priests are paid by the diocese. Health insurance premiums for active priests are billed to the employing entity by the Business Office every four months.

Employee Benefit Management Services (EBMS) serves as third party administrator for the plan. All claims should be submitted to and are processed by EBMS according to the schedule of benefits listed in the "Catholic Diocese of Great Falls-Billings Clergy Group Health Plan" handbook. This handbook is provided to all clergy enrolled in the group plan and is updated periodically. The clerical Benefit Association determines the schedule of benefits and the annual premium.



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Active incardinated priests who work outside the diocese are expected to maintain their health insurance coverage through the diocesan group plan.

Dental insurance is provided to all enrolled group health plan members at no additional premium. Reimbursement for routine dental care is limited to 80% (50% for crown work) of the cost of care with a maximum annual reimbursement of \$500.00. Claims should be submitted directly to the Diocesan Business Office.

RETIRED CLERGY BENEFITS

For retired clergy who reside in the diocese and who are available for short-term parish/mission assignments, and who routinely supply for active priests, the diocese offers additional benefits. These benefits include payment of the following:

- all retreat fees including registration, meals and lodging and transportation for all retreats held within the state;
- for retreats held outside the State of Montana, retreat fees including meals and lodging (transportation fees are specifically excluded); and
- all fees associated with attendance at presbyteral meetings including room and board, registration and transportation costs.

PRIESTS' LAST WILL AND TESTAMENT AND FUNERAL ARRANGEMENTS

Every incardinated priest in the diocese is required to have a current copy of his will and funeral arrangements on file with the Bishop. The wills should be sealed when presented to the Bishop or his representative and will be opened by the Bishop only in the event of the death of the priest.

INSURANCE COVERAGE FOR DIOCESAN, PARISH, AND OTHER ENTITY LAY EMPLOYEES

Medical Coverage

The Business Office administers a group health policy in which any employee who works twenty hours or more per week is eligible for membership. An eligible employee may choose between a major medical policy or an HMO option. The schedule of benefits is negotiated each year to maintain the best available coverage at reasonable cost. Information on coverage options, costs and the schedule of benefits is published each year, usually in late June following signature of the contracts.



Dental Coverage

The diocese self-insures its dental coverage as an option to the medical coverage. It is available only to those who have medical coverage on the diocesan group plan. There is only one enrollment time for dental coverage, namely, at the time of enrollment in the diocesan medical plan.

Disability Coverage

The diocese offers a short term disability plan with a maximum of 26 weeks with no payments for the first seven days of any sickness or pregnancy. There is no waiting period for disability due to accidents. The weekly benefit is \$100.00 for those earning \$600.00 or more per month and \$75.00 for those earning under \$600.00 per month.

Life Coverage

This coverage, with a principal amount that varies by age grouping is only available when the parish or institution pays the total premium for all half-time or over employees. Individuals may not pay the premium themselves. Contact the Business Office for further information.

Retirement Plan

The diocese administers two retirement plans in which eligible parish and other entities' employees may participate. Employees contribute pre-tax dollars which earn investment income that is not taxed until withdrawn. Interested parties should contact the Diocesan Business Office for details of the plan.

DIOCESAN DEPOSIT AND LOAN FUND POLICIES

The diocese operates the Deposit and Loan Fund to provide parishes and other diocesan entities with a means to save excess revenues and borrow funds for operating capital or capital improvements.

Deposits

All excess funds of a parish or other diocesan entity beyond three months' operating expenditures are to be deposited into the Diocesan Deposit and Loan Fund. Deposits provide the source of funds for loans to other parishes/missions in need of capital. All deposits earn a stated rate of interest which may vary from year to year based on the overall performance of the diocesan portfolio. At all times, the deposit principal is guaranteed. Accounts are audited each year by an independent auditor and recorded as liabilities on the diocesan financial statement. Thus, there is never a chance that parish or other diocesan entity funds will not be available upon request. Interest on deposits will be paid once a year in mid July. Interest payments may either be



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reinvested or forwarded to the parish/mission upon request. All parish or other diocesan entity funds on deposit in the Deposit and Loan Fund are available to the depositor upon request of the pastor within a reasonable time period that allows for the availability of liquid funds. Usually, funds are available within 48 hours of the request.

