

(facsimile)



OFFICE OF THE CARDINAL

ARCHDIOCESE OF DETROIT
1234 WASHINGTON BLVD.
DETROIT, MICHIGAN 48226

September 19, 2007

Dear Father,

I am writing to inform you of a new initiative in the Archdiocese that I shared in executive session at the recent meetings of the Presbyteral Council, Council of Vicars, and Archdiocesan Pastoral Council. By the end of the calendar year, the Archdiocese will be changing its civil legal structure from "corporation sole" to separate incorporation of each parish as a non-profit corporation.

The matter has been under consideration since I first arrived in the Archdiocese seventeen years ago. The Finance Council and the College of Consultors have reflected on this topic over the years. More recently, as part of the *Together in Faith* pastoral planning process, various priests and members of the lay faithful have requested that the Archdiocese separately incorporate its parishes.

While this idea may sound new to some, it has been in effect in dioceses throughout the country for many years. According to Church law and theology each parish and diocese has its own unique set of rights and responsibilities. Creating non-profit parish corporations is the simplest and most effective way of ensuring that the rights of parishes regarding church property are respected not only in church law, but also in civil law.

Be assured that the day-to-day life of the parish will remain the same. There will be no major changes in our current practice and protocols. This decision is not made in response to any crisis, nor are there any civil or canonical court proceedings pending that would call into question the status of our church property. Parish incorporation simply adopts a civil law model that more fully reflects the nature of the relationship that already exists within the Archdiocese.

The work of separately incorporating the parishes will be coordinated through the Chancellor's Office and our Archdiocesan legal council. To serve as a reference for you, I have attached a question and answer sheet regarding some of the more prominent practical questions related to this initiative. Additional information will be provided to you as we move forward. In the meantime, feel free to contact the Chancellor's Office if you have further questions.

It is my hope that parish incorporation will increase our commitment to prudent stewardship of all the resources that have been entrusted to us. Please know of my gratitude for your ministry to the people of God.

Fraternally yours in the Lord,

† *Adam Cardinal Maida*

Adam Cardinal Maida
Archbishop of Detroit

Enclosure

(facsimile)

Questions and Answers Regarding Parish Incorporation

Why are parishes in the Archdiocese of Detroit being separately incorporated?

According to church law and theology, each parish and diocese has its own unique set of rights and responsibilities, including the obligation to administer church property. The separate incorporation of parishes is the civil law structure that most accurately reflects our ecclesiastical law and theology. Creating non-profit parish corporations is the simplest and most effective way of ensuring that the civil rights of parishes regarding church property are respected not only in church law, but also in civil law.

What is the present legal structure of parishes in the Archdiocese?

At the present time, under the laws of the State of Michigan, the Archdiocese of Detroit exists as a “corporation sole.” This model is several centuries old and developed out of various historical contexts. This structure civilly recognizes church property as held by the bishop as a form of trust, for the benefit of the Church. In recent years, there has been a growing concern that this civil legal structure does not fully reflect the theological and canonical vision of the Church.

Is parish incorporation something new or have other diocese already separately incorporated parishes?

Many dioceses around the country have separately incorporated their parishes for many years. In fact, as far back as 1911, the Holy See stated that dioceses in the United States should pursue parish incorporation. Since that time, many dioceses have adopted this legal structure as a normal part of parish and diocesan life.

Why is this being done at this time?

The idea has been under consideration for many years. Most recently, during the Together-In-Faith pastoral planning process, several priests and members of the laity requested that the archdiocese consider separate incorporation of our parishes. Incorporation has become widely accepted as a method of organizing parishes. In some instances, civil courts in other states have directed dioceses to incorporate their parishes to reinforce civil law that parish assets belong to the parish, not to the diocese. In the Detroit Archdiocese, we have no pending civil or canonical court cases that would require us to take this step.

Are there theological reasons for parish incorporation?

Through Baptism, all the faithful – clergy and laity – are called to exercise the mission which God has entrusted to the Church to fulfill in the world. We are stewards of all that has been entrusted to us. Parish incorporation allows for direct involvement of the laity and a proper ordering of the rights and responsibilities of parishes and the diocese. By exercising proper stewardship and acknowledging the unique rights and responsibilities of all in our local church, we hope to be better able to give witness to Christ and advance the Kingdom of God.

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How will this affect the day-to-day life of the parish?

There should be no substantial change in the normal operation and administration of any parish. The Pastor will continue to administer the parish as previously, consulting with the parish pastoral council as currently required. The parish will continue to have a parish pastoral council, stewardship or finance council, and so on. The parish will remain in communion with and accountable to the Archbishop. The parish will still need to file an annual budget and financial report with the Archdiocese. Permission of the bishop will still be needed when administration of parish goods is an act of major importance, exceeding what is considered ordinary administration. The fact of civil incorporation will not change the basis pattern of parish and diocesan life.

How will parishes be incorporated?

Incorporation in Michigan is a simple process. Articles of incorporation are recorded with the State of Michigan. Corporations also adopt bylaws regulating governance of the corporation. The articles of incorporation and bylaws will be drafted by archdiocesan legal counsel, and will be the same for all parishes. The initial articles of incorporation will be filed by the Archdiocese.

Will there be a corporate board of directors? Will laity be involved? What is the role of the Pastor and the Archbishop?

The plan is to create a Board of Directors consisting of four persons: the Vicar General/Moderator of the Archdiocesan Curia, the Chancellor of the Archdiocese, the Pastor, and a parish lay representative (either the chairperson of the parish pastoral council or finance council). The Pastor will be the president of the corporation, with the same powers and duties that he has currently. The real and personal property of the parish will be transferred by the archbishop (who presently holds title to such property in trust) to the parish corporation. The Archbishop will have certain reserved powers over matters identical to our current practice and in accord with canon law (e.g., approval of sale or purchase of real estate, leases, etc.)

What new responsibilities will result from parish incorporation?

Following incorporation, the parish corporation directors will be required to have an annual meeting and to file a simple annual report with the State of Michigan. The corporation board will meet once a year, for the purpose of reviewing the parish's activities, and taking any other necessary corporate action. It will not take the place of parish pastoral council or commission meetings. The Office of the Chancellor of the Archdiocese of Detroit will monitor each parish to make sure it conducts the annual meeting, maintains minutes of the meeting, and files the annual report. Except for these annual meetings, and filing the annual report, there should be no difference in the operation of the parish.

Will the incorporation result in greater accountability to civil authorities?

The Michigan Attorney General has the legal authority and the obligation to oversee non-profit corporations. If there is an allegation that the business affairs of a corporation are not being managed properly, it is possible that the Attorney General could investigate and, if warranted, take action. To the extent permitted by Michigan law, members of the board of directors will be indemnified from personal liability.

How will parish incorporation affect the parish tax status, the loan deposit program, employee benefits, and insurance?

Incorporation will not require parishes to obtain IRS approval of the parish's 501(c)3 status. Such non-profit status will be granted already by virtue of the parish listing in the Official Catholic (Kenedy) directory. Incorporation will not affect any employee health or benefit programs, participation of the parish in the loan deposit program, insurance, or any other services provided by the Michigan Catholic Conference or the Archdiocese of Detroit.

Will Schools be incorporated?

Under church law, a parish school belongs to the parish. There are no plans to incorporate parish schools separately from the parish. At the present time, there are also no plans to separately incorporate regional schools.

Will parishes in a cluster be separately incorporated?

If a parish is clustered with one or more other parishes, each parish will be separately incorporated. If several parishes have merged together to become one parish, then that single merged parish will be incorporated.