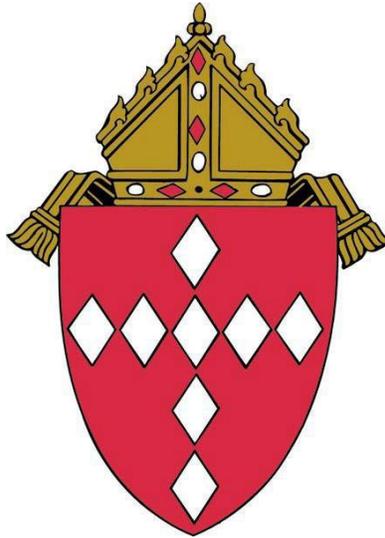


# **PLANNING AND CONSTRUCTION MANUAL**



**Diocese of Raleigh**

**As of August 2021**

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## INTRODUCTION

This manual is provided to help parishes and others through the process of construction or renovation of facilities and purchase of property in the Diocese of Raleigh. Its scope is limited to the buildings themselves. It does not deal with the establishment of parishes or missions, which are dealt with in Canon Law and the procedures of the Diocese. In our Diocese, new parishes or missions are established only by the Bishop after consultation with the priests of the Deanery and the Presbyteral Council. This consultation and the Bishop's approval will encompass the construction of a new church. For this purpose, a new church is defined as a new building which will be the permanent worship space of the parish or mission.

Canon Law states that the first use of a new Church shall be the Rite of Dedication. If the Pastor wishes any prior use, he should write the Bishop with a copy to the Vicar General, stating time, period and purpose of use before dedication and ask his permission.

All properties are titled in the name of the Bishop of the Diocese of Raleigh. Any proposed sale, mortgage or other disposition or any proposed purchase, acquisition of property or improvement of property where in aggregate the value exceeds \$10,000 must be:

1. described in writing,
2. submitted to the appropriate Diocesan Council or Commission for approval as described in this manual; and
3. submitted to the Bishop for his approval and signature. **NOTE:** \$10,000 is the maximum expenditure permitted by a pastor alone. The pastor shall contact the Chief Finance Officer/Chief Administrative Officer regarding expenditures between \$10,000-\$20,000. Amounts over \$20,000 require approval from the Diocesan Finance Council and the Building & Real Estate Commission. All contracts exceeding \$10,000, including, but not limited to, furnishings, i.e. pews, stain glass, statuary, etc., must be submitted for the Bishop's signature.

It is imperative that pastors, Pastoral Administrators, Pastoral Councils and Agencies of the Diocese recognize the legal and moral obligations of the Bishop in all of the above matters. Therefore, the steps set forth and described in this manual are mandatory and are detailed for the information and guidance of the "User." (The "User" in this manual means any parish, school, mission, or other Diocesan agency.)

Initial submissions are made to two groups - the Diocesan Finance Council and the Building & Real Estate Commission.

Funds spent for the above types of uses must be approved by the Diocesan Finance Council. The purpose of the Diocesan Finance Council's review is to ensure that the User has the ability to undertake and carry the financial burden of the project. The approval process requires the establishment of a finance plan and the approval of that Plan by the Finance Council with recommendation for approval to the Bishop. The Diocese will provide loan funds as approved for the project.

The Building & Real Estate Commission recommends to the Bishop the purchase or sale of property and construction or modification of new or existing facilities. The Mission Statement for this body and the current list of Commission members is included in this Introduction. This Commission will review the design of the project and will assist the User in carrying the project through to a successful conclusion. The function of the building is studied very closely so that it will provide the type of spaces that accommodate the intended programs of the User. The Building & Real Estate Commission shall be notified through the Director of Property and Construction to erect or modify any permanent structure, including decks, storage sheds, etc., prior to any construction, even if the estimated cost of the work is less than \$10,000. This project shall not begin until written approval is received.

If the proposed project involves a school, the Superintendent of Schools or a representative of the Superintendent shall be contacted by the school at the initiation of the project and will join the Commission for review of that project.

The reviews and approvals by the Finance Council and Building & Real Estate Commission described in this manual take place at scheduled meetings of those bodies. As of the publication date of this manual, April 2003, the Finance Council meets on the third Monday of the month and the Building & Real Estate Commission meets on the fourth Monday of the month. Check to learn the dates of these meetings during the period of your project. By synchronizing your activities to these meeting dates, you should be able to avoid delays in your project. Note that it is the responsibility of the Parish to submit any material relevant to its presentation (i.e., financial data, architectural drawings, supporting letters, etc.) a minimum of ten days in advance of the scheduled meeting date (preferably two weeks). This allows Council & Commission members to review the material prior to the presentation.

All projects undertaken within the Diocese will be started with Step 1 and no design or construction work should have been started prior to that step. Step 1 will initiate the process and familiarize the User with all of the necessary procedures that must be followed.

It is recognized that each individual project is different and that all the steps of the process will not apply in all cases. The Building & Real Estate Commission will offer the final decision on this. There are some obvious optional steps which may not be necessary. For example, site selection would not apply if property is already owned. There are many smaller projects which will bypass many of the steps. However, all projects must start with Step 1, and the steps must be followed in sequence unless specific exceptions are approved in advance by the Commission.

# **BUILDING & REAL ESTATE COMMISSION**

## **DIOCESE OF RALEIGH**

### **MISSION STATEMENT**

#### **1. Mission Statement**

The mission of the Building & Real Estate Commission of the Diocese of Raleigh is to assure responsible management of all Diocesan properties, make recommendations with respect to location, suitability, and characteristics in cases of property purchases and sales, and to assist and guide the Diocese and parishes in the planning, design, and construction of new facilities as well as the renovation of existing facilities.

#### **2. Role Relationships**

- a) To advise the Bishop, Pastors, and Administrators of the Diocese on matters related to buildings and properties as well as other such matters which may be referred to the Commission.
- b) To serve as Consultants to the Chief Financial Officer/Chief Administrative Officer and to the Director of Property and Construction in their respective roles.
- c) To interact with the Finance Council and other Diocesan collegial bodies in matters related to buildings and real estate.

#### **3. Role Functions**

- a) To establish procedures and guidelines relative to buildings and real estate which are to be published in the Planning & Construction Manual of the Diocese.
- b) To assist the Diocese and parishes in the implementation of the protocols and procedures contained in the Planning & Construction Manual.
- c) To serve as a resource and a consultative body to the Diocese and parishes in matters relating to buildings and real estate.
- d) As required in the Planning & Construction Manual, to review and recommend for the Bishop's approval, rejection, or modification of all site masterplans, as well as design or construction plans for new construction and major renovations in the Diocese.
- e) As requested, to recommend for the Bishop's approval or rejection the purchase and/or sale of properties in the Diocese.

#### **4. Role Limitation**

The Bishop will review the recommendations and actions of the Commission. Where he feels that other considerations, especially those of pastoral matters, make it inadvisable to accept and implement the recommendations of the Commission, he shall promptly inform the Commission in person or in writing, setting forth his reasons. In all cases, the decision of the Bishop shall be final.

#### **5. Membership**

The Building & Real Estate Commission of the Diocese of Raleigh shall be composed of persons with competencies and experiences which are related to building and real estate fields. They should also have knowledge of the laws and regulations, civil and ecclesiastical, which relate to building and real estate. At least six (6), but no more than eight (8) members will be lay persons and at least three (3) will be priests of the Diocese of Raleigh

The Chief Financial Officer / Chief Administrative Officer will serve as a voting, Ex-Officio Member. The Vicar General of the Diocese will also serve as a voting, Ex-Officio Member.

Members of the Commission will serve a term of four (4) years, renewable at the will of the Bishop. Typically, the maximum number of terms served by a member will be two (2) terms.

#### **6. Chairperson**

Among the members of the Building & Real Estate Commission, the Bishop will appoint a Chairperson to serve for a specified term. The responsibilities of the Chairperson will include conducting Commission meetings, guiding the Commission through the agenda items, calling votes when appropriate, confirming the result of any Commission votes, and reviewing Commission meeting minutes as prepared by the Director of Property and Construction prior to their approval at the following Commission meeting. In addition, the Chairperson will be available to coordinate with the Directory of Property and Construction, and the Chief Financial Officer as needed on items that may need to come before the BRE at future meetings.

#### **7. Meetings**

The Building & Real Estate Commission will meet on a regular basis with meeting dates communicated to the members in advance. The Chairperson, in coordination with the Director of Property and Construction, may call special meetings as the need arises or cancel scheduled meetings if lack of agenda items or other external circumstances so require. Approval of

matters before the Commission requires a vote of a majority of voting members, including the vote of the Chairperson of the Commission, who will vote on every matter before the Commission for approval. If a quorum is not present at the time of the vote, the action will be tentative, pending final approval of a duly constituted quorum of the Commission. A quorum will consist of half or more of the then current voting member of the Commission. (Reference, Building & Real Estate Minutes, March 25, 1996.)

## **8. Special Committees**

The Chairperson may, when appropriate, appoint special ad hoc committees to consider items in greater detail and to report to the Council on their recommendations.

## STEP 1. INITIATE THE PROCESS

The pastor or pastoral administrator will discuss the need with the Parish Pastoral Council and the Parish Finance Council. The Council should then investigate the project's feasibility within the parish. In complex situations, the parish may wish to engage a professional to assist with this Feasibility Study. If more than \$10,000, the professional's fee will require Finance Council approval. Reasonable alternatives to building or renovating should be considered as part of the Feasibility Study. Following the Feasibility Study with the written recommendation of the Pastoral Council and the Pastoral Finance Committee, the pastor will write the Chief Financial Officer/Chief Administrative Officer, presenting an outline of the Feasibility Study and requesting approval to proceed further.

*SINCE THE BUILDING & REAL ESTATE COMMISSION IS A GROUP COMPOSED OF VOLUNTEERS WHICH GENERALLY CONVENE ONCE MONTHLY, IT IS IMPORTANT THAT LETTERS FROM PARISHES SHOW A BROAD LEVEL OF SUPPORT VIA THE SIGNATURES OF ALL COMMITTEE CHAIRPERSONS.*

The purpose of notifying the Chief Financial Officer/Chief Administrative Officer in writing is to inform the Diocese of the intention of the parish to build, buy, renovate, or sell a property of the parish and to request approval to proceed further.

*THE BUILDING & REAL ESTATE COMMISSION NEEDS TO BE INFORMED OF ANY ALTERATIONS TO EXISTING STRUCTURES, EVEN IF RELATIVELY MINOR. SINCE ALL BUILDINGS AND LAND ARE OWNED BY THE BISHOP, CHANGES TO A BUILDING SUCH AS CONVERSION OF A STORAGE BUILDING INTO A HABITABLE SPACE WILL AFFECT INSURANCE AND LIABILITY. PROPOSED MODIFICATIONS TO WORSHIP SPACE MUST BE REVIEWED AND APPROVED BY THE DIOCESAN VICAR GENERAL.*

## **STEP 2. BUILDING & REAL ESTATE COMMISSION REPRESENTATIVE VISITS USER**

Prior to the Bishop's preliminary approval and the initiation of the Self-Study phase, the User should contact the Director of Property and Construction to request a meeting with the parish. One or more members of the Commission may go to the parish to meet with the pastor and everyone who will have a significant role in the planning, design, and construction of the building. The Commission may decide that certain projects are small enough or simple enough not to require this meeting. However, any medium or large project will benefit significantly from a meeting with a representative of the Building & Real Estate Commission. Therefore, it is required for these projects.