Loans

All borrowing by parishes and other diocesan entities must be done through the Diocesan Deposit and Loan Fund with the approval of the Bishop. No parish or other diocesan entity is authorized to borrow funds from a commercial or private lending source. Funds for loans to parishes and other entities come from the Diocesan Deposit and Loan Fund which is funded by excess revenues from parishes and other diocesan entities. These loans are intended to assist the various parishes and other entities in major projects when some financing is needed or operating capital is required. If borrowed funds are intended to finance a construction, renovation or repair project, the parish or diocesan entity is required to have forty percent of the project cost in hand before seeking approval of the project and applying for a loan. If the borrowing entity is not debt free at the time of the request for project approval, all outstanding loans must be renegotiated at current interest rates and the entity must demonstrate the ability to service the total debt load.

Application for a loan is in the form of a letter to the Bishop outlining the project or proposed acquisition, the cost, and the funds available toward the total cost of the project. The letter should be signed by the pastor and the chairpersons of the Parish Finance Council and the Parish Pastoral Council.

All loans will be amortized on a monthly repayment basis with the term established by negotiation with the Business Office. In all cases, every effort will be made to negotiate a loan repayment term that is manageable within the parish or entity monthly operating budget.

All loans are provided at an interest rate established by the Diocesan Finance Council. Loans are simple interest loans with no penalty for early payoff.

PARISH CAPITAL EXPENDITURES FOR BUILDING PROJECTS, RENOVATIONS AND ACQUISITIONS

Parishes and other entities may spend up to \$10,000.00 for new or remodeling projects, acquisition of equipment, etc., upon the approval of the pastor in consultation with the Parish Finance Council and Parish Pastoral Council. Expenditures of \$10,000.00 and over must be approved by the Bishop who will consult with the Diocesan Finance Council in the event the request for expenditure exceeds \$25,000.00. Since the Diocesan Finance Council meets three times per year, expedited or "fast track" consideration of a request, in lieu of normal processing at the next regularly scheduled meeting of the Diocesan Finance Council, is available if justified by emergency or safety issues. Even though approval of expenditures of \$10,000.00 or less lies with



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the pastor, if a contract for services is involved, the Bishop is the only approved signatory of such a contract. Please see the section entitled "Contract Review Policy" for more details.

Requests for project approval must be submitted to the Diocesan Business Office at least 30 days prior to the regularly scheduled meeting of the Diocesan Finance Council. Upon receipt of a proposal for consideration by the Diocesan Finance Council, the Business Manager will ask the Bishop's liaison for planning to review the proposal. In dialogue, they will determine whether there is need for consultation with the Committee on Planning for Parish Ministries. If there is need for such consultation, this will be undertaken and the Committee will submit its recommendations to the Finance Council when the proposal is forwarded to the Council for its consideration.

These policies are to be followed whether or not the parish has the funds on hand to complete the project or acquisition:

- A. Competitive bids should be invited on all projects or acquisitions that will exceed \$10,000.00.
- B. Any contractor performing work on parish or diocesan property must furnish a certificate validating current insurance coverage for comprehensive general liability and complete operations liability coverage. Minimum limits should be \$250,000/\$500,000/\$50,000. Additional coverage may be required depending upon the scope of the contract.
- C. Performance bonds are required from contractors if the project will exceed \$15,000.00. However, this requirement may be waived for firms of proven reliability but only upon written permission of the Bishop or his designee.
- D. Architects engaged by any diocesan entity must first sign the standard AIA Contract Between Owner and Client, as amended by the diocesan attorney. Architects must also provide evidence of professional liability insurance (errors and omissions), currently in force, with minimum coverage of \$250,000. A higher limit may be required depending upon the scope of the project.
- E. At the discretion of the Bishop, proposed projects, new or renovations, may be reviewed by the Diocesan Building Commission prior to his granting permission to proceed with them.

SEQUENTIAL PROCESS FOR BUILDING, REMODELING, OR BUYING AND SELLING PROPERTY

The following steps are crucial elements to the building, remodeling or buying and selling of property. Please seek the advice of the Business Office as you proceed with the process. If the project includes renovation or construction of liturgical space, the Office of Worship is required to give guidance.



