

The Parish Finance Council  
and  
The Parish Corporate Board

in the

DIOCESE  
OF  
CROOKSTON

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## **THE PARISH FINANCE COUNCIL**

### **I. Purpose**

A. Through the parish finance council, which is a consultative body, the Christian faithful “aid the pastor in the administration of parish goods with due regard for the prescriptions of can. 532” (Canon 537). (Cf. appendix for Canons 532 and for Canons 1281-1288 dealing with administration of goods.)

B. Besides the usual maintenance of buildings, grounds, and other materialities, the administration of parish goods includes the implementation of a responsible stewardship program, long-range financial planning, the preparation and monitoring of an overall parish budget, and the preparation of an annual financial report for publication in the parish bulletin. (The establishment of norms to insure that the funds of parish guilds, clubs, etc., serve the broader financial needs of the parish pertains to the Diocese.)

### **II. Membership**

A. Members of the parish finance council are to be members of the parish in full communion with the Roman Catholic Church; they may not be close relatives of the pastor.

B. The membership, numbering from two to six, is to be based on known ability and integrity in the administration of temporal goods and on an awareness of civil law pertaining to such administration.

C. Because of the special qualities needed for membership on the parish finance council, the members are to be appointed by the pastor after he has made a discreet and confidential inquiry with the parish pastoral council as to who among the faithful are best qualified for membership.

D. All members should serve a three-year term, renewable once, with vacancies filled as soon as possible through appointment by the pastor.

E. The names of the members of the parish finance council should be made known to all the parishioners.

### **III. Meetings**

A. The parish finance council may meet monthly but should meet at least every third month.

B. The pastor and a majority of the members constitute a quorum for meetings.

C. An agenda, prepared by the pastor and having significant time for prayer and study, should be distributed several days prior to the meetings.

D. Discussion at meetings should be conducted in a manner marked by Christian courtesy, love and respect.

E. Voting should take place (if it is required or thought wise) only after consensus has been reached on a given issue.

#### IV. Officers and Responsibilities

A. As the pastor, the one responsible for the administration of the goods of the parish (Canon 532), presides in love at the Eucharist, so he presides in love at meetings of the parish finance council.

1. The pastor should encourage and enable full discussion at meetings, hearing the members of the council out, trusting that they are motivated by love for GOD and the Church, and responding to their counsel and advice.
2. The pastor should maintain the necessary communication between the council and other organizations within the parish.

B. The parish finance council should choose one of its members to be secretary. The secretary is to maintain a journal of the council's discussions.

#### V. Committees

A. It is recommended that the parish finance council have a Stewardship Committee, a Budget Committee and a Buildings and Grounds Committee as standing committees.

1. The Stewardship Committee should be concerned about deepening the parishioners' understanding and practice of sacrificial giving.
2. The Budget Committee should be concerned about allocating funds according to the pastoral priorities accepted by the pastor in consultation with the parish pastoral council.
3. The Building and Grounds Committee should be concerned about the good maintenance of all parish properties.

B. Sub-committees of the above (or other standing committees) may be established if the pastor and parish finance council judge this necessary for effectively accomplishing the finance council's purpose.

#### VI. Relationship with the Parish Pastoral Council

A. Though the parish finance council and the parish pastoral council are distinct bodies with distinct responsibilities, communication between them must be maintained.

B. To maintain this communication between the two parish councils, one member from each council should attend the meetings of the other council.

## **THE PARISH CORPORATE BOARD**

### **I. Purpose**

A. The parish corporate board is to fulfill the requirements of civil law according to Section 315.15, Minnesota Statutes.

B. To the extent that civil law demands, the purpose of the corporate board is to manage all the material affairs of the parish; to promote the spiritual, educational, and other interests of the parish; to hold and manage all property of the parish, both personal and real.

### **II. Membership**

A. The parish corporate board is composed of 5 members.

1. Ex officio members of the parish corporate board are the Bishop, the Vicar General, and the Pastor of the parish.
2. The other two members shall be lay persons, selected and designated by the ex officio members at the annual meeting of the board; their appointment is to be in writing and entered into the corporate minutes. Deacons may not be members.

B. Lay members of the corporate board serve for a period of two years, renewable only twice.

1. They are to be members of the parish in full communion with the Roman Catholic Church, but are not to be close relatives of the pastor.
2. They are to be chosen on the basis of their known ability and integrity in the administration of temporal goods and on an awareness of civil law pertaining to such administration.
3. The names of the lay members of the corporate board should be made known to all the parishioners.

### **III. Meetings**

A. An annual meeting of the corporate board shall take place within 45 days of the close of the fiscal year.

B. Special meetings may be called at any time by the President or the Vice-President.

### **IV. Officers and Responsibilities**

A. The Officers of the parish corporate board are: a President, who is the Bishop of the Diocese; a Vice-President, who is the Pastor of the Parish; a Secretary and Treasurer, elected by the three ex officio members of the board.

B. As the President and Vice-President preside in love at the Eucharist, so the President, or, in his absence, the Vice-President, shall preside in love at all meetings of the corporate board; they shall otherwise perform all such duties as usually given in corporations to the offices of President and Vice-President.

C. The Treasurer, with the Vice-President, shall provide for the orderly receiving, accounting and dispersing of all funds belonging to the parish corporation; they are responsible for the deposit of all money belonging to the corporation in a bank designated by the board, with all money being deposited in the name of the corporation and withdrawn under the signatures approved by the corporate board.

1. The parish accounts shall be examined and approved by the corporate board at least once a year, and a detailed report of all receipts and expenditures of the parish corporation shall be published to the congregation within 45 days of the close of the fiscal year.
2. A copy of this report, signed by the Vice-President, Treasurer and Secretary, shall be sent to the Bishop.

D. The Secretary shall notify the members of the parish corporate board of the time of all meetings, and shall keep the Minutes of these meetings in the Parish Corporation Minutes Book.

E. A majority of the members of the board shall constitute a quorum for the transaction of business, except when such transactions require a unanimous vote of all the members of the board.

F. Any transaction which could be taken at a meeting of the corporate board may be taken without a meeting when authorized in writing and signed by all of the members; no individual member of the corporation board may act as agent for the board without written authorization by the board.