The Building & Real Estate Commission representative will inform the parish of the things which the Commission will be looking for in its reviews for the project as it develops.

With this prior knowledge, the User will be better able to address these requirements. Frequently, matters arise during this initial meeting which otherwise might have been overlooked resulting in an improved project from the earliest stages. Rapid two-way communication is the goal here. The Commission is attempting to assist the parish from the earliest stages of the project, and the User is able to inform the Commission, through its representative, of what the User is trying to accomplish in light of its unique circumstances. Communication between the User and the Commission is improved through the use of this process. The Director of Property and Construction is the primary contact for pastors and parish committee members, not the Chair of the Commission.

### **STEP 3. BISHOP'S PRELIMINARY APPROVAL**

In the case of a building which is not a church, the Chief Financial Officer/Chief Administrative Officer will confer with the Bishop. If the Bishop does not approve further development of the proposal, he will notify the pastor. If the Bishop does approve, the Chief Financial Officer/Chief Administrative Officer will contact the pastor, pastoral administrator or other head of the involved body to inform them of the Bishop's approval and discuss the steps required by this manual to continue with the project.

In the case of a church building, Canon 1215 states that no church may be built without the expressed written consent of the Diocesan Bishop. He is to make this decision after listening to the Presbyteral Council and the Dean of neighboring churches. Therefore, the Chief Financial Officer/Chief Administrative Officer will confer with the Bishop to determine if it is appropriate to continue planning while consultation is in progress.

## STEP 4. SELF-STUDY

Following the meeting with the representatives of the Building & Real Estate Commission, the User will initiate a Self-Study to determine the functional needs of the project. If applicable, a study of existing facilities should be included. The study will describe the activities that take place in order to fulfill the mission and objectives of the User.

*FOR THE GENERAL ORIENTATION AND REFERENCE OF THE PARISH, COPIES OF RECENTLY SUBMITTED AND APPROVED SELF-STUDIES WILL BE MADE AVAILABLE AT THE STEP 2 MEETING. A TYPICAL OUTLINE FOR A SELF-STUDY IS INCLUDED IN THE APPENDIX FOR REFERENCE.*

The User should be able to describe who the people are who occupy, live in or use the facilities, whether existing or new, which the project affects. The study should describe why the people occupy or use the facility and what they do when they occupy and use it. It is not the intent of this document to produce precise room areas and specifications, (i.e., six classrooms of 400 sq. ft. each). The Self-Study should assist the User in understanding project needs and requirements and will form the basis of the architectural program, which will be helpful and potentially save money after the architect is hired.

Included in the Self-Study shall be a narrative outline of the overall intent of the project, and shall be endorsed by the pastor, the Pastoral Council and the Parish Finance Council and shall include general aspects of budget, schedule, buying or selling of property, new construction or renovation, phasing, rental of temporary space and other broad scope issues which the parish sees at the present time. The self-study document must be submitted to and approved by the Building & Real Estate Commission prior to the User moving to the next step.

*THE NARRATIVE OUTLINE IS USUALLY INCLUDED IN THE SELF-STUDY SIMPLY BY THE NATURE OF THE DOCUMENT. FOR SMALLER PROJECTS, IT MAY NEED TO BE PROVIDED SEPARATELY. AS THE COMPLEXITY AND SIZE OF A PROJECT INCREASES, IT BECOMES INCREASINGLY IMPORTANT THAT THE PARISH PLANNING PROCESS BE DOCUMENTED, AT LEAST IN AN OVERALL SENSE. FOR EXAMPLE, IF A PARISH IS REQUESTING TO SELL EXISTING BUILDINGS AND PROPERTY PRIOR TO BEING ABLE TO ENTER INTO A CONSTRUCTION CONTRACT FOR A NEW FACILITY, A DETAILED PLAN FOR ACQUISITION OF TEMPORARY SPACE TO ACCOMMODATE ALL PARISH ACTIVITIES MUST BE SET. THIS MIGHT BE IN THE FORM OF A LEASEBACK CLAUSE IN THE SALES CONTRACT.*

At the conclusion of the self-study, the User should be able to make a rough estimate of the cost of the facility with the necessary square footage to accommodate the needs identified in the Self-Study. Rough estimates of cost per square foot for various types of space can be obtained through the Director of Property and Construction.

## STEP 5. THE FINANCE PLAN

After completion and approval by the Building & Real Estate Commission of the Self- Study and with a rough estimate of the expected cost of the facility to meet the requirements developed in the study, the User Finance Committee will prepare a finance plan for the project. Using the lesser of either the estimated cost of the facility or the amount the parish can afford, the User Finance Committee will develop a plan which shows the source and timing of incoming funds and the timing of payments out for the project and, following completion of the project, servicing any debt incurred by the project.

The finance plan must be submitted to the Diocesan Finance Council on the forms in Appendix A of this manual. These forms can also be found on the Diocesan Website [www.dioceseofraleigh.org](http://www.dioceseofraleigh.org). Most Parish Finance Committees find these forms to be a valuable assistance in the development of their finance plan. Instructions for completing the forms are included. Also included in Appendix B, is a Loan Request Form which must be submitted along with any finance plan which requires a loan. Appendix B is a Statement of Diocesan Loan Policies and Principles. Assistance in completing the finance plan forms in Appendix B can be obtained from the Director of Business Services.

Most major construction projects require financing in excess of the available funds or those which can be generated through the offertory or other source of normal income. In these cases, it is normal to undertake a capital fund raising campaign.

Most capital campaigns conducted in parishes take place over a 12- to 16-week period. The objective of a parish campaign should be to ensure that every family within the parish is invited to participate in supporting the project in a meaningful and sacrificial way. Three factors affect the level of individual participation in a parish fund raising campaign:

- \* Financial ability;
- \* Interest in and awareness of the campaign; and
- \* The manner in which the gift is requested.

There are several elements that are essential to any successful parish campaign. Personal visits to all households should be stressed. Personal visits always result in larger gifts. Potential donors should be asked for gifts pledged over a period of three to five years. Donors should be asked for specific gift amounts. Campaigns should be conducted in a phased approach with largest gifts solicited first. A proper pledge payment system should be organized.

In order to ensure that the above elements are included in a parish campaign plan and that the campaign is conducted in the most effective manner, the Executive Director of Stewardship and Advancement should be consulted by parishes before starting a campaign. The Stewardship and Advancement Office will offer its advice on the fundraising plan and offer training manuals and assistance to parishes needing to raise less than \$1,000,000. Over that amount, the Executive Director of Stewardship and Advancement will help secure professional on-site counsel.

There is substantial information available from the experience of other parishes, and the results of successful campaigns do not vary materially from place to place. For example, pledges are usually obtained from between 40% to 60% of the registered families. The average pledge, depending on the make-up of the parish and the success of the campaign ranges between \$1,500 and \$5,000 per pledge.

Many parishes in the Diocese have experienced great success in their campaigns by hiring a professional fundraising firm. Most reputable firms will provide a full-time, on-site campaign director whose sole responsibility is to direct the parish campaign. Although this service incurs fees, it is usually well worth the expense for parishes with the potential to raise a large amount of money. The Executive Director of Stewardship and Advancement will provide interested parishes with the names of firms that have a record of success within our Diocese, as well as parishes to contact for references.

Many parishes may not be able to afford to pay the fee of a professional fundraising firm or may not have the potential to raise enough to justify the expense. In such cases, the parish is encouraged to contact the Stewardship and Advancement Office for assistance. The office has prepared a manual which is designed to assist parishes with the organization and running of capital campaigns. The manual is not a do-it-yourself guide but is intended to be used in conjunction with the coordination of the staff of the Stewardship and Advancement Office.

In all cases, parishes are urged to contact the Stewardship and Advancement Office before entering into any capital campaign.

When the finance plan is complete and ready to be sent to the Finance Council, it should be sent to the Chief Financial Officer/Chief Administrative Officer for review by the Diocesan Finance Council. Normally, the Finance Council will review the parish project Diocesan finance plan at its next scheduled meeting after receipt of the plan. The Finance Council will not act on a plan they have not had a chance to review before the meeting. Therefore, it is essential that the Chief Financial Officer/Chief Administrative Officer receive your plan at least ten days in advance of the Finance Council Meeting so that it can be reviewed by Diocesan Staff and then included with the agenda of the meeting and sent to Finance Council members.

If there is a major question concerning the finance plan, the Chief Financial Officer/Chief Administrative Officer will contact the pastor before the meeting to obtain additional information. For any major project, it is necessary for the pastor and parish representatives of the Pastoral Council and Finance Council to attend the Diocesan Finance Council meeting in order to obtain approval of their finance plan. For smaller projects, the Council requires that the pastor and representatives of the Parish Finance Committee and Pastoral Council be present at the parish offices to receive a possible phone call from the Council on the day of its meeting. The Chief Financial Officer/Chief Administrative Officer will advise the pastor of the time and date to expect the phone call.

## STEP 6. HIRING OF THE ARCHITECT

Following approval of the finance plan by the Diocesan Finance Council, the parish is authorized to hire an architect. No separate or additional permission by the Building & Real Estate Commission is needed. A professional for new construction and renovation is defined as a registered architect, with ability to prepare plans and specifications, for the subject project. Depending on the size of a specific project, the User will probably be required by law to engage an architect and/or an engineer to produce the construction documents for the project (see below). A qualified professional is: reputable, a competent designer and technician, experienced in assembling bid packages, capable as an administrator, articulate, dedicated to the building project, and able to relate well with the parish. For construction of churches, the professional must possess a thorough knowledge of Catholic worship; be experienced in letting sub-contracts for engineering and other consultants and be available for meetings on the parish and Diocesan level.

The following is excerpted from N.C. General Statutes and the Administrative Code, Chapter 83A – Architects:

*Nothing in this Chapter shall be construed to require an architectural license for the preparation, sale or furnishing of plans, specifications and related data, or for the supervision of construction pursuant thereto, where the building, buildings or project involved is in one of the following categories:*

- 1. A family residence, up to eight units attached with grade level exit, which is not a part of or physically connected with any other buildings or residential units;*
- 2. A building upon any farm for the use of any farmer, unless the building is of such nature and intended for such use as to substantially involve the health or safety of the public;*
- 3. An institutional or commercial building if it does not have a total value exceeding ninety thousand dollars (\$90,000);*
- 4. An institutional or commercial building if the total building area does not exceed 2,500 square feet in gross floor area;*
- 5. Alteration, remodeling or renovation of an existing building which is exempt under this section, or alteration, remodeling or renovation of an existing building or building site that does not alter or affect the structural system of the building; change the building's access or exit pattern; or change the live or dead load on the building's structural system. This subdivision shall not limit or change any other exemptions to this Chapter or to the practice of engineering under Chapter 89C of the General Statutes.*

- 6. The preparation and use of details and shop drawings, assembly or erection drawings or graphic descriptions utilized to detail or illustrate a portion of the work required to construct the project in accordance with the plans and specifications prepared or to be prepared under the requirements or exemptions of this Chapter.*

*Nothing in this Chapter shall be construed to prevent any individual from making plans or data for buildings for himself.*

*Plans and specifications prepared by persons or corporations under these exemptions shall bear the signature and address of such person or corporate officer.*

(NOTE: That the local requirements may super cede the excerpt above.)

