Capital Expenditures

A. The pastor/administrator has authority to spend up to $25,000 (or 10% of the ordinary income of the parish) for capital items, professional services, construction contracts, or other expenditures (e.g., furniture, liturgical items, office and rectory furnishings and equipment, and parish vehicles.) For projects or items exceeding $5,000, at least two written bids are recommended and the Finance Council is to be informed in advance of the expenditure.

B. Pastors must obtain the written approval of the Bishop for all capital expenditures in excess of $25,000 (or 10% of the ordinary income of the parish) and for any borrowing needed in conjunction with such projects. Renovating or remodeling of worship space requires the permission of the Bishop regardless of the cost involved. If possible, at least three written bids are to be obtained and approval of the Finance Council is recommended. Please refer to page A-16, *Decree – Administration of Ecclesiastical Goods* for additional information.

C. If the parish is contemplating the construction of a new facility, or a major remodeling of, or addition to an existing structure, the pastor is expected to meet with the Bishop for a preliminary review of the proposed project. This review will generally include matters such as the needs which the construction project will address, its compatibility in view of both diocesan plans and the future of the parish, and the proposed timetable. Consideration should also be given to the process for choosing an architect and contractor, developing cost projections, and determining its financial feasibility, which may include the need for a capital campaign and/or the incurrence of indebtedness.

D. In certain cases, the Bishop may determine that additional meetings with the pastor, parish leadership, and the professionals engaged for the project should be held before he renders a final decision on the approval of the project. Generally, at least 50 percent of the total construction cost must be on hand in cash before permission to proceed with actual construction will be granted. Depending on the size and nature of the project, consultation with the Diocesan Finance Council and the College of Consultors may also be in order.