#### V. Relationship with the Parish Pastoral and Finance Councils

A. Communication between the corporate board members and the members of the parish pastoral and finance councils should be maintained.

B. To maintain this communication, a lay member of the corporate board should attend the meetings of the pastoral and finance councils.

#### VI. General Directives

A. An annual meeting of the Parish Corporation is to be held within 45 days of the end of the fiscal year; i.e. between July 1 and August 14.

1. The primary purpose of this meeting is to review the parish financial records and situation, and approve the annual report to the Diocese of Crookston. A financial report to the parishioners is to be approved and published in the parish.
2. Trustees are to be elected (with proper proxy given beforehand), or re-elected, if their two year terms have expired.
3. Other appropriate business is to be carried out.

B. Other special meetings of the corporate board are to be held at appropriate times, according to the need, with the proper proxies received beforehand, when they are required for a specific action.

C. In emergencies requiring immediate corporate action where time constraints do not allow for obtaining a proxy, and/or hold a formal meeting, the corporation may utilize the "Record of Action". Prior oral consent must be obtained from the Bishop and the action must be ratified in writing, within 30 days, by obtaining signatures of the officers on a "Record of Action" and filing it in the corporate minute book.

D. All corporate meetings are to be noted in the corporate minutes, with all corporate actions requiring proxies indicated in writing in the minutes, and all proxies duly recorded.

E. Corporate minutes are to be recorded in a corporate minute book, designated by the Diocese of Crookston.

F. Requests for proxies are to be made on the Proxy Request Form provided.

G. Corporate minutes, with the Certificate of Incorporation and by-laws, are to be kept in a parish safe, vault, or other fire-proof place.

H. The originals of parish abstracts and real estate records are to be kept in the diocesan vault. Copies of these abstracts and real estate records are to be kept in a parish real estate file, which is readily identifiable and available.

I. All old records of parish corporate actions are to be kept in a fire-proof place in proximity to these new corporate minutes.

J. Deans will routinely ask where the parish corporate minutes are kept and if they are up-to-date, when they make their annual visits to the parishes.

List of Selected Items that require corporate board authorization and therefore require a proxy vote from the Bishop and Vicar General

A. To conduct the annual meeting, or any special meeting.

B. To elect trustees (no matter what method of selection is customary in the parish; a parish election has no legal standing in Minnesota State Law.)

C. To authorize the execution of deeds, mortgages, contracts, etc., which affect the acquisition or alienation of church property.

D. To sign notes or other evidences of debt or to contract liabilities binding on the corporation, as provided in Article XI of the by-laws. Such proxies must include the amount, the rate of interest, the lending institution, the term of the contract and any other pertinent conditions.

E. Expenditures for equipment, repair, remodeling, or new construction, costing in excess of the diocesan spending limit (except exempted items) as promulgated by the Bishop from time to time and published in the diocesan policy book. (See by-laws, Article XII)

Note the following exempted items:

Parish automobiles

Purchase or routine replacement of mechanical equipment

Regular maintenance such as painting

Routine employment contracts for teachers, or regular parish staff

## Sample Annual Meeting Proxy Request Form

Date: \_\_\_\_\_

To: Bishop and Vicar General  
Diocese of Crookston  
P.O. Box 610  
Crookston, MN 56716

At the annual meeting of the Board of Directors of \_\_\_\_\_  
Parish, the following motion(s) will come before the board for approval:

(sample motion 1)

**WHEREAS**, article VI of the by-laws require that “the Secretary and the Treasurer shall be members of the corporation, elected by the three ex-officio Directors of the Corporation”

**NOW THEREFORE, BE IT RESOLVED THAT:** \_\_\_\_\_, a member of this corporation, be nominated for and elected to the office of Secretary and \_\_\_\_\_, also a member of this corporation, be nominated for and elected to the office of Treasurer.

(sample motion 2)

**WHEREAS**, the Vice-President (Pastor) and Treasurer of the corporation have examined the annual report of all receipts and expenditures of the corporation and the annual report of all assets and liabilities of the corporation and said corporate officers attest to the accuracy of these reports

**NOW THEREFORE, BE IT RESOLVED THAT:** the annual report of all receipts and expenditures of the corporation and the annual report of all assets and liabilities of the corporation are hereby ratified and approved and that the same shall be published to the congregation in summary form and the detail reports sent to the Bishop in accordance with Article VII of the by-laws of the corporation.

(end of sample motions)

I request a proxy to approve the motion(s) set forth above.  
I request waiver of notice of the date and place of the meeting.

\_\_\_\_\_  
Pastor



## Sample Special Meeting Proxy Request Form

Date: \_\_\_\_\_

To: Bishop and Vicar General  
Diocese of Crookston  
P.O. Box 610  
Crookston, MN 56716

At a special meeting of the Board of Directors of \_\_\_\_\_ Parish, the following motion(s) will come before the board for approval:

(sample motion 1)

**WHEREAS,** \_\_\_\_\_ Parish requires a long term loan of up to \$175,000, to fund the current capital project (to replace roof, etc.);

**AND WHEREAS,** the Board of Directors of \_\_\_\_\_ Parish has determined that it is in the best interest of \_\_\_\_\_ Parish to obtain this loan for said purpose from The Diocese of Crookston Catholic Community Foundation at the then current rate and per the Foundation's policies (*or, from First Bank, Any Town with interest on said sum to accrue at the rate of \_\_\_\_\_ % per annum*);

**NOW THEREFORE, BE IT RESOLVED THAT:** the Board of Directors of \_\_\_\_\_ Parish, contingent upon project approval by the Diocese of Crookston Building and Planning Commission, hereby grants (pastor's name), Vice-President of this corporation, authority to borrow for and on behalf of the corporation, the sum of \$175,000 in the long term debt from The Diocese of Crookston Catholic Community Foundation under the terms provided in the policies of the Foundation (*or, the example above*);

**RESOLVED FURTHER,** that (pastor's name) is authorized and hereby directed to execute and deliver on behalf of the corporation any and all documents which might be required by said lending institution.

(end of sample motion)

I request a proxy to approve the motion(s) set forth above.