In order to select a professional, begin with a list of names of professionals. The Director of Property and Construction can supply the User with a list of architects and general contractors who have been involved in recent projects in the Diocese. This list is not meant to be the sole source of names of professionals but should help the User get started. Write to each professional and request:

1. Biographical information on principals and key members of the firm, with a listing of the specific firm members relative to your project, i.e., principal-in-charge, project architect, etc.
2. Information on types and sizes of projects recently completed and cost data (phased estimates, final estimate, bid amount, final project cost including itemized change orders).
3. Evidence that the firm has staff, background and expertise to competently handle the type and scope of work contemplated.
4. Letters of reference from clients or contractors, particularly as they reflect repeat work.
5. Degree of experience in dealing with churches and church-related structures.
6. Evidence of having successfully involved and worked with required consultative bodies in the planning stages.
7. Evidence of possessing skills to plan a church concept that takes into account the teachings of Vatican II and post-conciliar documents.

The Director of Property and Construction can provide the User with more detail for the interview process.

Include in your letter to each professional a copy of this manual. Request that any professional interested in submitting a proposal for your project include in his/her acceptance an indication that this manual has been reviewed and understood, and that the architect selected agrees to comply with the architectural and liturgical issues presented herein.

If the list of those firms that respond positively is greater than eight, it will probably be necessary to generate a "short list" of 3 to 5 for personal interviews.

Invite each professional to meet and interview with appropriate parish committee members. Evaluate each professional in accordance with the criteria given above for qualifications of the professional. Evaluate the information supplied in response to your request for proposal. At the option of the parish, a member of the Building & Real Estate Commission may be invited to participate in the process of selection of the professional.

After selection, the professional should be asked to prepare a contract for review by the parish prior to submission to the Bishop for signature. The contract should be a version of an AIA Owner – Architect Agreement. The Architect’s contract will also be reviewed by the Diocesan Construction Coordinator and the Diocesan Attorney.

8. The Owner/Architect Contract shall have the following paragraphs included:

- a. Fixed Limit of Construction Cost (FLCC): The architect agrees that the construction Cost will not exceed \$\_\_\_\_\_ and additionally agrees that he/she will periodically inform the owner as to the probable Construction Cost as required by the Contract in the Specified phases. It is agreed that the architect will revise or modify the drawings and specifications at his/her own expense and without change in project scope should the lowest bona fide construction proposal received be greater than 10% above the amount stated above. Any change in the amount stated above will be agreed to in writing by the owner and architect. The architect also agrees to participate in meetings required by the diocesan Building & Real Estate Commission to discuss and review his/work. If a parish finance plan is increased and receives approval from the Diocesan Finance Council, this limit is automatically increased to reflect the approved amount.

*THE ABOVE PARAGRAPH IS OFTEN REFERRED TO AS A "DESIGN-COST CONTROL CLAUSE" OR A FIXED LIMIT OF CONSTRUCTION COSTS AND SERVES THE PURPOSE OF REQUIRING THE DESIGN PROFESSIONAL TO PERIODICALLY AND ACCURATELY REVIEW HIS DESIGN AGAINST A PREVIOUSLY ESTABLISHED BUDGET FIGURE. THIS BUDGET FIGURE IS TAKEN FROM THE PARISH'S PREVIOUSLY APPROVED FINANCE PLAN, APPENDIX B IN THIS MANUAL,*

*AND IS THE TOTAL OF ITEMS 11 AND 12, "SITE PREPARATION" AND "CONSTRUCTION CONTRACT" WHICH TOGETHER ARE CALLED HARD CONSTRUCTION. IT IS VERY IMPORTANT TO THE OVERALL BUDGET FOR THE PROPOSED PROJECT AND ALSO TO THE ARCHITECTURAL CONTRACT THAT THIS FIGURE BE ACCURATELY CALCULATED AND BE SEPARATED FROM OTHER LINE ITEMS IN APPENDIX B. THIS INSURES THAT THE PARISH WILL HAVE FUNDS AVAILABLE FOR "SOFT COSTS" SUCH AS FEES AND FURNISHINGS. NOTE THAT IT IS NOT UNCOMMON FOR A PARISH TO EXPERIENCE AN INCREASE IN FUNDS AVAILABLE FOR A PROJECT AFTER THE FINANCE PLAN HAS BEEN APPROVED, IN WHICH CASE A NEW PRESENTATION CAN BE MADE TO THE DIOCESAN FINANCE COUNCIL TO INCREASE PROJECT BUDGET. ANY INCREASE IN A PARISH FINANCE PLAN THAT IS APPROVED BY THE DIOCESAN FINANCE COUNCIL SHALL AUTOMATICALLY INCREASE THE FIXED LIMIT OF CONSTRUCTION COST INCLUDED IN THE ARCHITECT'S CONTRACT.*

- b. Basic services shall include preparing a reasonable number of alternates to help assure that the construction cost does not exceed the FLCC established by the owner's budget.
- c. Transportation expenses for travel between the architect's office and the project site (parish meeting locations) shall not be reimbursable expense. This includes trips to the diocesan offices in Raleigh for presentations. The architect agrees to provide an average of two trips per month during the construction administration phase.
- d. The architect has read and understands the current version of the Diocese of Raleigh PLANNING AND CONSTRUCTION MANUAL (which is incorporated herein by reference) as provided by the parish and agrees to comply with the requirements therein.
- e. The architect agrees to work closely with the Vicar General and the parish's liturgical consultant if applicable during all phases of the project. (For projects that include permanent worship space.)
- f. Before final payment is made to the contractor, the architect shall accompany the owner to inspect the entire project for the purpose of listing all unfinished, defective or otherwise unacceptable work. The architect agrees to coordinate efforts to have this work completed by the contractor in a timely and efficient manner prior to the owner's final payment to the contractor.
- g. Civil Engineering, including the associated construction administration, as required for all on-site improvements includes but not limited to: grading drainage, erosion control, storm water management, site lighting, utility design and connection, design and specifications, an on-site sewage disposal system (if applicable) including submissions and approvals to any municipal agency(s)

with jurisdiction, driveway application(s) to local government agency(s) as required.

- h. Landscape architectural services as required by applicable municipal ordinances. Design and specifications beyond the municipal minimum shall be considered Additional Services.
- i. Interior design services related to fixed finishes and fixed furniture (defined as to extent, color, material, manufacturer, quality). The owner reserves the right to employ an independent interior designer, and the architect agrees to coordinate their work with this designer.
- j. Services of an acoustical engineering consultant for portions of the project which involved permanent worship space. The acoustical consultant shall be involved in the early phases of project design, specifically regarding room acoustics. The acoustical consultant shall also be responsible for the design and specifications of the speech and music reinforcement system.
- k. Translation of the parish's Self-Study document into the architectural Program.
- l. A record set of documents, including drawings and specifications as applicable, showing changes enacted during the course of construction. One set shall be delivered to the parish and one set shall be forwarded to the Director of Property and Construction.
- m. The architect shall schedule and accompany owner representatives on a 12-month Warranty Inspection, conducted during the 11<sup>th</sup> month after issuance of the Certificate of Occupancy, in order to evaluate the condition of building components which are applicable to the Contractor's 12-month General Building Warranty. A report with findings and recommendations shall be issued by the architect prior to the expiration of the 12-month warranty period to the contractor and owner.
- n. The owner shall be responsible for reproduction expenses required up to the point of bidding and permitting only.

**NOTE:** Steps 7 and 8 require presentations to the Building & Real Estate Commission. It is required that the pastor, the Architect (or members of the firm's design team) and at least one member of the Parish Council be present at each of these presentations in addition to one or more members of the Parish Building Committee. It is requested that the Architect forward material directly from his office to Commission Members. All drawings mailed for presentations shall be reduced to 11 x 17 size and be in their hands five (5) days before meeting.

Requests to be on any given agenda and any required supporting information must be sent to the Director of Property and Construction at least 10 days in advance of the scheduled meeting.

It is the intent of the Building & Real Estate Commission that once recommended approvals are given at any of the stages of the review process (master site plan, schematics, and design development), those approvals will not change as the process moves to each of the next phases. However, there is always the possibility, however unlikely, that something may have been missed in a previous review process that will be asked to be corrected in a subsequent review.

## STEP 7. FIRST PHASE, MASTER SITE PLAN & SCHEMATICS

Once the architectural contract has been approved and signed by the Bishop, the architect will:

- a. Develop a master site plan of the entire parish site showing contours of land, availability and location of all utilities, and other data that is pertinent to such a drawing. This site plan shall be based upon a current, accurate boundary and topographic survey which the parish shall provide to the architect. At the master site plan presentation, the proposed new site plan should be presented plus any older master plans that were presented in the past should be reviewed. Also included should be any permitting, code issues, and a sub- soil report.
- b. Recommend several soil testing services for the owner to choose; one to contract with, if this has not already been done.
- c. Prepare the Architectural Building Program and schematic drawings based on the parameters as approved by the Building & Real Estate Commission;
- d. Develop tentative estimates of project cost, including: site work, hard construction cost for building only, architect fees, furnishings as proposed by parish, etc. The goal here is to develop an accurate total cost, itemized as stated above.
- e. Diocesan policy discourages the use of pre-finished metal siding on any building. This does not preclude the use of pre-finished metal roofing or pre-engineered steel structural systems.
- f. See Design Guidelines A.10 for a list of Drawings required at each presentation. When these documents are complete, the Parish will request a meeting with the Building & Real Estate Commission to review and request approval. Frequently, changes to the preliminary design are required or suggested by the Commission. After meeting with the Building & Real Estate Commission, the Commission will make a recommendation to the Bishop, with a final decision back to the parish within one week. Note that projects which involve school buildings shall have the School Superintendent present at the first meeting with the Building & Real Estate Commission. Size of the project may require that the Superintendent be present at subsequent meetings also.
- g. Per Building & Real Estate Commission meeting minutes dated January 26, 2016, the parish shall include a Sustainability Plan for their proposed project. It is not the intent of this Plan for a parish to be required to pursue Green Building Council (LEED) certification or the certification of any green building organization, but rather to employ sustainable practices that are available and applicable to the project at hand. The project architect will be the primary resource for evaluating these possibilities. It is understood that any project may have constraints that limit its' green potential, and this should be discussed during the early phases of design by the designer. Attached for reference are:
  1. An executive summary by the architect for the Cathedral. This summary was produced to facilitate a sustainability discussion regarding the Cathedral project and may be of use to parishes in their discussion.