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- A. The pastor should obtain support of his parishioners for the project. Parish leadership should submit a master plan to the Diocesan Building Commission. This master plan includes a narrative addressing the present situation (site, structures, resources), the future situation (resources, population projections, celebration and space needs), and immediate needs (structure, space, parish education).
- B. The pastor must request permission in writing from the Bishop to build, sell or renovate or to engage an architect. If the project estimate exceeds \$15,000.00 the project must be submitted to the Diocesan Finance Council for their recommendation. Please plan ahead for project consideration by the Diocesan Finance Council since this body meets only three times per year (January, May and October). Expedited or “fast track” consideration of the request, in lieu of normal processing at the next regularly scheduled meeting of the Diocesan Finance Council, is available if justified by emergency or safety issues.
- C. The pastor may request assistance at this preliminary stage of the project from the Diocesan Building Commission. Liturgical projects require the advice of the Office of Worship.
- D. If a parish loan is needed, see the policy on the diocesan Deposit and Loan Fund.
- E. The Bishop will provide permission to engage an architect and sign the standard AIA contract for architectural services as amended by the diocesan attorney on behalf of the parish/diocesan entity.
- F. The pastor will convene preliminary conferences with parishioners and the architect. A liturgical design consultant may be required by the Bishop.
- G. The architect will provide preliminary drawings, specifications and cost estimates.
- H. The pastor or his designee should present preliminary project information to the Parish Council for support.
- I. Preliminary plans should be submitted to the Building Commission and the Liturgical Commission for comment and/or approval. These plans must include furnishings and a comprehensive consideration of the liturgical environment.
- J. If a loan is required for the project, contact the Business Office with the architect's estimate and the parish's financial statements for consideration by the Diocesan Finance Council.
- K. The pastor, working with the architect, the liturgical design consultant and the parish councils, must reach consensus on necessary revisions to the plan.
- L. The pastor must submit revised plans for approval to the Bishop, the Building Commission and the Liturgical Commission.



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- M. The architect should then prepare final drawings and specifications for the project with a list of bidders. The architect should also submit a proposed contract between owner and contractor for review and amendment as required to the Business Office.
 - N. The architect must meet with parish representatives for review of the revised contract documents and bidders' list.
 - O. Final project documents should also be sent to the Business Office, the Building Commission and Liturgical Commission.
 - P. The architect will put the project out for bids, including the contract between owner and contractor. The project documents should include a scheduled bid opening date.
 - Q. The pastor must send all bids to the Business Office for review and approval by the Bishop.
 - R. The Bishop will sign the project contract and award the contract based on input from the Business Office, the diocesan attorney, the pastor and the architect.
 - S. The Bishop will sign any subsequent contract change orders required for completion of the project.
 - T. Upon contract completion, the parish should contact Catholic Mutual Group for property and liability insurance on the new project.

POLICY FOR SALE OR PURCHASE OF ALL DIOCESAN PROPERTY

This policy is committed to writing for the guidance of all concerned in order that all matters concerning real property under the ownership of the Roman Catholic Bishop of Great Falls, Montana, a Corporation Sole, shall conform to the requirements of Canon Law and Provincial regulations.

The following procedures shall govern the sale or purchase of all real properties that are sold or purchased in the name of the Roman Catholic Bishop of Great Falls, Montana, a Corporation Sole, after consultation with the Diocesan Finance Council and the Diocesan Consultors:

- A. All diocesan properties shall be under the ownership of the Roman Catholic Bishop of Great Falls, Montana, a Corporation Sole;
- B. The purchase or sale of any real property shall have the prior approval of the Roman Catholic Bishop of the Diocese of Great Falls-Billings;



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- C. The sale of all real property shall be for cash only. Contract sales or deferred payment sales shall not be entered into in the disposal of any diocesan real property;
- D. Only surplus properties shall be sold (surplus meaning properties that no longer are used or will be used in the foreseeable future by a parish or the diocese) and the following procedures shall be adhered to in determining a property to be surplus:
1. If the property is located in a parish, the pastor/pastoral administrator and the Parish Finance Council shall submit a statement to the Bishop detailing the reasons for recommending that the property be classified as surplus. Within a reasonable time, the Bishop shall respond to the recommendations of the pastor/pastoral administrator and the Finance Council.
 2. If the property is not connected to any parish, the Diocesan Building Committee shall review the status of the property and make a recommendation to the Bishop whether or not it should be designated as surplus.
- E. After the property has been declared surplus, and prior to its being placed on the market for sale, the value of the property shall be established in one of the following ways:
1. If the property is obviously worth \$125,000 or less, one appraisal by a bank official, realtor, or other person familiar with real estate values by virtue of his/her occupation shall suffice;
 2. If the property value obviously exceeds \$125,000 but is probably less than \$175,000, two appraisals, one of which shall be done by a licensed appraiser, shall be made of the property;
 3. If the property value will probably exceed \$175,000, two appraisals, both by licensed appraisers, shall be made of the property.
- F. All purchase offers for any real property shall be submitted to the Bishop for his approval prior to the making of any commitments, either formal or informal, to sell the property.