\_\_\_\_\_  
Pastor

## Sample Minutes of the Annual Meeting of the Board of Directors

The meeting of the Board of Directors of \_\_\_\_\_ Parish was held on the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_ at \_\_\_\_ o'clock \_\_.M. pursuant to notice provided to all directors. Board members in attendance were: \_\_\_\_\_.

(Pastor) acted as Chairman of the meeting and \_\_\_\_\_ acted as Secretary thereof.

The Chairman announced that a quorum was present and the meeting having been duly convened, proceeded with its business.

The Chairman presented proxies of the Bishop and Vicar General, which were duly filed in the corporate record book.

The Secretary reported providing notice of the time and place of the meeting to all directors as set forth in the by-laws, Article VIII, of the corporation.

The Secretary presented and read to the meeting the minutes of the last meeting. These minutes were unanimously approved.

The Chairman announced that \_\_\_\_\_ and \_\_\_\_\_ had been designated and appointed by the Bishop, Vicar General and Pastor, by written appointment, for two year terms to fill the expiring terms of \_\_\_\_\_ and \_\_\_\_\_. The written appointment was presented and entered upon the records of the corporation. (Note: only when filling a vacancy of a lay member or members.)

The following motion for the election of corporate officers was made by (Pastor) and confirmed by the Bishop and Vicar General via proxy: (Note: only when elections are needed)

WHEREAS, Article VI of the by-laws require that "the Secretary and the Treasurer shall be members of the corporation, elected by the three ex-officio Directors of the Corporation"

NOW THEREFORE, BE IT RESOLVED THAT: \_\_\_\_\_, a member of this corporation, be nominated for and elected to the office of Secretary and \_\_\_\_\_, also a member of this corporation, be nominated for and elected to the office of Treasurer.

The motion was carried by unanimous vote.

The following motion was made by (Pastor) and seconded by \_\_\_\_\_:

WHEREAS, the Vice-President (Pastor) and Treasurer of the corporation have examined the annual report of all receipts and expenditures of the corporation and the annual report of all assets and liabilities of the corporation and said corporate officers attest to the accuracy of these reports

NOW THEREFORE, BE IT RESOLVED THAT: the annual report of all receipts and expenditures of the corporation and the annual report of all assets and liabilities of the corporation are hereby ratified and approved and that the same shall be published to the congregation in summary form and the detail reports sent to the Bishop in accordance with Article VII of the by-laws of the corporation.

The motion was carried by unanimous vote.

(Note: the remainder of the minutes should describe all other business conducted and, specifically detail any corporate action.)

There being no further business to come before the board the meeting was thereupon adjourned.

\_\_\_\_\_  
Secretary

**Sample**  
**RECORD OF ACTION OF THE BOARD OF DIRECTORS OF**  
**(NAME OF CORPORATION)**

PURSUANT TO ARTICLE III OF THE BY-LAWS

Pursuant to the authority contained in Article III of the By-laws, the Board of Directors of \_\_\_\_\_ Parish, by unanimous action, resolve as follows, to-wit:

1.

2.

3.

Any Actions taken on behalf of the corporation prior to the date of this "Record of Action", in furtherance of the aforesaid resolution(s), are hereby authorized, ratified, and confirmed. A copy of this "Record of Action" shall be filed in the minute book of the corporation.

\_\_\_\_\_  
Pastor

\_\_\_\_\_  
Lay Member

\_\_\_\_\_  
Lay Member

Transfer of Real Estate  
Deeds and Other documents of Conveyance of Parish Real Estate

1. The by-laws require the unanimous consent of all the members of the corporation to sell, mortgage, or transfer any interest in parish real estate. If parish real estate is to be sold, mortgaged, or transferred, a meeting of the Board of Directors must be called for that purpose, and an appropriate resolution must be adopted.

2. Notice must be given to the Bishop and the Vicar General of the date and time of the meeting of the corporation, and the proxy of the Bishop and Vicar General should be obtained granting authority to the Pastor to vote in favor of a specific resolution authorizing the real estate transaction.

3. Once the proxy of the Bishop and the Vicar General have been obtained, the meeting should be called, at which the resolution is adopted (see sample minutes of a special meeting for an example).

4. After adoption of the above resolution, the Vice President (Pastor) and the Secretary (usually one of the lay members) are authorized to execute the deed of conveyance. The deed of conveyance should be prepared by competent counsel, to insure legal sufficiency. The deed should be signed by the Vice President and the Secretary in the presence of a Notary Public and be notarized.

5. An affidavit must be prepared by the Secretary or the Pastor in the form that follows. This affidavit should be attached to the deed and delivered to the buyer. The buyer may record the affidavit along with the deed.

AFFIDAVIT

STATE OF MINNESOTA   )  
  )ss  
COUNTY OF POLK        )

The undersigned, being first duly sworn on oath, deposes and says:

1. That the undersigned is one of the members of (name of corporation).
2. That at a meeting of the corporation duly held on the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, the following resolution was unanimously adopted:  
(see sample minutes of a special meeting for an example)  
(full motion to be inserted here)
3. That (Pastor), Vice-president of (name of corporation), and \_\_\_\_\_, Secretary of (name of corporation), are the officers and members of the corporation authorized to execute a conveyance of real property on behalf of the corporation.

\_\_\_\_\_  
(Vice-president or Secretary)

Subscribed and sworn to before me  
this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

\_\_\_\_\_  
County Minnesota Notary Public  
My commission expires:

# Affidavit (for mortgages)

STATE OF MINNESOTA )  
 )ss  
COUNTY OF POLK )

The undersigned, being first duly sworn on oath, deposes and says:

1. That the undersigned is one of the members of (name of corporation).
2. That at a meeting of the corporation duly held on the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, the following resolution was unanimously adopted:  
(see sample minutes of a special meeting for an example)  
(full motion to be inserted here)

Said mortgage to be for the purpose of securing a debt in the sum of \_\_\_\_\_ Dollars (\$\_\_\_\_\_) together with interest thereon.

3. That (Pastor), Vice-president of (name of corporation), and \_\_\_\_\_, Secretary of (name of corporation), are the officers and members of the corporation authorized to execute a conveyance of real property on behalf of the corporation and the same are authorized to execute the aforesaid mortgage.