2. A copy of an article by Mr. Edward Pentin, which appeared in the National Catholic Register and summarizes the Pope's Encyclical "Laudato Si." Parish committees are encouraged to research information available on-line from any green building organizations that promote sustainability. These include the U.S. Green Building Council (LEED), Green Globes, Energy Star, Green Guard, and others.

The parish, with the help of the project architect, will be required to present a Sustainability Plan, specific to their project, at both the schematic phase and the design development phase presentations to the Building & Real Estate Commission. The level of detail of this plan shall correspond to the phase being discussed. If for any reason this plan changes during the later phases of design or construction, the parish shall submit formal notification to the Director of Property and Construction who will in turn submit to the Building & Real Estate Commission for review and response.

*IF A PARISH IS CONSIDERING EMPLOYING A METHOD OF PROJECT DELIVERY OTHER THAN COMPETITIVE BIDDING BY GENERAL CONTRACTORS, SUCH AS A NEGOTIATED CONTRACT, THE REQUEST FOR THIS METHOD NEEDS TO BE MADE AT STEP 7, SCHEMATIC PRESENTATION, ACCORDING TO APPENDIX K IN THIS MANUAL, "DIOCESAN POLICY FOR NEGOTIATED CONSTRUCTION CONTRACTS. NOTE THAT "DESIGN-BUILD" CONTRACTS, WHEREIN THE ARCHITECT IS EMPLOYED BY THE GENERAL CONTRACTOR AND NOT THE PARISH, ARE PROHIBITED.*

## **STEP 8. SECOND PHASE, DESIGN DEVELOPMENT**

After approval of the master site plan and schematics by the Bishop, the pastor will instruct the professional to prepare design development drawings and an outline of the specification for the building. These documents together with a revised estimate of the total cost of the project are to be submitted to the Building & Real Estate Commission for their review and approval.

*See the Design Guidelines, A.10 for a list of drawings required.*

After presentation to and recommendation for approval by the Building & Real Estate Commission to the Bishop of the design development drawings and outline specification of the building, the User is authorized to have the architect proceed to the next step, construction documents.

*PER ADVANCE WRITTEN REQUEST FROM THE PASTOR AND COMMITTEE CHAIRPERSON AT THE SCHEMATIC PRESENTATION (OR EARLIER), IT IS POSSIBLE FOR SMALLER PROJECTS TO ELIMINATE THE DESIGN DEVELOPMENT STEP AND MOVE DIRECTLY FROM STEP 7, SCHEMATICS, TO STEP 9, CONSTRUCTION DOCUMENTS. APPROVAL OF SUCH REQUESTS IS SOLELY AT THE DISCRETION OF THE BUILDING & REAL ESTATE COMMISSION.*

## **STEP 9. THIRD PHASE, CONSTRUCTION DOCUMENTS**

After approval of design development documents, construction documents (working drawings, specifications, and bid documents) will now be developed for the project. One full set of original size contract drawings and bound specifications are to be sent to the Director of Property and Construction. There is no requirement for a presentation to the Commission at this phase.

## **STEP 10. BIDDING, NEGOTIATIONS & CONTRACTS**

For negotiated construction contracts (those wherein the parish identifies a general contractor during the early design phase), please refer to Appendix G. Issues relating to contract processing as noted below shall generally apply.

It should be noted that the design-build method of project delivery, wherein the architect is employed by the contractor and not the owner, is prohibited.

For projects to be bid, the User will draw up a list of not less than three, preferably five, qualified bidders. Parishes are urged to check references offered by contractors when assembling a bid list. Both the project architect and the Director of Property and Construction will be able to help generate this list. Cashier checks or bid bonds are required in all cases, equal to 5% of the contractor's bid. The bid instructions shall require that bids remain valid for 60 days. The architect should stipulate that the owner reserves the right to:

1. Reject any and all bids.
2. Accept other than the lowest bid (unless the list of contractors was an invited list in which case the parish is obligated to choose the low bidder).
3. Waive any informalities in any of the bids; this shall be stated in the contract documents.
4. Letters of Intent from the owner to the general contractor are not allowed under Diocesan regulations.

The bid opening shall be conducted at the parish by the project architect. The pastor, project architect, and Parish Building Committee should review and evaluate all bids. A decision should be rendered within approximately one week and all bidders should then be notified by the project architect. The Director of Property and Construction should be informed of the bid. The successful bidder will be notified, and the architect shall prepare an Owner/Contractor Agreement in quadruplicate using appropriate AIA forms for the Bishop to sign. The owner's name on all contracts shall appear as: "Luis Rafael Zarama, Bishop of the Roman Catholic Diocese of Raleigh, North Carolina and his successors in office." Before the contract is signed, the architect and parish representatives should review the plans and specifications in detail with the successful bidder and determine that everything is covered by the bid. Also, prior to contract execution, it is generally standard procedure for the owner, architect, and contractor to review potential cost savings. This is especially useful if the apparent low bidder is still slightly above the budget amount, or if the contractor feels that he can offer substitutions of equal quality for various components of the work. It is important that the architect and Parish Building Committee review any proposed substitutions in detail to retain the original quality level. The contractual agreement should then be reviewed and accepted by the architect and pastor before being submitted to the Director of Property and Construc-

tion who will review it with the Diocesan Attorney prior to forwarding to the Bishop for his signature.

When signed by the Bishop, copies of the contract will be distributed as follows: one copy to the Diocese, two copies to the pastor or head of the institution (the contractor will be given one of these copies), and one copy to the architect.

*DURING THE COST REVIEW WITH THE APPARENT LOW BIDDER, IT IS IMPERATIVE THAT THE ARCHITECT'S INVOLVEMENT BE MAINTAINED AND RESPECTED BY THE PARISH. COST REVIEWS SHOULD BE PERFORMED WITHIN AN ATMOSPHERE OF MAINTENANCE OF QUALITY AS WELL AS THE DESIGN INTEGRITY OF THE EXISTING ARCHITECTURAL DOCUMENTS, YET TO BE OPEN TO THE POSSIBILITY OF EQUAL SUBSTITUTIONS WHICH DO NOT COMPROMISE THE DESIGN OR FUNCTIONAL INTEGRITY ALREADY ESTABLISHED. IT IS A RELATIVELY SIMPLE YET POTENTIALLY DESTRUCTIVE TASK TO SYSTEMATICALLY STRIP A SET OF DRAWINGS PARTICULARLY IN THE AREA OF QUALITY OF FINISHES, WITH THE GOAL BEING TO SIMPLY LOWER THE OVERALL COST. THE ARCHITECT, BUILDING COMMITTEE, AND GENERAL CONTRACTOR TEAM NEED TO GUARD AGAINST REVIEWS WHICH ARE TOTALLY COST DRIVEN, SINCE THE PARISH WILL BE REQUIRED TO LIVE WITH THESE DECISIONS FOR THE LIFE OF THE BUILDING.*

Soon after the contract is signed and prior to construction, a pre-construction conference of the general contractor, all principle sub-contractors, the architect, the pastor, key members of the Building & Real Estate Committee, and the Director of Property and Construction should be held to review all aspects of the contract and to discuss any suggestions. This meeting is usually arranged by the project architect.

Parishioners who are licensed contractors or sub-contractors may perform work on project with appropriate insurance and contract documents. It is strongly encouraged that parish volunteers be engaged only for routine type tasks that do not require licensing or are not inherently dangerous.

An independent cost check under a negotiated general contract scenario is not required if the general contractor can show evidence of three (3) or more sub-contractor proposals for a minimum of 2/3 of the values of the contract.

## STEP 11. INSURANCE & BONDS

The contractor shall attach the following to each copy of the Owner/Contractor Agreement:

A. Certificate of Insurance showing the following:

1. Workers Compensation:
  - a. State: Statutory
  - b. Employer's Liability:
    - \$500,000 per Accident
    - \$500,000 Disease, Policy Limit
    - \$500,000 Disease, Each Employee
2. Commercial General Liability (including Contractual Liability, Premises – Operations; Independent Contractors – Protective; Products and Completed Operations; Broad Form Property Damage):
  - a. General Aggregate \$2,000,000
  - b. Products-Comp/Op Agg. \$2,000,000
  - c. Personal & Adv. Injury \$1,000,000
  - d. Each Occurrence \$1,000,000
  - e. Fire Damage (Any One Fire) \$100,000
  - f. Med. Exp. (Any One Person) \$10,000
3. Automobile Liability (including owned, non-owned and hired vehicles):
  - a. Combined Single Limit \$1,000,000
4. Umbrella Excess Liability:
  - a. Each Occurrence \$3,000,000
  - b. Aggregate \$3,000,000
5. Name the owner as “additional named insured” under 2, 3, and 4 with waivers of subrogation in favor of the owner and including a severability of interest clause.

The endorsement naming “additional named insured” should contain the following: “Luis Rafael Zarama, Bishop of the Roman Catholic Diocese of Raleigh, North Carolina and his successors in office”.

- B. An all Risk/Builder's Risk Policy covering the activities of the owner and contractor at the construction site.

- C. A payment and performance bond for 100% of the value of the contract.
- D. A Labor and Material Bond for 100% of the value of the contract.

## **STEP 12. PAYMENTS & CHANGE ORDERS**

Architect Fees and Construction Progress payments are generally paid monthly by the owner as set forth in the agreements. Architects typically will invoice the parish on the basis of percentage of services performed during the past month or billing period, including allowable reimbursable expenses.

Contractors will submit monthly requests for payment based upon work in place and materials delivered to the site. Attached to each monthly request submitted by the contractor shall be the Schedule of Values. The Schedule of Values is a detailed itemized listing of the dollar amount of all components needed to complete the work, including labor. The total amount of the Schedule of Values represents the total amount of the Owner/Contractor Agreement. The contractor will submit at least three (3) signed original requests for payment monthly. The originals should be sent directly to the architect, with copies to the pastor and the Director of Property and Construction. The pastor or his designated representative should contact the Diocesan Business Services Office at this time with a request for transfer of funds to the parish's account, if applicable. This request must be in written form, either by letter or fax.

The architect will evaluate the request during the next site visit and either approve it directly or approve a revised amount, attaching a written explanation for such action. He will sign all copies, retain one for his records, send one photocopy to the Diocesan Business Services Office and forward the remaining originals to the pastor, who will forward one copy with payment to the contractor.

It is noted that contracts will require 10% of the amount certified be retained from each monthly request. It is understood that payments are not made for work not performed, or materials not delivered to the site. Any liens received by the Bishop during the work will be deducted from that payment and held until complete resolution.

It is the individual parish's responsibility to coordinate the request for the transfer of funds, if applicable, for payments to the contractor. Requests received by the Fiscal Services Office by noon on Tuesday will be processed and have checks ready by that Thursday (2-day cycle). Any funds received from the Diocese will be sent directly to the parish and must be recorded in their financial records before being disbursed to the contractor.

