

Diocese of Rockford
Stewardship and the Assessment System
Approved on May 1, 1998
by Bishop Thomas Doran
Updated March 2009

Capital Projects

I. Basic definitions and observations

Capital projects are defined as the construction of new buildings, remodeling or repairing existing buildings, or the purchasing of new equipment, land or buildings which exceed \$12,500.

Normally, revenue for capital projects and debt associated with the project are raised through a combination of an approved capital campaign and supplemented with Parish Ordinary Income. Some parishes have paid for capital projects using Parish Ordinary Income only.

II. Diocesan Policy Statements

Implementation of Stewardship Goal

When parish leadership is conducting a campaign for capital improvements, new building projects or debt reduction, these types of projects should be presented to the people within the context of the Church's Stewardship teachings.

Statement of Diocesan Assessment Goal

To establish parity between parishes which choose either the "Parish Ordinary Income only" option or the "capital campaign" option.

Statement of Procedures

- 1) Capital projects must be planned in accordance with the *Uniform Procedures for the Purchase of or Contract for Land, Building Remodeling, and Improvements*. A letter of request must be submitted to the Diocesan Bishop outlining the project.
- 2) Capital projects are not capital projects until the Diocesan Bishop gives initial approval for the plan and it is entered into the Diocesan Capital Projects log. As part of the approval process the parish must indicate the means of fund raising by either: a) conducting a capital campaign and using Parish Ordinary Income as supplemental, or b) using Parish Ordinary Income only. The diocesan project approval letter will include a statement recognizing the fund-raising method to be employed by the parish. Three – five years will be the normal timeframe to conduct capital campaigns and to redeem pledges.
 - a) If the parish is approved to conduct a capital campaign, revenues from the drive will not be used in the calculations for the diocesan assessments. Parish Ordinary Income used toward the capital project will not be deducted from Ordinary Income before diocesan assessments are calculated.

- b) If the parish is approved to fund the capital project through Ordinary Income only, a maximum of 20% of the parish's Ordinary Income will be deducted from Ordinary Income before diocesan assessments are calculated.

For this "Parish Ordinary Income only" option the parish must have adopted most of the 8 Characteristics of a Stewardship parish and agrees to the following conditions:

- a) no capital campaign
- b) no special envelopes
- c) no other fund-raising activities for the capital project
- d) no other second collections (except a poor box)
- e) no formal memorial drives for non-endowment purposes
- f) parish must demonstrate ability to pay capital debt within 15 years.

[Note: While not reducing Ordinary Income, bequests or unsolicited special donations do not disqualify the parish for this deduction.]

- 3) If the Capital Campaign is initially chosen and when the three to five year capital campaign payment period is completed, the parish must formally decide which method it will choose to pay off the remaining debt. It may either choose the Parish Ordinary Income method, or choose to conduct a debt reduction drive and introduce a special envelope for that purpose. Written permission from the Vicar General is required.