(Vice-president or Secretary)

Subscribed and sworn to before me  
this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

County Minnesota Notary Public  
My commission expires:

**Sample Minutes of a Special Meeting  
of the Board of Directors**

A special meeting of the Board of Directors of \_\_\_\_\_ Parish was held on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, at \_\_\_\_\_ o'clock \_\_\_\_\_.M. pursuant to notice provided to all directors. Board Members in attendance were: \_\_\_\_\_.

(Pastor) acted as Chairman of the meeting and \_\_\_\_\_ acted as Secretary thereof.

The Chairman announced that a quorum was present and the meeting having been duly convened, proceeded with its business.

The Chairman presented proxies of the Bishop and Vicar General, which were duly filed in the corporate record book.

The Secretary reported providing notice of the time and place of the meeting to all directors as set forth in the by-laws of the corporation.

(sample motion: transfer of real estate)

WHEREAS, \_\_\_\_\_ (buyer) has expressed the desire to acquire certain property owned by \_\_\_\_\_ Parish,

AND WHEREAS, the Board of Directors of \_\_\_\_\_ Parish deems it in the best interest of \_\_\_\_\_ Parish to convey said property to the buyer,

NOW THEREFORE, BE IT RESOLVED THAT: the Board of Directors of \_\_\_\_\_ Parish hereby authorizes (Pastor), the Vice-President of the corporation, and \_\_\_\_\_, the Secretary of the corporation to sell, transfer and convey to \_\_\_\_\_ (buyer) all right, title, and interest of the corporation in and to the following described real estate located in the County of \_\_\_\_\_ and State of Minnesota, to-wit:

(Insert full legal description of the real property to be conveyed.)

RESOLVED FURTHER, the Board of Directors directs the Vice-president and Secretary of this corporation to execute any and all documents required to sell, transfer and convey to the buyer all such right, title and interest of the corporation in and to said real estate,

RESOLVED FURTHER, that said property be conveyed in consideration of the sum of \_\_\_\_\_ Dollars (\$\_\_\_\_\_).

(end sample motion)

(sample motion: mortgage)

**WHEREAS**, \_\_\_\_\_ Parish requires a long term loan of up to \$175,000, to fund the current capital project (to replace roof, etc.);

**AND WHEREAS**, the Board of Directors of \_\_\_\_\_ Parish has determined that it is in the best interest of \_\_\_\_\_ Parish to obtain this loan for the said purpose from The Diocese of Crookston Catholic Community Foundation at the then current rate and per the Foundation's policies (**or**, from First Bank, Any Town with interest on said sum to accrue at the rate of \_\_\_\_\_% per annum);

**AND WHEREAS,** The Diocese of Crookston Catholic Community Foundation (note: or other lender) requires a mortgage for the purpose of securing said debt,

**NOW THEREFORE, BE IT RESOLVED THAT:** the Board or Directors of \_\_\_\_\_ Parish, contingent upon project approval by the Diocese of Crookston Building and Planning Commission, hereby grants (pastor's name), Vice-President of this corporation, authority to borrow for and on behalf of the corporation, the sum of \$175,000 in long term debt from The Diocese of Crookston Catholic Community Foundation under the terms provided in the policies of the Foundation (*or, the example above*);

**NOW THEREFORE, BE IT RESOLVED THAT:** said \_\_\_\_\_ Vice-President and \_\_\_\_\_, Secretary of this corporation, be and they hereby are authorized to mortgage, grant bargain, sell and convey unto The Diocese of Crookston Catholic Community Foundation (note: or other lender) all the tract(s) or parcel(s) of land located in the County of \_\_\_\_\_, State of Minnesota, described as follows, to-wit:

(insert full legal description of the real property to be mortgaged)

**RESOLVED FURTHER,** that (pastor's name), Vice-President and \_\_\_\_\_, Secretary, are the officers and members of the corporation authorized to execute a conveyance of real property on behalf of the corporation and are authorized and hereby directed to execute and deliver on behalf of the corporation any and all documents which might be required by said lending institution and the same are authorized to execute the aforesaid mortgage.

(end of sample motion)

There being no further business to come before the board, the meeting was thereupon adjourned.

## **Appendix I**

### Required Consultations, Finance Council

The pastor must seek the advice of the Finance Council in all matters relating to those matters requiring proxies by the parish civil corporation. These include:

- Purchase of personal property of \$5,000, or more;
- Purchase of real property for any amount;
- Sale of real property for any amount;
- Lease of any parish property for a time beyond one year;
- Agreements for the use of property whose term is more than one year;
- Contracts for Deed;
- Demolition, annexation, transfer and/or rezoning of property;
- Temporary or permanent easements of parish property;
- New building, renovation or restoration projects;
- Establishing cemeteries;
- Larger maintenance projects of \$5,000 or more;
- Construction change orders which increase costs by \$5,000 or more;
- Loans or mortgages from lending institutions;
- Lines of credit from lending institutions;
- Consolidation of loans or refinancing;
- Revision of mortgages, loans, lines of credit
- Borrowing from parishioners;
- Borrowing from other parishes;
- Contracting planners for building expansion;
- Contracting architects for renovation or building projects;
- Contracting fundraising consultants for anticipated building projects;
- Engaging in feasibility studies for building expansion when the estimated renovation or building expansion would cost \$500,000.00 or more;
- Initiating a capital fund campaign where the total projected annual expenses exceed \$75,000.00;
- Sale of securities which will not be converted to other securities;
- Redemption of bonds
- Sale of stock from parishioners;
- Establishing endowments;
- Restating or restructuring of the parish;
- Changes in the corporation by-laws.
- The Finance Council assists the pastor in the development and review of the annual financial report which must be reported to the parish (Canon 1287:2).



## **APPENDIX II**

### Extracts from Various Legal Documents

Note: the parish is a juridical person; the pastor is the legal representative for the juridic person; the pastor is the administrator.

In all juridical matters, the pastor acts in the person of the parish, in accordance with the law. (Can 532)

The pastoral council has only a consultative vote. (Can 536.2)

The bishop... vicar general... pastor... with two lay members... become a corporation, subject to the requirements, and with the rights, powers, and privileges, or a religious corporation. (Statutes 315.15) Note: these five individuals are the members of the corporation and are the board of directors.