The contractor, at completion of the project, shall deliver to the architect two record sets of prints and specifications in which all changes made during construction are noted. One set shall be retained at the parish and one shall be forwarded to the Director of Property and Construction. At the appropriate time, the architect will produce "punch lists" of unacceptable or incomplete work. The parish is encouraged to participate in generating this punch list.

The architect shall review the entire record set with members of the parish who will be active in building maintenance. The architect's final payment should be made after delivery of the record set and completion of punch-list work.

All changes to the contract, whether additions or credits, shall be accomplished by a Change Order signed by the architect, the Bishop, and the contractor. The Change Order shall be on the appropriate AIA form with supporting documentation as may be required. No work on the Change Order shall be done until signed by owner, architect, and contractor.

When the project is finally completed and accepted by the architect and the User, including all punch-list items, the total balance due is paid to the contractor. Final payment shall not be made until close-out procedures, as required in the specifications, have been complied with. Generally, these include the record sets, product warranty and operations manual, contractor's affidavits for payment of debts and claim, and release of liens, submission of sales tax forms for parish's filing, etc. The architect will coordinate this with the contractor.

### **STEP 13. FINAL DIOCESAN REQUIREMENTS**

If a loan has been taken, the pastor shall inform the Chief Financial Officer/Chief Administrative Officer when the last payment to the contractor has been made. The loan will be capped at the amount outstanding at this point. The Chief Financial Officer/Chief Administrative Officer will prepare an amortization schedule and send it to the parish to initiate the monthly payments showing the breakdown of principal and interest.

Prior to termination of the Builder's Risk Policy by the general contractor, he/she shall notify the Director of Property and Construction so that the newly completed building can be added to the Diocesan Insurance Policy.

## APPENDIX A

### INSTRUCTIONS FOR FINANCIAL DATA FOR PROPOSED PROJECT

1. Name of parish, school, agency, etc.
2. Street, city, zip code, and telephone number.
3. Name of pastor, pastoral administrator, agency head, etc.
4. Date form is completed.
5. What is the project? School, new church, renovate church, etc.
6. Estimate of date project construction contract will be let.
7. Estimated date project is completed.
8. Cost of all professional fees, except architect. Soil borings, surveyor, artist, liturgical consultant, lawyer, etc.
9. Cost of all land and land acquisition costs. If land is already owned, leave blank.
10. Architect's fee; normally a percentage of the construction contract.
11. Includes earth moving, utilities, curbing and similar expenses which are expected to be completed during general construction, and are not included in the construction contract, below. (This entire amount may be included in the general contract.)
12. Amount of the general contractor's contract.
  - a. Cost per square foot.
13. Pews, desks, chairs, kitchen equipment, etc.; usually purchased separately by the parish and not included in the construction contract.
14. 5% of line 12.
15. Any project costs not included in lines 8 through 14. Specify what the item is on the dotted line and record the amount on line 15.
16. Total of lines 8 through 15.

Columns 17-21 provide space to record up to three current loans outstanding. Add more lines if you have more than three. For each loan, list the following:

17. The original amount borrowed, the beginning balance.
18. Purpose of the loan: church, school, rectory, etc.
19. The dollar amount of your monthly payment for this loan.
20. What is the current principle balance owed?
21. According to your amortization schedule, in what months and year will the loan be completely paid off?

Columns 22-30 provide space to record information on up to three Fund Raising Programs conducted within the past 10 years plus a fundraising program for this project, if planned. For a planned program, record the data on the lines above line 30. For each fundraising program list the following:

22. Month and year the program was begun.
23. Month and year the program was completed.
24. The amount of the goal for the program. What was the amount targeted or needed?
25. What was the total amount of all pledges received?
26. What was the total number of pledges received?
27. Column 26 divided by total number of families, prospects, etc.
28. Total dollars actually collected.
29. Total dollars pledged by the highest 10% of all pledges. For example: if there were 120 pledges, the total amount of the 12 largest pledges.
30. If you plan a fundraising campaign for this project, describe your plans. Will you use a profession consulting firm? Make house visitations? Public meetings? Organize with teams, etc.? How much do you intend to raise? How many prospects will be requested to make a pledge? How many pledges do you expect to receive? What % will be collected? What will be the amount of your largest pledge? The total of your highest 10% of all pledges?

The next page provides space to record parish finances for the past five years and the next five years. For each year, beginning with the fifth previous completed year and ending with the most recent completed year ending June 30, please complete the line items requested:

31. List each one of the five-previous fiscal year end dates (month/year).
32. Average number of families in the parish. The sum of the number of parishioners at the beginning of the year, plus the number of parishioners at the end of the year divided by two.
33. Average annual offertory per registered family (offertory divided by the average number of families).
34. Annual parish offertory
35. Projected Pledge Income or Second Collections for building project
36. Other ongoing parish income available to be applied to parish operations, exclusive of offertory.
37. Total of line items 34 and 35.
38. Total salaries and benefits for lay employees and stipends and benefits for clergy and religious. Also include applicable payroll taxes, pension benefits, re-employment assistance, and health insurance paid by the parish
39. All other ordinary expenses related to the ongoing operation of the parish.
40. Total of items 37 and 38.
41. Subtract item 39 from item 36.

Items 42-52 are calculated the same way as items 31-40 above. Begin with the current uncompleted year and project the following four years.

53. The amount of annual projected new principle and interest (long-term borrowing).
54. The amount of annual projected new principle and interest (short-term borrowing).
55. Projected surplus/(deficit) after new loans (line 52 must show parish/school is able to cover new debt).
56. The amount of unrestricted funds on hand now available to be applied to the proposed project.

57. The amount of unrestricted funds expected to be in the bank and on deposit with the Diocese on the date in line six.
58. The amount of restricted building funds on hand now available to apply to the proposed project.
59. Total amount of restricted building fund pledges collected by the date on line 6.
60. Add lines 56-59 to determine the down payment available prior to the beginning of construction.
61. One-half of the amount of line 16. Normally construction may not be initiated until this amount is on hand. If line 56 is more than line 55, consult with the Director of Business Services for information on how to proceed.
62. Total amount of restricted building fund pledges collected after the date on line 6. At the end of the pledge period, the sum of lines 54 and 57 should equal the amount in column 28.
63. The amount of loan requested for this project. Normally, the maximum loan is one-half of the project value. While there are general guidelines, the overriding concern for the granting of a loan is the ability of a parish to repay the loan as demonstrated in the finance plan. Normally, the maximum loan is \$1,500 per family, repayable over no more than 15 years.
64. Based on line 63 above, and your expected interest rate, record the sum of your annual loan payments.
65. Record here the interest rate used in determining line 64.
66. Record here the number of years used in determining line 64.
67. Record the long-term debt per family once the loan is fully drawn (loan requested/# of projected families at time loan is fully drawn).
68. The amount of short-term loan requested for this project. Normally, the maximum amount of the loan is the total pledged during the campaign, less case received and then discounted for interest.
69. Based on line 68 above, and your expected interest rate, record the sum of your annual loan payments.
70. Record the interest rate used in determining line 69.

71. Record the number of years used in determining line 69.
72. Record the short-term debt per family once the loan is fully drawn (loan requested/# of projected families at time loan is fully drawn).

**CATHOLIC DIOCESE OF RALEIGH FINANCE COUNCIL  
FINANCIAL DATA FOR PROPOSED PROJECT**

PARISH NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

PASTOR/PASTORAL ADMINISTRATOR: \_\_\_\_\_

DATE: \_\_\_\_\_

DESCRIPTION OF PROJECT: \_\_\_\_\_  
\_\_\_\_\_

FORECAST DATES: \_\_\_\_\_

CONSTRUCTION CONTRACT LET: \_\_\_\_\_

CONSTRUCTION COMPLETE: \_\_\_\_\_

PROJECT COST: \_\_\_\_\_

Professional Services & Fees, Excluding Architect.....\$ \_\_\_\_\_

Land ..... \$ \_\_\_\_\_

Architect..... \$ \_\_\_\_\_

Site Preparation (*if separate from construction*) ..... \$ \_\_\_\_\_

Construction Contract..... \$ \_\_\_\_\_

Cost per square foot..... \$ \_\_\_\_\_

Furnishings..... \$ \_\_\_\_\_

Contingency (*10% of construction contract, required*) ..... \$ \_\_\_\_\_

Other (*specify*) ..... \$ \_\_\_\_\_

TOTAL ..... \$ \_\_\_\_\_

EXAMPLE

**Current Indebtedness – Loans Outstanding**

Original Amount	Purpose	Monthly Payment	Current Balance	Date of Final Payment
\$ 17	18	\$ 19	\$ 20	21
\$		\$	\$	
\$		\$	\$	

**Describe any Fundraising Programs conducted within the past ten years. Include building campaigns, school endowment or other.**

Date Started	Date Completed	\$ Goal	\$ Pledged	# of Pledges	% of Families Pledging	\$ Received	Amt. Rec'd from top 10% of Donors
22	23	24	25	26	27	28	29

**If you plan to conduct a fund campaign for this project, give the above information plus describe your organization plans.**

Organization Plans:

**FIVE YEAR PARISH FINANCIAL HISTORY**

	<b>YEAR END</b>	<b>YEAR END</b>	<b>YEAR END</b>	<b>YEAR END</b>	<b>YEAR END</b>
	<i>31</i>	<i>31</i>	<i>31</i>	<i>31</i>	<i>31</i>
Number of Families	<i>32</i>	<i>32</i>	<i>32</i>	<i>32</i>	<i>32</i>
Offertory per Family	<i>33</i>	<i>33</i>	<i>33</i>	<i>33</i>	<i>33</i>
<b><u>ORDINARY INCOME</u></b>					
Offertory	<i>34</i>	<i>34</i>	<i>34</i>	<i>34</i>	<i>34</i>
Pledge Income/Special Collection	<i>35</i>	<i>35</i>	<i>35</i>	<i>35</i>	<i>35</i>
Other Operating Income	<i>36</i>	<i>36</i>	<i>36</i>	<i>36</i>	<i>36</i>
<b>TOTAL ORDINARY INCOME</b>	<i>37</i>	<i>37</i>	<i>37</i>	<i>37</i>	<i>37</i>
<b><u>ORDINARY EXPENSE</u></b>					
Payroll Related	<i>38</i>	<i>38</i>	<i>38</i>	<i>38</i>	<i>38</i>
All other Operating Expenses	<i>39</i>	<i>39</i>	<i>39</i>	<i>39</i>	<i>39</i>
<b>TOTAL ORDINARY EXPENSES</b>	<i>40</i>	<i>40</i>	<i>40</i>	<i>40</i>	<i>40</i>
<b>SURPLUS/DEFICIT</b>	<i>41</i>	<i>41</i>	<i>41</i>	<i>41</i>	<i>41</i>