POLICY FOR REVIEW OF CONTRACTS AND CERTIFICATES OF INSURANCE

The purpose of this policy is to outline the procedures for executing contracts and to set out the requirements relating to insurance and the contract language which places responsibility in the event of loss.

Since the Roman Catholic Bishop of Great Falls, Montana, a Corporation Sole, is the only legal entity in the diocese, no parish or other entity under the jurisdiction of the Bishop of the Diocese of Great Falls-Billings may enter into or execute contracts, leases, or other legal instruments. If a parish or other entity requires a legal document to be executed in the normal course of its



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business, the parish/entity should submit all necessary information to the Diocesan Business Office. The Business Office will prepare the document and submit it to the Bishop for execution.

The terms and conditions of all contracts entered into by the diocese on behalf of parishes, schools, agencies and offices of the Diocese of Great Falls-Billings must be carefully reviewed by the diocesan attorney before execution as set out below.

The more common types of contracts are:

- New Construction
- Remodeling and Renovation
- Repair and Maintenance (Painting, Roofing, Electrical, Asphalt, etc.)
- Leases (as Tenant or as Landlord)
- Professional Services (Architect, Fund Raiser, Consultant, etc.)
- Services (Catering, Food Machines, Housekeeping, etc.)
- Hired Equipment (Carnivals, Rides, Buses, etc.)

General Requirements

Contract language must provide that the Contractor assume responsibility for any loss (bodily injury, death, and/or property damage) that occurs as a result of performance of the contract. The contract should not contain any agreement to waive any right or action against the Contractor in the event of a loss. The contract should not contain any agreement to "indemnify" (i.e. a provision which requires the Owner to protect and defend the Contractor against any claim resulting from any loss) the Contractor. In addition, the Contractor must provide evidence of insurance covering the risks and exposures associated with the performance of the contract. The forms and amounts of insurance required of the Contractor will vary depending on the type of contract and the risks and exposures to loss associated with the contract.

Forms of insurance that might be required of a Contractor, depending on the type of contract, are as follows:

- Broad Form Comprehensive General Liability, including coverage for:
 - Bodily Injury and Death
 - Personal Injury
 - Property Damage
 - Fire Legal Liability
 - Products and Completed Operations
 - Contractual Liability
 - Underground Explosion or Collapse
 - Independent Contractors
 - Premises Operations



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- Automobile (Vehicle) Liability with coverage extended to "any auto"
- Builder's Risk
- Surety Bonds
- Professional Liability (Errors and Omissions)
- Workers' Compensation including Employers' Liability

Contractors typically provide a Certificate(s) of Insurance as evidence of insurance coverage. The Certificate must be carefully reviewed for the type and amounts of coverage and for expiration dates of coverage. With the exception of coverage for Professional Liability and Workers' Compensation, the Certificate of Insurance must contain the statement "The Roman Catholic Bishop of Great Falls, Montana, a Corporation Sole and all its agents, servants, and employees are additional insured parties." The Certificate of Insurance should also contain the statement that the insurance company will give at least 30 days notice in the event of cancellation of the insurance.

For most types of contracts the Diocese requires \$1,000,000 of coverage in what has been determined to be the appropriate forms of insurance. However, there are exceptions when a higher or lower amount of coverage may be appropriate depending on the type of contract and the risks and exposures associated with the contract. The Business Office should be contacted to determine the forms and amounts of insurance coverage required of a Contractor.