[The two lay members] must always be designated and appointed by the bishop, vicar general, and pastor, who shall also fill vacancies in their number. (Statutes 315.15)

The members of said Corporation... shall have the power to transact all the business of said Corporation. (Articles of Incorporation, Article III)

No real estate belonging to said Corporation shall be sold, mortgaged, encumbered, or disposed of in any way without the consent of all the members of said Corporation. (Articles of Incorporation, Article V)

Deeds of conveyance of real estate of the corporation shall be signed by the President or Vice President of the corporation and by the Secretary or Assistant Secretary. (Articles of Incorporation, Article V)

The Board of Directors should consult with the Parish Pastoral Council on all important matters pertaining to the pastoral care of the parish and with the Parish Finance Council on all matters pertaining to the temporalities of the Parish, but neither the Parish Pastoral Council nor the Parish Finance Council shall have legal vote in the transaction of the business of the Corporation. (by-laws Article V)

The Parish accounts shall be examined and approved by the Board of Directors at least once a year, and a detailed report of all receipts and expenditures of the Corporation shall be published to the congregation within forty-five days of the close of the fiscal year. A copy of such report signed by the Vice President, Treasurer and Secretary shall be sent to the Bishop. (by-laws Article VII)

Deeds, mortgages, contracts, evidences of indebtedness, documents of whatever form affecting the property of the Corporation, or entailing upon it a monetary obligation, shall when duly authorized by the Board, be signed and executed by the President, or Vice President, and by the Secretary or Assistant Secretary of the corporation. (by-laws Article IX)

No Director, unless authorized by the Board, shall have power or authority to sign notes or other evidences of debt or to contract liabilities binding on the Corporation. No Director, without a special authorization from the Board, shall be presumed to have the power or permission to act as agent of the Board; and no contract made and no liability assumed by a Director in the absence of such special authorization shall be other than that Director's own personal contract or liability, and no mere custom or practice of any member or any

Director of the Board, separately or collectively, shall be construed as establishing a legal agency binding on the Board. (by-laws Article XI)

There shall be no expenditures for equipment, repair, remodeling or new construction costing in excess of the spending limit as promulgated by the Bishop from time to time, and published in the Diocesan Policy Book, without the unanimous consent of the ex-officio members of the Board. (by-laws Article XII)

Any indebtedness resulting from operating deficits shall not exceed 5% of the prior year's annual operating budget, without the unanimous consent of the Board. (by-laws Article XII)

No loans may be made, notes signed, or indebtedness undertaken, except for purchases on open account in the ordinary course of parish business, without the unanimous consent of the ex-officio members of the Board. (by-laws Article XII)

## APPENDIX III

### Related Legal Documents

#### Selected Canons from The Code of Canon Law

**Can. 528 §1** The pastor is obliged to see to it that the word of God in its entirety is announced to those living in the parish; for this reason he is to see to it that the lay Christian faithful are instructed in the truths of faith, especially through the homily which is to be given on Sundays and holy days of obligation and through the catechetical formation which he is to give; he is to foster works by which the spirit of the gospel, including issues involving social justice, is promoted; he is to take special care for the Catholic education of children and of young adults; he is to make every effort with the aid of the Christian faithful, to bring the gospel message also to those who have ceased practicing their religion or who do not profess the true faith.

**§2** The pastor is to see to it that the Most Holy Eucharist is the center of the parish assembly of the faithful; he is to work to see to it that the Christian faithful are nourished through a devout celebration of the sacraments and especially that they frequently approach the sacraments of the Most Holy Eucharist and the sacrament penance; he is likewise to endeavor that they are brought to the practice of family prayer as well as to a knowing and active participation in the sacred liturgy, which the pastor must supervise in his parish under the authority of the diocesan bishop, being vigilant lest any abuses creep in.

**Can. 529 §1** In order to fulfill his office in earnest the pastor should strive to come to know the faithful who have been entrusted to his care; therefore he is to visit families, sharing the cares, worries, and especially the griefs of the faithful, strengthening them in the Lord, and correcting them prudently if they are wanting in certain areas; with a generous love his is to help the sick, particularly those close to death, refreshing them solicitously with the sacraments and commending their souls to God; he is to make a special effort to seek out the poor, the afflicted, the lonely, those exiled from their own land, and similarly those weighed down with special difficulties; he is also to labor diligently so that spouses and parents are supported in fulfilling their proper duties, and he is to foster growth in the Christian life within the family.

**§2** The pastor is to acknowledge and promote the proper role which the lay members of the Christian faithful have in the Church's mission by fostering their associations for religious purposes; he is to cooperate with his own bishop and with the presbyterate of the diocese in working hard so that the faithful be concerned for parochial communion and that they realize that they are members both of the diocese and of the universal Church and participate in and support efforts to promote such communion.

**Can. 532** The pastor represents the parish in all juridic affairs in accord with the norm of law; he is to see to it that the goods of the parish are administered in accord with the norms of can. 1281-1288.

**Can. 536 §1** After the diocesan bishop has listened to the Presbyteral council and if he judges it opportune, a pastoral council is to be established in each parish; the pastor presides over it, and through it the Christian faithful along with those who share in the pastoral care of the parish in virtue of their office give their help in fostering pastoral activity.

**§2** This pastoral council possesses a consultative vote and is governed by norms determined by the diocesan bishop.

**Can. 537** Each parish is to have a finance council which is regulated by universal law as well as by norms issued by the diocesan bishop; in this council the Christian faithful, selected according to the same norms, aid the pastor in the administration of parish goods with due regard for the prescription of can. 532.

**Can. 1281 §1** Without prejudice to the provisions of the statutes, administrators act invalidly when they go beyond the limits and manner of ordinary administration, unless they have first received in writing from the Ordinary the faculty to do so.

**§2** The statutes are to determine what acts go beyond the limits and manner of ordinary administration. If the statutes are silent on this point, it is for the diocesan bishop, after consulting the finance committee, to determine these acts for the persons subject to him.

**§3** Except and insofar as it is to its benefit, a juridical person is not held responsible for the invalid actions of its administrators. The juridical person is, however, responsible when such actions are valid but unlawful, without prejudice to its right to bring an action or have recourse against the administrators who have caused its damage.