**FIVE YEAR PARISH FINANCIAL PROJECTION**

	<b>YEAR END</b>	<b>YEAR END</b>	<b>YEAR END</b>	<b>YEAR END</b>	<b>YEAR END</b>
	<i>42</i>	<i>42</i>	<i>42</i>	<i>42</i>	<i>42</i>
Number of Families	<i>43</i>	<i>43</i>	<i>43</i>	<i>43</i>	<i>43</i>
Offertory per Family	<i>44</i>	<i>44</i>	<i>44</i>	<i>44</i>	<i>44</i>
<b><u>ORDINARY INCOME</u></b>					
Offertory	<i>45</i>	<i>45</i>	<i>45</i>	<i>45</i>	<i>45</i>
Pledge Income/Special	<i>46</i>	<i>46</i>	<i>46</i>	<i>46</i>	<i>46</i>
Collections Other Ordinary Income	<i>47</i>	<i>47</i>	<i>47</i>	<i>47</i>	<i>47</i>
<b>TOTAL ORDINARY INCOME</b>	<i>48</i>	<i>48</i>	<i>48</i>	<i>48</i>	<i>48</i>
<b><u>ORDINARY EXPENSE</u></b>					
Payroll Related	<i>49</i>	<i>49</i>	<i>49</i>	<i>49</i>	<i>49</i>
All other Ordinary Expenses	<i>50</i>	<i>50</i>	<i>50</i>	<i>50</i>	<i>50</i>
<b>TOTAL ORDINARY EXPENSES</b>	<i>51</i>	<i>51</i>	<i>51</i>	<i>51</i>	<i>51</i>

	YEAR END	YEAR END	YEAR END	YEAR END	YEAR END
<b>SURPLUS/DEFICIT</b>	52	52	52	52	52
Long-term Projected Debt Service	53	53	53	53	53
Short-term Projected Debt Service	54	54	54	54	54
<b>SURPLUS/DEFICIT</b>	55	55	55	55	55

\*Be sure to include additional cost of operating new building in years where appropriate, i.e. payroll, utilities, taxes, insurance, etc.

A. Unrestricted Funds on Hand Now ..... \$ \_\_\_\_\_

B. Unrestricted Funds Expected to be on Hand at Start of Construction..... \$ \_\_\_\_\_

C. Restricted Building Funds on Hand Now (Pledge Income) ..... \$ \_\_\_\_\_

D. Restricted Building Campaign Funds Collected Before Construction..... \$ \_\_\_\_\_

E. Total Down Payment Available (add rows A-D)..... \$ \_\_\_\_\_

F. One-Half of Total Project Cost..... \$ \_\_\_\_\_

G. Restricted Building Campaign Funds Collected After Construction ..... \$ \_\_\_\_\_

*(Line D and Line G should equal #28)*

    Loan Requested..... \$ \_\_\_\_\_

    Projected Annual Loan Repayment/Principle + Interest ..... \$ \_\_\_\_\_

    Expected Loan Interest Rate (Diocesan Variable Rate) ..... \_\_\_\_\_ %

    Loan Term (*15 years maximum*) ..... \_\_\_\_\_

    Debt Per Family (Total debt to be borrowed/families when debt is drawn.) \_\_\_\_\_

**Reviewed and Approved:**

\_\_\_\_\_

Finance Council Chairperson (signature)

\_\_\_\_\_

Date

\_\_\_\_\_

Finance Council Chairperson (print name)

\_\_\_\_\_

Pastoral Council Chairperson (signature)

\_\_\_\_\_

Date

\_\_\_\_\_

Pastoral Council Chairperson (print name)

\_\_\_\_\_

Pastor/Pastoral Administrator (signature)

\_\_\_\_\_

Date

\_\_\_\_\_

Pastor/Pastoral Administrator (print name)

**CATHOLIC DIOCESE OF RALEIGH FINANCE COUNCIL  
FINANCIAL DATA FOR PROPOSED PROJECT**

PARISH NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

PASTOR/PASTORAL ADMINISTRATOR: \_\_\_\_\_

DATE: \_\_\_\_\_

DESCRIPTION OF PROJECT: \_\_\_\_\_

\_\_\_\_\_

FORECAST DATES: \_\_\_\_\_

CONSTRUCTION CONTRACT LET: \_\_\_\_\_

CONSTRUCTION COMPLETE: \_\_\_\_\_

PROJECT COST: \_\_\_\_\_

Professional Services & Fees, Excluding Architect.....\$ \_\_\_\_\_

Land ..... \$ \_\_\_\_\_

Architect..... \$ \_\_\_\_\_

Site Preparation (*if separate from construction*) .....\$ \_\_\_\_\_

Construction Contract.....\$ \_\_\_\_\_

Cost per square foot.....\$ \_\_\_\_\_

Furnishings.....\$ \_\_\_\_\_

Contingency (*10% of construction contract, required*) .....\$ \_\_\_\_\_

Other (*specify*) .....\$ \_\_\_\_\_

TOTAL .....\$ \_\_\_\_\_

**Current Indebtedness – Loans Outstanding**

Original Amount	Purpose	Monthly Payment	Current Balance	Date of Final Payment
\$		\$	\$	
\$		\$	\$	
\$		\$	\$	

**Describe any Fundraising Programs conducted within the past ten years. Include building campaigns, school endowment or other.**

Date Started	Date Completed	\$ Goal	\$ Pledged	# of Pledges	% of Families Pledging	\$ Received	Amt. Rec'd from top 10% of Donors

**If you plan to conduct a fund campaign for this project, give the above information plus describe your organization plans.**

Organization Plans:

**FIVE YEAR PARISH FINANCIAL HISTORY**

	<b>YEAR END</b>	<b>YEAR END</b>	<b>YEAR END</b>	<b>YEAR END</b>	<b>YEAR END</b>
Number of Families					
Offertory per Family					
<b><u>ORDINARY INCOME</u></b>					
Offertory					
Pledge Income/Special Collection					
Other Operating Income					
<b>TOTAL ORDINARY INCOME</b>					
<b><u>ORDINARY EXPENSE</u></b>					
Payroll Related					
All other Operating Expenses					
<b>TOTAL ORDINARY EXPENSES</b>					
<b>SURPLUS/DEFICIT</b>					

**FIVE YEAR PARISH FINANCIAL PROJECTION**

	<b>YEAR END</b>	<b>YEAR END</b>	<b>YEAR END</b>	<b>YEAR END</b>	<b>YEAR END</b>
Number of Families					
Offertory per Family					
<b><u>ORDINARY INCOME</u></b>					
Offertory					
Pledge Income/Special Collections Other Ordinary Income					
<b>TOTAL ORDINARY INCOME</b>					
<b><u>ORDINARY EXPENSE</u></b>					
Payroll Related					
All other Ordinary Expenses					
<b>TOTAL ORDINARY EXPENSES</b>					

	YEAR END	YEAR END	YEAR END	YEAR END	YEAR END
<b>SURPLUS/DEFICIT</b>					
Long-term Projected Debt Service					
Short-term Projected Debt Service					
<b>SURPLUS/DEFICIT</b>					

\*Be sure to include additional cost of operating new building in years where appropriate, i.e. payroll, utilities, taxes, insurance, etc.

- A. Unrestricted Funds on Hand Now ..... \$ \_\_\_\_\_
  - B. Unrestricted Funds Expected to be on Hand at Start of Construction..... \$ \_\_\_\_\_
  - D. Restricted Building Funds on Hand Now (Pledge Income) ..... \$ \_\_\_\_\_
  - D. Restricted Building Campaign Funds Collected Before Construction.....\$ \_\_\_\_\_
  - E. Total Down Payment Available (add rows A-D).....\$ \_\_\_\_\_
  - F. One-Half of Total Project Cost.....\$ \_\_\_\_\_
  - G. Restricted Building Campaign Funds Collected After Construction .....\$ \_\_\_\_\_
- (Line D and Line G should equal #28)*
- Loan Requested.....\$ \_\_\_\_\_
  - Projected Annual Loan Repayment/Principle + Interest .....\$ \_\_\_\_\_
  - Expected Loan Interest Rate (Diocesan Variable Rate) ..... \_\_\_\_\_%
  - Loan Term (*15 years maximum*)..... \_\_\_\_\_
  - Debt Per Family (Total debt to be borrowed/families when debt is drawn.) \_\_\_\_\_

**Reviewed and Approved:**

\_\_\_\_\_  
Finance Council Chairperson (signature)

\_\_\_\_\_  
Date

\_\_\_\_\_  
*Finance Council Chairperson (print name)*

\_\_\_\_\_  
Pastoral Council Chairperson (signature)

\_\_\_\_\_  
Date

\_\_\_\_\_  
*Pastoral Council Chairperson (print name)*

\_\_\_\_\_  
Pastor/Pastoral Administrator (signature)

\_\_\_\_\_  
Date

\_\_\_\_\_  
*Pastor/Pastoral Administrator (print name)*

## **INSTRUCTIONS FOR CASH FLOW PROJECTION**

1. Current fiscal year and quarter, followed by subsequent quarters.
2. Current fiscal year and quarter, followed by subsequent quarters.
3. Total of all unrestricted deposits and savings, if any at beginning of the quarter.
4. Total ordinary income for the quarter.
5. Total ordinary expenses for the quarter. (Excludes interest expense related to the new loan, includes interest expense related to existing loans.)
6. Cash received from pledge payments, gifts, etc.
7. Grant income if applicable.
8. Receipts from draws on approved short-term loans (amount borrowed this quarter).
9. Receipts from draws on approved long-term loans (amount borrowed this quarter).
10. Payments to Architect, Contractor, etc. for project.
11.  $Column\ 3 + 4 - 5 + 6 + 7 + 8 + 9 - 10$ .
12. Interest expense on the new short-term loan.
13. Principal payment on new short-term loan.
14. Interest expense on the new long-term loan.
15. Principal payment on new long term and existing loans (interest expense on loans is already calculated in ordinary expenses Column5).
16.  $Column\ 11 - 12 - 13 - 14 - 15$ .
17. Loan balance at end of quarter (outstanding loan balance from prior quarter minus principal payments from this quarter).

**CASH FLOW PROJECTION (IN THOUSAND DOLLARS)**  
(Do not use decimals. State amounts to nearest who thousand dollars.)

**CATHOLIC DIOCESE OF RALEIGH**  
**Parish Loan Request**

The Diocese of Raleigh normally grants loans to parishes and other institutions for the purchase of land, construction, major repairs and renovations.

The interest rate is set each year and is announced by June 15 of the preceding year. However, in accepting a loan the borrowing institution recognizes the prerogative of the Diocese to adjust this rate at any time that financial conditions require such action. Normally, changes in interest rate will be implemented through adjustment of the term of the loan in order to maintain level monthly payments.

Although the Diocese will make every effort to bear loans to the full term of the agreed amortization schedules, all are demand loans for which full payment can be called at any time.

The borrowing institution is not permitted to build up savings or investments beyond 150% of an average month's expenditures. Such excess funds must be employed for advance payments against the debt so that the money can be made available to others.