Review Process

The contracting location (parish, school, institution or office) is responsible for providing the necessary information about the proposed contract to the Business Office. The contract will be carefully drafted by the Business Office to make certain that the terms

and conditions are satisfactory and that they protect the interests of the Diocese. For purposes of this policy, particular emphasis is to be given to contract language which relates to responsibility in the event of a loss. The interest of the Diocese must be protected by making certain that the Contractor is held responsible, through the contract language, for any loss that occurs as a result of performance of the contract. Also, the Contract should not waive any right to a future action against the Contractor for any loss arising out of the performance of the contract. In addition, the contractor must present a current Certificate of Insurance evidencing the appropriate forms and amounts of insurance and containing the required "additional insured" language. Typically, all contractors will be required to carry three types of insurance: Public Liability, Worker's Compensation and Vehicle Liability.

The following procedures shall be observed :

A. Hired Equipment



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All necessary information for preparation and execution of a contract must be sent to the Diocesan Business Office. Certificates of Insurance are required and will be reviewed before execution of the contract, regardless of the amount of the contract.

B. Leases

All necessary information must be submitted to the Diocesan Business Office for preparation and execution of a lease. Certificates of Insurance are required and must be included with the information sent to the Diocese. The Business Office shall be responsible for coordinating the review of the Lease Agreement and securing the signature of the Bishop as Corporation Sole.

C. Professional Services

1. Requirements for feasibility studies by Architects must be submitted to the Diocesan Business Office for contract preparation and execution. There are no specific insurance requirements for Architects conducting feasibility studies.
2. All other requirements for architectural services must be submitted to the Diocesan Business Office for preparation and execution of a contract. A Certificate of Insurance evidencing the Architect's Professional Liability Insurance is required and must be submitted prior to drafting of the contract. The contract language must provide that the Architect will cover the project with Professional Liability Insurance for a minimum of three years following substantial completion.
3. All other requirements for Professional Services must be submitted to the Diocesan Business Office, along with the appropriate Certificates of Insurance. The Business Office will provide for the preparation and execution of the contract.

D. New Construction

After approval by the Diocesan Finance Council of a requirement for new construction, construction plans must be reviewed by the Diocesan Building Commission. This includes all free standing structures and additions to existing structures. The Diocesan Business Office will coordinate the review through the Building Commission and establish the appropriate insurance requirements. The Diocesan Business Office will also provide for the preparation of the contract and execution by the Bishop as Corporation Sole.

E. Remodeling and Renovation

The Chairperson of the Building Commission should be contacted early in the planning process to determine if the project will require review by the Building Commission. If liturgical worship space is being remodeled, a representative of the Building Commission and the Liturgical Commission will visit the contracting location and evaluate the proposed changes in a report to



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the Bishop. In every case, the parish or other diocesan entity must be in contact with the Business Office at the Pastoral Center. The Business Office will facilitate initial contact with the Building Commission and Liturgical Commission.

All Architect contracts and any other contracts associated with the project will be prepared by the Business Office for execution by the Bishop. Appropriate Certificate(s) of Insurance must be submitted to the Business Office. A Certificate of Insurance evidencing the Architect's Professional Liability Insurance is required. The contract language must provide that the Architect will cover the project with Professional Liability Insurance for a minimum of three years following substantial completion of the project.

F. Repair and Maintenance

Any project for maintenance and repair of Church property must be sent to the Business Office for preparation and execution of a contract by the Bishop as Corporation Sole. Appropriate Certificates of Insurance are required and should be submitted to the Business Office for review. A contract for work requirements estimated at less than \$10,000 will be executed by the Bishop as Corporation Sole upon the approval of the pastor/pastoral administrator.

G. Service Contracts

When a Service Contract exceeds, or may reasonably be expected to exceed \$10,000, it must be sent to the Business Office with the appropriate Certificate(s) of Insurance for execution by the Bishop as Corporation Sole. Service Contracts of less than \$10,000 must be submitted to the Diocese for execution by the Bishop upon the approval of the pastor/pastoral administrator.

\$10,000 Rule

Any parish, school, office or agency which is part of the Corporation Sole may not execute a contract which is for an amount, or may reasonably be expected to be in an amount of \$10,000 or more. All such contracts must be approved by the Bishop. Contracts of less than \$10,000 must be submitted to the Business Office for execution by the Bishop upon the approval of the pastor/pastoral administrator.