**Can. 1282** All persons, whether clerics or laity, who lawfully take part in the administration of ecclesiastical goods, are bound to fulfill their duties in the name of the Church, in accordance with the law.

**Can. 1283** Before administrators undertake their duties:

1° they must take an oath, in the presence of the Ordinary or his delegate, that they will well and truly perform their office;

2° they are to draw up a clear and accurate inventory, to be signed by themselves, of all immovable goods, of those movable goods which are precious or of a high cultural value, and of all other goods, with a description and an estimate of their value; when this has been compiled, it is to be certified as correct;

3° one copy of this inventory is to be kept in the administration office and another in the curial archive; any change which takes place in the property is to be noted on both copies.

**Can. 1284 §1** All administrators are to perform their duties with the diligence of a good householder.

**§2** Therefore they must:

1° be vigilant that no goods placed in their care in any way perish or suffer damage; to this end they are, to the extent necessary, to arrange insurance contracts;

2° ensure that the ownership of ecclesiastical goods is safeguarded in ways which are valid in civil law;

3° observe the provisions of canon and civil law, and the stipulations of the founder or donor or lawful authority; they are to take special care that damage will not be suffered by the Church through the non-observance of the civil law;

4° seek accurately and at the proper time the income and produce of the goods, guard them securely and expend them in accordance with the wishes of the founder or lawful norms;

5° at the proper time pay the interest which is due by reason of a loan or pledge, and take care that in due time the capital is repaid;

6° with the consent of the Ordinary make use of money which is surplus after payment of expenses and which can be profitably invested for the purposes of the juridical person;

7° keep accurate records of income and expenditure;

8° draw up an account of their administration at the end of each year;

9° keep in order and preserve in a convenient and suitable archive the documents and records establishing the rights of the Church or institute to its goods; where conveniently possible, authentic copies must be placed in the curial archives.

**§3** It is earnestly recommended that administrators draw up each year a budget of income and expenditure. However, it is left to particular law to make this an obligation and to determine more precisely how it is to be presented.

**Can. 1285** Solely within the limits of ordinary administration, administrators are allowed to make gifts for pious purposes or Christian charity out of the movable goods which do not form part of the stable patrimony.

**Can. 1286** Administrators of temporal goods;

1° in making contracts of employment, are accurately to observe also, according to the principles taught by the Church, the civil laws relating to labor and social life;

2° are to pay to those who work for them under contract a just and honest wage which will be sufficient to provide for their needs and those of their dependents.

**Can. 1287 §1** Where ecclesiastical goods of any kind are not lawfully withdrawn from the power of governance of the diocesan Bishop, their administrators, both clerical and lay, are bound to submit each year to the local Ordinary an account of their administration, which he is to pass on to his finance council for examination. Any contrary custom is reprobated.

**§2** Administrators are to render accounts to the faithful concerning the goods they have given to the Church, in accordance with the norms to be laid down by particular law.

**Can. 1288** Administrators are not to begin legal proceedings in the name of a public juridical person, nor are they to contest them in a secular court, without first obtaining the written permission of their proper Ordinary.

## **MINNESOTA STATUTES**

### **315.15 Parish corporations, organization.**

The bishop of a religious denomination may join with the vicar general of the diocese and the pastor of the parish where the corporation is to be located, within the bishop's diocese for the purpose of incorporating. The bishop, vicar general, and pastor, or a majority of them, shall designate and join with two lay members of the denomination. These five shall adopt, sign, and acknowledge a certificate of incorporation reciting the fact of association, and the selection of lay members, and containing the name, general purpose, and place of location of the corporation. When they have recorded the certificate with the county recorder of the county where the corporation is located, they and their successors become a corporation, subject to the requirements, and with the rights, powers, and privileges, of a religious corporation.

The persons at any time holding the offices specified in any diocese are, by virtue of their respective offices, members of the corporation and, with the two lay members, constitute it, but on ceasing to hold office, they cease to be members, and their successors in office become members. The two lay members designated remain members for two years from the date of the certificate, after that their term of office is two years, in either case until their successors are chosen. They must always be designated and appointed by the bishop, vicar general, and pastor, who shall also fill vacancies in their number. Their appointment must be in writing and entered upon the records of the corporation. If there is a vacancy in the office of bishop of any diocese, or if another person is appointed in the bishop's stead to administer the spiritual and temporal affairs of the diocese, then, during the vacancy or suspension of authority, the administrator of the affairs of the diocese, or any other person appointed under the rules of the denomination to preside over and administer its affairs, is while acting as administrator or appointee, a member of the corporation, with the rights and powers of membership; but the membership ends when the vacancy is filled or suspension of authority removed.

If a diocese in which the corporation is located is subdivided according to the rules and practice of the denomination, and one or more new dioceses formed from it or its parts, the bishop and vicar general of the new diocese and their successors in office, as soon as appointed and instituted, by virtue of their respective offices, immediately become members of the corporation within the new diocese, with the rights, duties, privileges, powers, and obligations of members. The bishop and vicar general of the diocese where the corporation was located before the subdivision cease to be members of the corporation.

Amended by Laws 1976, c. 181, §2; Laws 1984, c. 618 §24; Laws 1985, c. 265, art. 5. §1.

### **317A Nonprofit Corporations, Board Selected Sections**

#### **317A.251. Standard of Conduct**

Subdivision 1. Standard; liability. A director shall discharge the duties of the position of director in good faith, in a manner the director reasonably believes to be in the best interest of the corporation, and with the care an ordinarily prudent person in a like position would exercise under similar circumstances. A person who so performs those duties is not liable by reason of being or having been a director of the corporation.

Subd. 2. Reliance. (a) A director is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by:

(1) one or more officers or employees of the corporation whom the director reasonably believes to be reliable and competent in the matters presented;

(2) counsel, public accountants, or other persons as to matters that the director reasonably believes are within the person's professional or expert competence; or

(3) a committee of the board upon which the director does not serve, duly established under section 317A.241, as to matters within its designated authority, if the director reasonably believes the committee to merit confidence.

(b) Paragraph (a) does not apply to a director who has actual knowledge concerning the matter in question that makes the reliance otherwise permitted by paragraph (a) unwarranted.