Regular payments are due on the 25th of each month. Advance payments can be made at any point in the amortization schedule. Presuming the current month's payment has already been made, such advance payments will be accepted up to the last day of the month. Such payment is accomplished simply by sending the principal amount of the next due payment (or payments) without any interest. In the ensuing month, the borrower skips to the following number on the amortization schedule and pays that principal and interest. The parish acknowledges a primary obligation to timely remit monthly payments which will arise from this loan and commits to control discretionary spending for salaries, programs and the like in order to meet this obligation.

With full acceptance of the conditions above, \_\_\_\_\_  
requests a loan in the amount of \$ \_\_\_\_\_ repaid over a period of \_\_\_\_\_  
(*maximum term of 180 months*).

\_\_\_\_\_  
Parish Pastoral Council Chairperson

\_\_\_\_\_  
Parish Finance Council Chairperson

\_\_\_\_\_  
Date

\_\_\_\_\_  
Pastor/Pastoral Administrator

## **CATHOLIC DIOCESE OF RALEIGH PARISH LOANS AND DEPOSIT POLICY**

For many years, it was the policy of the Diocese to provide diocesan funds for building projects and other parish needs at below market interest rates to parishes. Diocesan funds were sufficient to fund all needs. However, with the rapid recent growth of the Diocese, diocesan funds became inadequate to meet demand. When this happened, parishes who requested loans when diocesan funds were exhausted were required to obtain financing from commercial banks and other sources. This resulted in higher interest rates than were paid by those parishes who had Diocesan loans.

The policy during these years was basically, "first come, first served". This policy seemed very fair to those parishes who had low interest Diocesan loans. However, to those parishes who did not, it did not seem fair. This problem became acute during the double-digit inflation period in the early 1980's when some parishes had loans at 7.5% interest while others had loans at 13%.

The Finance Council discussed various solutions to this problem, including an adjustable-rate mortgage approach as a possible solution. After consideration of the matter, the Priest's Senate approved a policy whereby all parishes would be charged the same rate of interest. To implement this policy, the Finance Council and Chancery adopted an adjustable-rate mortgage approach.

The Adjustable-Rate Mortgage Program operated by the Diocese is one whereby the total cost of funds is divided by the total loan principal for all parishes to determine the interest rate required to pay all of the lending sources. Sources of parish loan funds includes Diocesan funds not currently being used, parish deposits, bank loans, loans from the Knights of Columbus, taxable bond issues and a line of credit. The Diocesan policy almost always provides funds at a below market interest rate, since it is able to secure favorable rates from various financial institutions.

Before the beginning of each fiscal year, the Director of Business Services estimates the total amount of loans that are expected to be outstanding during the year. He estimates the cost of all of the sources of parish loan funds, and the effective interest rate on the average outstanding balance required to pay all interest costs. All borrowers pay this effective rate. In other words, all borrowers share on a pro rata basis from each of the money sources, from lowest cost through highest cost.

Parishes wishing to borrow funds submit their request for their loan through the Diocesan Finance Council. These requests are reviewed against criteria for lending established by the Council. Loans are then made after approval.

The interest rate applied to each new loan is the rate which is in effect at the time when the funds are taken down. When the interest rate applied to each new loan is the rate which the loan is capped at the end of the project, the amortization schedule is established based on the interest rate at the time of the capping. The maximum term is 15 years. The monthly payment which is established by this amortization schedule will be in effect for the life of the loan. Each year, when a new interest rate is established, a new amortization schedule is generated using the same monthly payment as originally established, the outstanding principal balance at the beginning of the new year and the term is varied to maintain the same monthly payment. Thus, as the interest rate changes from year

to year, the remaining number of monthly payments increases and decreases as the interest rate increases and decreases.

The interest rate charged for loans to parishes have been 9.8%, 9.2%, 8.8%, 9.45%, 8.5%, 7.5% 7.0%, 6.5% and 5.5% during the life of the policy. A special policy of the loan program is that loans to purchase land for new parishes are made interest free. (Mother Parish loans)

In order to make the program most effective and keep the cost to parishes as low as possible, the Council voted that all parishes in the Diocese with funds on hand in excess of 45 days normal operating expenses should place them on deposit with the Diocese. It was the thinking of the Council that all parishes from time to time are either lenders or borrowers. By helping one another, all will benefit. While their action stopped short of making their action mandatory, various methods of persuasion and recommendations to parishes to participate in the program on the deposit side were endorsed.

**GUIDELINES FOR SALE OF LAND TRUST PROPERTY FOR CHURCH USE**

- A. Property purchased from the Land Trust for parish or other church use shall be purchased at the higher of:
- 1) Original purchase price including legal, closing and other costs associated with purchase plus one-half the appreciation in value since time of purchase, OR
  - 2) Land Trust cost as of the date of purchase. Cost shall include all costs paid by the Trust for purchase and support of the property since time of purchase and would include but not be limited to such things as property taxes, lawn maintenance, fences, insurance and other costs. Any income from the rental of the property would be deducted from cost.
- B. Payments for property purchased from the Trust will be made to the Trust so the Trust may purchase additional property.
- C. Parishes or other church Users may designate for purchase less than the total parcel with the approval of the Building & Real Estate Commission. “Designate for purchase” means they reserve for their use and commit to purchase a specified portion of the land, part or all of which may be paid for at a later date. After such designation, if there is no other foreseeable church use, the Building & Real Estate Commission may recommend sale of the remainder. The Commission will normally approve such a request if the remainder is a reasonably salable part of the property. In other words, if the total property is 90% good land and 10% swamp, the Commission would normally not approve parish purchase of the land and leave the 10% swamp in the Land Trust. Such purchased part should not be a gerrymandered configuration which leaves the balance with significant unusable or awkward parcels.
- D. If a part is to be designated for purchase, the Building & Real Estate Commission will establish a price for the land which will enable the User to know what the price will be for the part designated and the price for the remainder in such a way that an equitable value relationship exists between the cost paid by the User and the land designated.
- E. Before designated land can be used or improved by the purchaser, it must be paid for in full to the Land Trust. With approval of the Building & Real Estate Commission, a portion of the designated part may be purchased with the balance of the designated part to be purchased at a later date. In such case, the part purchased must be delineated on a plot of the property and a copy thereof maintained in the Diocesan files.

- F. If the balance of a designated part is not purchased and paid for in full within five years from occupancy of the first part purchased, an annual carrying cost fee shall be paid to the Land Trust in the amount of the then current Diocesan parish loan interest rate times the value of the price of the unpurchased balance.
- G. The following is a preferred list of options available, in order from most desirable (1) to least desirable (3):
- 1) That the entire tract be purchased in case at the outset.
  - 2) That a phased purchase be arranged, with an immediate purchase of “Parcel A” made with plans to purchase “Parcel B” within five years under the previously established guidelines.
  - 3) That “Parcel B” be purchased between years 5-10, with annual carrying costs paid to the Land Trust as previously established. In no case shall the transaction of “Parcel B” extend past year 10. Purchase price of a “Parcel B” is based upon previously established guidelines and in no case, shall it be less than the original price paid by the Land Trust, even if “Parcel B” shows depreciation.
- H. Annual reprioritization of the Land Trust is handled by the Deans. The listing is available from the Director of Property and Construction.

**GENERAL PROCEDURES FOR NEW LAND ACQUISITION**

A parish may choose to purchase adjacent land to increase its existing land area, or to completely relocate the entire parish complex. These purchases may be from the Land Trust or from the open market. Open market purchases will probably be most common for parishes wishing to add to their existing site rather than relocate entirely.

Purchases from the Land Trust must follow the previously established "Guidelines for Sale of Land Trust Property for Church Use", listed separately in Appendix C.

Prior to purchase of a parcel from the open market, a parish is required to investigate general site conditions and present findings along with a formal proposal to the Building & Real Estate Commission. Parishes shall request a visit to the site through the Director of Property and Construction by members of the Building & Real Estate Commission. A separate presentation is required to the Diocesan Finance Council.

A MAI appraisal is required for all non-residential real estate purchases. A comparative market analysis is required for rectory purchases.

Some investigative work may have already been done by the present owner during his purchase, such as a boundary and topographic survey, or a sub-surface soil investigation. If this information is reasonably current, it would benefit the parish to obtain copies if possible. Prior to actual closing, this information will need to be verified as still accurate or done again at parish expense. A "Phase I Environmental Audit" by a licensed environmental engineering firm will be required in order to test for hazardous material. A Wetlands test may also be necessary. If the proposed site is not serviced by a municipal sewer system, the local Health Department will probably require soil percolation tests prior to design and location of the septic system. This is often performed or coordinated by the department itself. **NOTE:** It is recommended that a parish not make any financial commitments via contractual agreements for any of the previously mentioned required activities until approval in concept has been received from the Diocesan Building & Real Estate Commission and Finance Council. Since a request to purchase may be denied by either body, work contracted for prior to these approvals is done at the parish's own risk.

All offers to purchase shall be produced by the Diocesan attorney and signed by the Bishop. Contingencies will be included in the offer to cause earnest money to be returned if the offer is denied by the Finance Council or Building & Real Estate Commission.

The presentation to the Building & Real Estate Commission should be structured to generally address the following issues:

1. General site information including the items mentioned above – survey, soil conditions, environmental test (if available), wetlands, and easements. Note that

power company and other types of easements may cause denial of the proposed site by the Building & Real Estate Commission.

2. Present use of adjacent parcels and their respective zoning, with thought to them as potential acquisitions or problems.
3. Relationship of the site to the immediate community, and to adjacent parishes.
4. Demographics of the area served by the parish, preferably from multiple outside sources such as City/County Planning, public utilities planning offices, local schools and corporations, etc.
5. The ability of the site to provide sufficient potential for a minimum 20-year planning horizon. The site shall be a minimum of ten (10) acres of usable land for parishes without schools to achieve this.

In addition, all offers shall conform to the previously established "Policy on Contingent Contracts for Sale of Parish Property", also listed separately in these Appendices. The Diocesan Attorney, on behalf of the Bishop, will review all contracts and may require revisions.