USE OF PARISH FACILITIES AND THIRD PARTY SPECIAL EVENTS INSURANCE COVERAGE

Parish facilities are commonly used by parishioners and organized groups for various activities. The decision to charge rent for the use of the facilities is left to the discretion of the parish or mission. However, in every case, the issue of liability coverage must be carefully considered. If the function is liturgical or part of the parish ministry, liability coverage is provided by Catholic



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Mutual Group. Wedding receptions, anniversary and birthday parties, socials and family reunions are not considered liturgical functions or parish ministries. Please note that these examples are not all inclusive. In such cases, liability insurance from Catholic Mutual Group does not extend to the event. Insurance is available, however, from Catholic Mutual by request to the Business Office at least two weeks before the event. The request is made on the attached "Certificate of Contractual coverage for Protected Person(s)" form which may be locally reproduced. The cost of this third party special events coverage should be paid in advance based on rates published in the annual Budget Guidance. If the group is formally organized, the group usually has liability insurance already in place. In this case, the group's insurance carrier should issue a certificate of insurance naming the parish and the Roman Catholic Bishop of Great Falls as additional insured parties before the scheduled event takes place.



RENTAL INDEMNITY AGREEMENT

(Parish)

(Location)

(Renter)

As persons (or group) using _____, we agree to protect, indemnify and hold harmless the Diocese of Great Falls-Billings and _____ from any and all loss, cost, damage or expense, arising out of or from any accident or other occurrence on or about these premises, causing injury to any person or property, and will protect, indemnify and hold harmless the Diocese of Great Falls-Billings and _____ from any and all claims, cost or expenses arising from any failure of the user in any respect to comply with and perform all requirements and provisions agreed to and required by law or ordinance, during the rental period. We understand that it is our responsibility to obtain personal or group liability insurance coverage for the time of our use of the building.

Date: _____

Signature: _____



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**DIOCESE OF GREAT FALLS-BILLINGS
CERTIFICATE OF CONTRACTUAL COVERAGE FOR
PROTECTED PERSON(S) (LESSEE)
SPECIAL EVENTS COVERAGE**

Please provide all information requested on this form

Name of Parish or Institution _____

Type of Special Event (Example: Wedding, Dance,
Etc.; Please Specify): _____

Street Address: _____
City/State: _____ Zip: _____

Date of Event: _____

Lease Information:

Requesting Contractual Coverage (Additional
Protected Person[s]) *Protected person(s)

Time of Event: _____

Approximate Number of Participants: _____

Contact Person:

Is liquor being served: _____
Yes No

Name: _____
Street Address: _____
City/State: _____ Zip: _____
Telephone: _____

Is food being served? _____
Yes No

**NOTIFICATION OF AN EVENT MUST REACH THE DIOCESAN OFFICE
AT LEAST 15 DAYS IN ADVANCE OF THE EVENT.
SUBJECT TO APPROVAL**

Special Event Contractual Coverage:

CATHOLIC MUTUAL RELIEF SOCIETY OF AMERICA

Cost of Coverage:

\$_____ Per Event

** Amount of Contractual Liability:
Includes Host Liquor Liability (if applicable)

\$500,000 – Bodily Injury, Property Damage, Host Liquor
Liability

** Limited to the Diocesan Contractual
Covered as Provided in Certificate
No. 8560

Coverage does not apply to:
a) first \$250 liability
b) losses resulting from mechanically operated amusement
devices; or to any person participating in any contest or
exhibit of an athletic or sports nature.

★ _____
*Signature of Protected Person(s)

This coverage is excess of any other available insurance.

COMPLETE, SIGN AND RETURN THIS FORM TO:

**Diocese of Great Falls-Billings
Chancery Office
PO Box 1399
Great Falls, MT 59403-1399**

Distribution: Original – Lessee, Copy – Parish or Location



FEDERAL, STATE AND LOCAL TAXES

- A. Church entities must pay or collect for payment federal and state income taxes, Social Security (FICA) and Medicare taxes, real estate assessments, real estate taxes in some instances, and income taxes on unrelated business income.
- B. Churches and related religious activities under their control are generally exempt from most taxes. All parishes and organizations listed in the Official Catholic directory published annually by P. J. Kenedy & Sons are exempt from federal income taxes.
- C. Church structures, parish centers, rectories, retreat centers, convents, schools, parking areas and playgrounds are exempt from real estate taxes but not from special assessments such as street lighting, sewer and water improvements, street paving, etc. Church-owned buildings used for purposes other than those listed above or vacant buildings or land are subject to real estate taxes.
- D. Church entities are not exempt from payment of various licensing fees, e.g., auto license tags, inspection fees, building permits.
- E. Schools are exempt from federal excise taxes, e.g., telephone, motor fuels, but the exemption must be applied for by the schools.
- F. Social Security and Medicare taxes must be withheld and paid to the Federal Government on each employee's earnings. Anyone who performs services is an employee if you, as an employer, can control what will be done and how it will be done. This is so even when you give the employee freedom of action. What matters is that you have the legal right to control the method and result of the services. The Federal Government will exact penalties and interest if parishes fail to withhold taxes when required. So-called independent contractors are usually not independent; they are employees if the parish directs the tasks to be accomplished and the method of accomplishment. (Note: Priests are not employees for Social Security and Medicare purposes; they are considered to be self-employed. Parishes should not incur any Social Security or Medicare expense for priests.) The amount withheld from the employee must be matched by the employer and remitted to the Federal Government.
- G. Church entities must report compensation of \$600.00 or more paid during the calendar year to all individuals and businesses, except those incorporated, who are considered self-employed for income tax purposes. Obviously, this does not apply to anyone from whom income tax and/or Social Security contributions are being withheld.
- H. Failure to file appropriate government reports or to file late reports can result in severe penalties. Each church entity should be certain that someone is delegated this task in order to prevent unnecessary financial expense from penalties.



GOVERNMENT QUESTIONNAIRES

With increasing regularity, departments of the Federal Government and agencies of the State of Montana are looking into the affairs of the Church through questionnaires, surveys, and other forms. Pastors, principals, and administrators are directed not to complete or return any such form without consulting either the diocesan Business Manager if it pertains to a parish or the diocesan Superintendent of Schools if it is directed at a school. An incorrect reply could jeopardize the tax-exempt status of the Church.

LEGAL DOCUMENTS

Since the Roman Catholic Bishop of Great Falls, Montana, a Corporation Sole, is the only legal entity in the diocese, no parish or other entity under the jurisdiction of the Bishop may enter into contracts, leases, or other legal instruments. Employment contracts are the exception to this policy and may be issued by a parish or entity. However, employment contracts should be issued only to those classified as professional level employees and the term of any contract should not exceed one year.

Note that in the discussion above, the legal name of the Catholic Church in Eastern Montana is the "Roman Catholic Bishop of Great Falls, Montana, a Corporation Sole." We often conduct routine business as the Diocese of Great Falls-Billings, but this is not our legal name and therefore can not be used on any legal documents.

If a parish or other entity wishes to enter a contractual relationship or requires a legal document for whatever purpose, the parish should forward a draft document, complete with terms, to the Business Office. The Business Office will obtain legal review of the document, incorporate any changes required, and obtain the approval and signature of the Bishop as the Corporation Sole. Executed copies of the document will be returned to the parish.

If legal advice is needed by the parish or other entity, contact the diocesan Business Manager who will serve as a liaison between the parish or other entity and the diocesan attorney. Since Care and Share funds are used to pay legal fees, there is no additional charge to the parish or other entity for legal advice.

LEGAL COUNSEL

The diocese retains the law firm of Davis, Hatley, Haffeman & Tighe, P. C. as the official diocesan attorneys. The firm will represent the diocese on all legal matters that affect the diocese as a whole and, at the discretion of the Bishop, may be involved in legal matters that affect an individual parish.



Our attorneys review all leases, contracts, deeds, real estate closings, etc., before consideration by the Bishop. Please allow sufficient time for this review when submitting documents for signature.

If a parish or other diocesan entity becomes aware that it may become involved in any legal action, the parish or diocesan entity should contact the diocesan Business Office immediately.

COPYRIGHT LAW

Many people do not understand the “copyright law” per se and its many legal implications. The circled C “©”, followed by a date and the publisher’s or composer’s name, means that the composition is protected by one of the oldest laws on the federal statute books, and reproduction is legally restricted. The law is designed with a two-fold protection in mind: (1) to protect the composer or author and the fruits of perhaps a lifetime of study, writing and financial outlay, and (2) to protect the publisher who has invested from hundreds to perhaps thousands of dollars in making an edition available to the public.