Subd. 3. Presumption of assent; dissent. A director who is present at a meeting of the board when an action is approved by the board is presumed to have assented to the action approved, unless the director:

(1) objects at the beginning of the meeting to the transaction of business because the meeting is not lawfully called or convened and does not participate in the meeting, in which case the director is not considered to be present at the meeting for purposes of this chapter;

(2) votes against the action at the meeting; or

(3) is prohibited from voting on the action by the articles or bylaws or as a result of a decision to approve, ratify, or authorize a transaction pursuant to section 317A.255 or a conflict of interest policy adopted by the board.

Subd. 4. Not considered trustee. A director, regardless of how identified, is not considered to be a trustee with respect to the corporation or with respect to property held or administered by the corporation, including without limit, property that may be subject to restrictions imposed by the donor or transferor of the property.

### **317A.255. Director conflicts of interest**

Subdivision 1. Conflict; procedure when conflict arises. (a) A contract or other transaction between a corporation and: (1) its director or a member of the family of its director; (2) a director or a related organization, or a member of the family of a director of a related organization, or (3) an organization in or of which the corporation's director, or a member of family of its director, is a director, officer, or legal representative or has a material financial interest; is not void or voidable because the director or the other individual or organization are parties or because the director is present at the meeting of the members or the board or a committee at which the contract or transaction is authorized, approved, or ratified, if a requirement or paragraph (b) is satisfied.

(b) A contract or transaction described in paragraph (a) is not void or voidable if:

(1) the contract or transactions was, and the person asserting the validity of the contract or transaction has the burden of establishing that the contract or transaction was, fair and reasonable as to the corporation when it was authorized, approved, or ratified:

(2) the material facts as to the contract or transaction and as to the director's interest are fully disclosed or known to the members and the contract or transaction is approved in good faith by two-thirds of the members entitled to vote, not counting any vote that the interested director might otherwise have, or the unanimous affirmative vote of all members, whether or not entitled to vote;

(3) the material facts as to the contract or transaction and as to the director's interest are fully disclosed or known to the board or a committee, and the board or committee authorizes, approves, or ratifies the contract or transaction in good faith by a majority of the board or committee, not counting any vote that the interested director might otherwise have, and not counting the director in determining the presence of a quorum; or

(4) the contract or transaction is a merger or consolidation described in section 317A.601.

Subd. 2. Material financial interest. For purposes of this section:

(1) a director does not have a material financial interest in a resolution fixing the compensation of the director or fixing the compensation of another director as a director, officer, employee, or agent of the corporation, even though the first director is also receiving compensation from the corporation; and

(2) a director has a material financial interest in an organization in which the director, or a member of the family of the director, has a material financial interest.

Subd. 3. Exception. The procedures described under subdivision 1, clause (1) to (3), are not required if the contract or other transaction is between related organizations.

Subd. 4. Member of the family. For purposes of this section, a member of the family of a director is a spouse, parent, child, spouse of a child, brother, sister, or spouse of a brother or sister.

### 317A.257. Unpaid directors; liability for damages

Subdivision 1. Generally, except as provided in subdivision 2, a person who serves without compensation as a director, officer, trustee, member, or agent of an organization exempt from state income taxation under section 290.05, subdivision 2, or who serves without compensation as a fire chief or a nonprofit firefighting corporation or municipal volunteer fire department, or of a public corporation established by law but not considered a municipality, is not civilly liable for an act or omission by that person if the act or omission was in good faith, was within the scope of the person's responsibilities as a director, officer, trustee, member, agent, or fire chief of the organization, and did not constitute willful or reckless misconduct.

Subd. 2. Exceptions. (a) Subdivision 1 does not apply to:

(1) an action or proceeding brought by the attorney general for a breach of a fiduciary duty as a director;

(2) a cause of action to the extent it is based on federal law;

(3) a cause of action based on the person's express contractual obligation; or

(4) an action or proceeding based on a breach of public pension plan fiduciary responsibility.



(b) Subdivision 1 does not limit an individual's liability for physical injury to the person of another or for wrongful death that is personally and directly caused by the individual, nor the liability of a municipality arising out of the performance of firefighting or related activities.

Subd. 3. Definition. For purposes of this section, the term "compensation" means anything of value received for services rendered, except:

(1) reimbursement for expenses actually incurred;

(2) a per diem in an amount not more than the per diem authorized for state advisory councils and committees under section 15.059, subdivision 3; or

(3) payment by an organization of insurance premiums on behalf of a person who is or was a director, officer, trustee, member, or agent of an organization, or who while a director, officer, trustee, member, or agent of the organization, is or was serving at the request of the organization as a director, officer, partner, trustee, employee, or agent of another organization or employee benefit plan against liability asserted against and incurred by the person or arising from that capacity.

#### 317A.301. Officers required

A corporation must have one or more natural persons exercising the functions of the offices of president and treasurer, however designated. The board shall elect or appoint officers, except to the extent that the articles or bylaws provide that the members may elect or appoint officers.

**AMENDMENT OF CERTIFICATE OF INCORPORATION  
OF**

\_\_\_\_\_  
Located in the  
COUNTY OF \_\_\_\_\_

STATE OF MINNESOTA

The undersigned, \_\_\_\_\_, Roman Catholic Bishop of the Diocese of Crookston, Minnesota, \_\_\_\_\_, Vicar General of said Diocese, \_\_\_\_\_ Pastor of the Parish of \_\_\_\_\_ in the County of \_\_\_\_\_ and State of Minnesota, \_\_\_\_\_, and \_\_\_\_\_, lay members, being all of the members of the above named Minnesota religious Corporation, pursuant to the provisions of Minnesota Statutes, Section 315.15, hereby unanimously adopt, sign and certify the following resolution amending the Certificate of Incorporation of said \_\_\_\_\_, to-wit:

RESOLVED, That Articles I, II, III, IV, V, VI and VII of the Certificate of Incorporation of \_\_\_\_\_ be amended to read as follows:

ARTICLE I.

The name of this Corporation shall be “ \_\_\_\_\_ ” and the place of its location shall be the aforesaid in the County of \_\_\_\_\_ and State of Minnesota.

ARTICLE II.