**DIOCESAN POLICY FOR SECURING UNOCCUPIED BUILDINGS**

1. Inspect building at time of closing taking care of obvious deficiencies, (i.e., roof leaks, gutter problems, fascia/soffit deterioration, etc.). The Director of Property and Construction will be available for consultation and questions. Use general building maintenance manual as guide for inspection and continue with periodic general inspections on intervals of no more than four weeks. Check for changes in the condition of the building, such as roof leaks. Building shall be kept locked with controlled access to active keys. Confirm operation of existing alarm systems, smoke detectors, etc.
2. Plumbing: The entire system should be drained, especially if any pipes are routed through unheated areas, such as crawl spaces. Leave main shut off valve in OFF position. Extinguish pilot lights on gas water heaters. Maintain the pilot light for gas heating equipment only during the heating season and check regularly. It is recommended that antifreeze be put in all traps and in the bowls and tanks for water closets. This will not harm the fixture. A cup of antifreeze and water mixture can be poured into a sink. Any clothes washers should be disconnected and drained and the water heater should have the power disconnected and also be drained.
3. HVA/C System: Maintain heating and cooling to within limits of plus or minus 50 degrees Fahrenheit in the winter season, plus or minus 80 degrees Fahrenheit in the summer season. (If no AC system exists, provide ventilation on a weekly basis, for several hours, or as required to provide several complete air changes. Ensure attic spaces and crawl spaces have continuous ventilation by mechanical or convection flow.)
4. Electrical: It is recommended that the electrical service be maintained as if the building were occupied. This will facilitate periodic inspections and allow the mechanical and lighting systems to remain in operation. Disconnect any unneeded fixtures or equipment.
5. Maintain adequate exterior area lighting at a level which will deter break-ins and also provide security for persons in the vicinity of the building during nighttime hours. Timers, motion sensors and photocells can be quite useful for this type of lighting. It is advantageous to provide an interior night light circuit within the building which will be manually or automatically activated during evening hours to maintain minimal light levels inside. This aids police patrols to be able to see into the building.
6. Exterior Maintenance: Work shall continue to be performed on yard and landscape areas to sustain a presentable appearance, particularly if the property is being offered for sale. Municipalities generally enforce ordinances for grass height and shrubbery trimming, so as to minimize pests and complaints from neighbors. Gutters, roof drains and downspout shall be regularly checked to insure proper function.

7. Bear in mind that an undetected problem, such as a roof leak, which goes unnoticed, has the potential to create thousands of dollars in damage. Water problems and poor ventilation are often the major causes of unoccupied building damage.

**DIOCESAN POLICY ON CONTINGENT SALE CONTRACTS  
FOR  
PARISH PROPERTY**

It will be the policy of the Diocese of Raleigh that before parish property can be listed for sale and/or before any offers to purchase parish property can be solicited or discussed with potential buyers, approval must be received by the Building & Real Estate Commission and the Finance Council. That approval must encompass both approval in concept to sell the property and approval to sell the property within set financial guidelines. After recommendation from the Diocesan Finance Council and Building & Real Estate Commission, and with the Bishop's approval, the parish can sell for as low as 90% of the MAI appraised value. The Bishop will sign listing agreements or contracts for sale of property only after these steps have been taken.

In addition, the Building & Real Estate Commission and the Diocesan Finance Council require that:

"For properties (except Rectories) reasonably assumed to be valued in excess of \$100,000, a certified MAI appraisal shall be commissioned by the parish, school or other institution prior to requesting permission from the Diocesan Finance Council and/or Building & Real Estate Commission to list/sell/buy."

**DIOCESAN POLICY FOR  
NEGOTIATED CONSTRUCTION CONTRACTS**

**DEFINITION:** A Negotiated Construction Contract is a project delivery method by which the Owner or User group identifies a General Contractor at the beginning of the architectural design phase, with the intention of awarding him the eventual contract for the work at or around the time of completion of the Construction Documents phase. The Architect is generally engaged prior to Contractor selection via a separate contract with the Owner, through which normal and complete architectural services will be provided. The Contractor firm, in exchange for the Owner's unwritten assurance that it will be awarded the contract for construction, joins the Owner and Architect as a team member. The Contractor firm participates in the architectural design phases by offering knowledge and experience of everyday construction practices and most importantly, helps to produce an efficient, value-engineered set of Construction Documents which meet the specific needs and budget of the owner.

Parishes wishing to engage in the Negotiated Contract method of project delivery for new construction or renovation shall comply with the following:

1. The initial request shall be in letter form, addressed to the Chief Financial Officer/Chief Administrative Officer, and signed by the pastor, Parish Pastoral Council Chair and Parish Finance Council Chair. The letter shall outline the rationale of the request for the specific project in question and shall be submitted prior to the parish's first presentation to the Diocesan Building & Real Estate Commission. This rationale shall include past experience of both the architect and general contractor regarding Negotiated Contracts.
2. The parish shall submit an outline of the process that will be employed in selecting the General Contractor, and major sub-contractors/vendors, if applicable.
3. The Contractor shall submit to the parish in writing its' agreement to participate in a Negotiated Contract project, based upon a Guaranteed Maximum or a Stipulated Sum Contract. Open-ended, cost-plus contracts will not be allowed. Unit prices will be allowed for specific parts of the contract, such as alternates and allowances. A general discussion of the Contractor's intended level of involvement during each architectural design phase should be included. The contractor shall also agree to provide written, itemized cost updates for each of the three (3) design phases. **NOTE:** Contractor firms may charge a fee to the parish for their participation in the design phase if they are not contracted with upon completion of construction documents. This shall be addressed in the contractor's letter prior to any substantial involvement.
4. The parish shall provide a cost confirmation for the project produced by an independent

outside source such as a construction management firm or a general contractor with no interest in the project. The parish should understand that this will usually involve a separate fee. This cost confirmation shall be based upon the architect's final construction documents and must be no more than 5% over the contractor's stipulated sum contract amount prior to contract execution by the Bishop. An independent cost check under a negotiated general contract scenario is not required if the general contractor can show evidence of three (3) or more sub-contractor's proposals for various portions of the work, the total of which is a minimum of 2/3 of the value of the total contract.

5. The Owner/Contractor contract shall be a version of an AIA Owner/Contractor Agreement.
6. The parish is required to contract with the architect for full services, including construction administration, not a modified or reduced scope of services.

It is required that the cost confirmation document include sufficient detail to show itemized costs for each of the 16 divisions of the work.

## APPENDIX H

### PROPOSED OUTLINE FOR SELF-STUDY

**NOTE:** The following is a suggested outline of general topics for a Self-Study. Individual projects will vary, and self-Studies should reflect the character of the parish and the project at hand. The Director of Property and Construction can supply the parish committee with examples of self-studies from past projects.

1. Introduction/Parish Planning to Date
  - A. Parish history/background;
  - B. Internal planning;
  - C. Diocesan level contact; and
  - D. Letter from Finance Chair and Parish Council Chair showing consensus to move into the Self-Study Phase.
  
2. Mission Statement
  - A. Values, visions, goals, etc.
  
3. Geographic Profile/Demographics
  - A. Parish geography;
  - B. Parishioner demographics; and
  - C. Growth issues and projections.
  
4. Conception Needs and Functions/Study Committees
  - A. Steering Committee
    - 1) Conceptual space needs:
      - a. Liturgy Committee
      - b. Education
      - c. Administration and Parish Programs
      - d. Social
      - e. Communications
        - Internal to parish
        - Extend to community
      - f. Building Design
        - Exterior and site
        - Interior and furnishings
        - Use Patterns
      - g. Other
  - B. Master Plan Concepts and Phasing
    - 1) Finance – estimate per square foot
    - 2) Construction
    - 3) Schedule

5. Conception Needs Summary – Basis for Architectural Program
  - A. Committee Reports and
  - B. Narrative Outline.

## **APPENDIX I**

### **RECTORY AND PARISH OFFICES**

1. “New office and living spaces (under the Master Plan) shall be under separate roofs.”  
Reference: Priests Council Meeting Minutes, May 15, 1991.
2. There shall be a suite (bedroom, bathroom, and sitting room) for each permanent occupant of a rectory.

**PASTOR ATTENDANCE AT  
BUILDING & REAL ESTATE MEETINGS**

The pastor's attendance is required at Building & Real Estate Meetings for presentations which impact liturgical issues and/or worship space. Reference: Building & Real Estate Meeting Minutes, May 24, 1993. For relatively minor issues (such as the sale of a Rectory), the attendance of the pastor and parish representatives is not required.

Reference: Building & Real Estate Meeting Minutes, April 27, 1992.

**TERMITE PROTECTION POLICY**

All Diocesan buildings and other facilities that are under the ownership of the Bishop of Raleigh shall be covered under a treatment and inspection contract by a licensed pest control contractor. This contract shall be maintained continuously and not be allowed to lapse in coverage. The contract shall include regular visits by the contractor to all facilities, and an insurance policy to remediate the building from major damage caused by structural pests in the event of an infestation. Evidence of effective coverage by such contract shall be presented annually at the dean's visitation. Coverage shall be in place no later than June 30, 1994.

Reference: Building & Real Estate Minutes, February 28, 1994.

**REQUIRED BUILDING REPAIR POLICY**

Upon encountering sub-standard condition(s) at a Diocesan facility, the Director of Property and Construction shall submit a written report with recommendations and preliminary cost estimate, if available, to the pastor and dean, asking for notification upon completion of work. If notice is not received within a reasonable period, the Director of Property and Construction will contact the dean and request that the issue be included in the next dean's visitation, with the dean assuming responsibility for compliance and notification of completion of the task.

Reference: Building & Real Estate Minutes, February 28, 1994.

**PARISH MAINTENANCE PROJECTS OF \$50,000 OR LESS**

The Director of Property and Construction made a recommendation, based upon a request from the September meeting, that maintenance type projects, such as re-roofing, estimated at less than \$50,000; be handled by diocesan staff rather than be placed before the Building & Real Estate Commission on its monthly agenda. This would not include items involving new construction of buildings. These would then appear as FYI items on subsequent agenda. The Commission approved this recommendation.

Reference: Building & Real Estate Minutes, November 23, 1992.

**DEFIBRILLATORS AND FIRST-AID KITS IN PARISHES**

In the event a medical emergency would arise at a church or any parish building, it is suggested that defibrillators and first-aid kits be installed. It is agreed to that parishes should make an effort to have trained people present at each event should a medical emergency arise at a church or any parish building. (This is also suggested for existing facilities.)

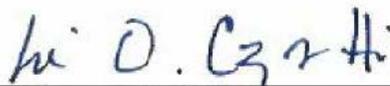
As parishes build new facilities, it will be suggested during the planning stages that they consider installing defibrillators and first-aid kits. If it is determined that these items will be installed, the location and number of units shall be determined by the pastor and the parish's facility committee. (This is also suggested for existing facilities.)

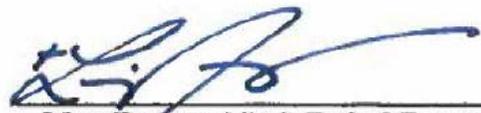
Reference: Building & Real Estate Minutes, July 25, 2018.

**PROTOCOL FOR DISPOSAL OF CHURCH PROPERTY**

Diocesan approval is required prior to the disposition of any type of sacred art at a parish, and Diocesan approval is required before a change is made to previous plans made for the use of sacred art.

This document is promulgated by the Most Reverend Luis Rafael Zarama, Bishop of Raleigh, and effective immediately in the Diocese of Raleigh. All particular law contrary to these guidelines is abrogated with this promulgation.

  
\_\_\_\_\_  
Luis O Capacetti, JCL  
Chancellor/Canonical Counsel  
August 12, 2021  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Most Reverend Luis Rafael Zarama  
Bishop of Raleigh  
VIII - 10 - 2021  
\_\_\_\_\_  
Date