It is an infringement of the copyright law to print or duplicate in any form or manner whatsoever any copyrighted material unless written permission has first been obtained from the copyright holder. When this permission is granted, the owner of the copyright usually requires that a notice of this permission appear in the publication.

All English liturgical texts (Mass texts, sacramental rites, etc.) are copyrighted by the International Committee on English in the Liturgy, Inc. For reprint permission, write to Secretariat, I.C.E.L., 1330 Massachusetts Avenue NW, Washington, D.C. 20005.

Permission is also required to print or duplicate the words and/or music of copyrighted songs. This applies to recordings as well as to printed copy. The name of the copyright owner and usually the address will appear with the publication or recording which contains the song.

PERSONAL COMPUTER SOFTWARE AND THE FEDERAL COPYRIGHT LAW

The diocesan policy regarding the illegal duplication and use of pirated software requires all diocesan employees to comply with the law that basically states:

Anyone who purchases a copy of software has the right to load that copy of software onto a single computer and make another copy for archival (backup) purposes only. It is illegal to use that software on more than one computer or to make or distribute copies of that software for any other purposes unless specific permission has been obtained from the copyright owner.



DIOCESAN FINANCE COUNCIL

Canon Law requires each diocese to have a Finance Council. The number of council members is arbitrary but has been between 13 and 16 since the formation of the first council in the Diocese of Great Falls-Billings in 1979. The term of appointment is five years, renewable for additional five-year terms. All appointments are made by the Bishop.

The purpose of the council is to provide the Bishop with advice and counsel on matters of diocesan finances in order to assist him in structuring sound fiscal policies in the management of the diocesan resources.

The scope of the matters to be addressed include, but are not limited to, diocesan policies on the Deposit and Loan Fund, on acquisition and disposal of property, on major building or remodeling projects by parishes, on financial planning and budgets, on periodic reviews of the diocesan investment portfolio, and on current and deferred giving programs.

DIOCESAN BUILDING COMMISSION

This is a three to five member group appointed by the Bishop for indefinite terms of office. The Building Commission's main purpose is to serve as an advisory body to the Bishop when, at his request, the commission is asked to review plans for building or remodeling projects for any structures under the ownership of the Roman Catholic Bishop of Great Falls, a Corporation Sole.

The normal procedures the commission follows upon a request from the Bishop for evaluation of a proposed project is an on-site visit at which time the members consult with the pastor, the Parish Finance Council, and the Parish Pastoral Council or delegates appointed by these two bodies to represent them.

After the commission has reviewed the proposal, one of its members is delegated to draft its evaluation and recommendations. Following a discussion of the draft by the members, a final report is prepared and presented to the Bishop.

DIOCESAN CARE AND SHARE COMMITTEE

This 12 to 15 member committee is appointed by the Bishop and serves at his pleasure. Generally, its membership is structured so that each vicariate is represented by at least one priest and one lay person. The term of appointment is five years, renewable for additional five-year terms. All appointments are made by the Bishop.

The committee usually meets once prior to the appeal to plan its theme, to discuss the allocations and solicitation materials, and to establish the time table for the appeal. A follow-up meeting to evaluate the results of the appeal is held at the discretion of the Bishop.



The Business Office coordinates the work of the committee.

CARE AND SHARE APPEAL

This annual appeal is held on the first weekend in March. Its proceeds underwrite many of the services offered by the diocese as well as funding 6 of the special collections mandated by the United States Catholic Conference. In addition, because of the successes of the appeal in the past, there has been no cathedraticum (assessments on the parishes for support of the Bishop and diocesan programs) for the last 25 years.

The Business Office coordinates the appeal, assisted by the Diocesan Care and Share Committee and the Pastoral Center personnel. All proceeds are forwarded to the Business Office by the parishes as soon as they are received; and periodic status reports are prepared by the Business Office and distributed to the parishes.

Parishes/missions are assessed an equitable portion of the diocesan goal for the Care and Share Appeal based on adjusted ordinary income. Parishes/missions are expected to satisfy their assessments by October 31 of each year. If contributions by parishioners are less than the assessment by October 31st, parishes/missions are expected to make up the difference from their general fund.