

Appendix 14: Capital Project Initial Assessment Checklist

Step One:

Is parish/school/entity current on all payables to Pastoral Center?

Has parish/school/entity prepared and submitted current fiscal year budget to the Pastoral Center?

Has the parish/school/entity responded to and implemented corrective measures associated with any deficiencies highlighted in most recent internal control review?

If "yes" to all three questions above, proceed to step two. If "no" to one or more questions, stop.

Step Two:

Does the current fiscal year budget reflect positive income after adding back depreciation expense to net income/loss (interest expense for any proposed capital projects should not be included in the calculation at this point)?

Yes: Continue to next step.

No: Stop.

Step Three:

Does the parish/school/entity have cash equal to at least 60% of the proposed capital project on hand (outstanding pledges/assets for sale, are not considered cash and may not be included in the calculation)?

Yes: Continue to next step.

No: Stop.

Step Four:

After interest expense associated with any new capital projects (10 year amortization/5 year balloon), as well as any increased operating expenses associated with new capital projects (utilities, insurance, maintenance, etc.) are taken into consideration does the Profit & Loss statement reflect positive net income (depreciation expense should be excluded from the income calculation)?

Yes: Continue to next step.

No: Stop.

Step Five:

Does the parish/school/entity have positive cash flow after principal & interest payments associated with new capital projects are taken into consideration?

Yes: Continue to next step.

No: Stop.

Step Six:

Proposed capital project may proceed to Building Commission and funding review phase.

Note: This is a new appendix