The general purpose of this Corporation is to take charge of and manage all the temporal affairs of the Roman Catholic Church in said Parish; to promote the spiritual, educational and other interests of the said Roman Catholic Church in said Parish; Including the charitable, benevolent and eleemosynary work of said Church in said Parish; to take charge of, hold and manage all property, personal and real, that may at any time or in any manner come to or vest in this Corporation for any purpose whatever, whether by purchase, gift, grant, devise or otherwise, and to mortgage the same, sell and otherwise dispose of the same as the necessities of said Corporation may require.

ARTICLE III.

The members of said Corporation, the said Bishop, the said Vicar General, and the said Pastor, are, by the virtue of their respective offices, members of the corporation, and, with the two lay members selected and designated as aforesaid, and their respective successors, shall be and constitute the Corporation and the Board of Directors of said corporation, and shall have the power to transact all the business of said Corporation. Said Bishop, Vicar General, and Pastor, on ceasing to hold office, cease to be members and their successors in office become members. The two lay member designated remain members for two years from the date of the certificate, after that their term of office is two years, in either case until their successors are chosen. Said lay members must always be designated and appointed by the Bishop, Vicar General, and Pastor, who shall also fill vacancies in their number. Their appointment must be in writing and entered upon the records of the corporation. In the event the corporation should have Co-Pastors, then the one designated by the Bishop as “moderator” shall be the member and Vice President of

the corporation. If there is a vacancy in the office of Bishop of the Diocese of Crookston, or if another person is appointed in the Bishop's stead to administer the spiritual and temporal affairs of the Diocese, then, during the vacancy or suspension of authority, the administrator of the affairs of the Diocese, or any other person appointed under the rules of the Roman Catholic Church to preside over and administer the affairs of the Diocese of Crookston, is, while acting as administrator or appointee, a member of the corporation, with the rights and powers of membership; but the membership ends when the vacancy is filled or suspension of authority removed. During any such vacancy in the office of the aforesaid Roman Catholic Bishop, should the office of Vicar General be vacant, then the Chancellor of the Diocese shall, in lieu of a Vicar General, be a member of this corporation, with all the rights and powers incident thereto, but his membership shall at once cease when a Vicar General has been appointed. If a Diocese in which the corporation is located is subdivided according to the rules and practice of the Roman Catholic Church, and one or more new Dioceses formed from it or its parts, the Bishop and Vicar General of the new Diocese and their successors in office, as soon as appointed and instituted, by virtue of their respective offices, immediately become members of the corporation within the diocese, with the rights, duties, privileges, powers and obligations of members. In that event, the Bishop and Vicar General of the Diocese where the corporation was located before the subdivision ceased to be members of the corporation.

#### ARTICLE IV.

The officers of said Corporation shall be a President, Vice President, Secretary, and Treasurer. The Bishop, or person appointed in his place or stead, shall be ex-officio the President. The Pastor of the Parish shall be ex-officio the Vice-President. The Secretary and the Treasurer shall be chosen from the members of said Corporation. The term of office of the Secretary and the Treasurer and the duties of each, except so far as the same are fixed by the Certificate of Incorporation, may be prescribed by the by-laws. The Corporation may at any time remove any Secretary or Treasurer from such office as well as from membership in the Corporation and its Board of Directors if it deems that the best interests of the Corporation require such removal, but the said Secretary or Treasurer, as the case may be, whose removal is in question, shall have not vote upon such question.

#### ARTICLE V.

Limits of debt for which the Corporation may contract shall be as prescribed in the by-laws. No real estate belonging to said Corporation shall be sold, mortgaged, encumbered, or disposed of in any way without the consent of all the members of said Corporation. Deeds of conveyance of real estate of the corporation shall be signed by the President or Vice President of the corporation and by the Secretary or Assistant Secretary.

#### ARTICLE VI.

The members of said Corporation may, by unanimous vote, adopt such by-laws, not contrary to the Laws of the State, the Statutes of said Diocese of Crookston, the discipline of the Roman Catholic Church and this Certificate, as may be deemed necessary for the proper government of this Corporation and the management of the property and business thereof; and may, by a like vote, alter or amend the same, and, when so adopted, such by-laws and all amendments thereof, shall, before they can take effect, be signed by each of said members and be recorded by the Secretary, in a book to be provided and kept for that purpose.

ARTICLE VII.

This Certificate of Incorporation shall not be repealed or amended except by a unanimous vote of all the members of the Corporation.

IN TESTIMONY WHEREOF, we have hereunto set our hands and seals this \_\_\_\_\_ day of \_\_\_\_\_ AD, \_\_\_\_\_.

SIGNED IN PRESENCE OF

(SEAL)  
Bishop

(SEAL)  
Vicar General

(SEAL)  
Pastor

(SEAL)  
Lay Member

(SEAL)  
Lay Member

## **RESTATED BYLAWS OF**

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### **ARTICLE I. ESTABLISHMENT AND POWERS**

\_\_\_\_\_ is incorporated under the laws of the State of Minnesota, Minnesota Statutes Section 315.15, under the corporate name “\_\_\_\_\_”, pursuant to Articles of Incorporation, duly filed with the County Recorder of the County of \_\_\_\_\_, State of Minnesota. The corporate powers of this corporation shall be exercised in strict conformity with the statutes of the Diocese of Crookston, the Code of Canon Law of the Roman Catholic Church, the statutes of the State of Minnesota, and the Articles of Incorporation.

### **ARTICLE II. MEMBERS AND BOARD OF DIRECTORS**

1. Directors. The Board of Directors of \_\_\_\_\_ a Minnesota Religious Parish Corporation organized and existing pursuant to Minnesota Statutes, Sec. 315.15, shall consist of the five members of the Corporation, three of whom enter into office ex-officio – viz.: the Bishop of the Diocese of Crookston, the Vicar General of said Diocese, and the canonically appointed Pastor of the Parish of \_\_\_\_\_. If the parish has Co-Pastors, then the Pastor designated by the Bishop as ‘moderator’ shall be the member and Vice President. The other two Directors shall be lay members belonging to the Parish as above described, duly designated and appointed by the above mentioned Bishop of the Diocese of Crookston, the Vicar General of said Diocese and the Pastor of the said above-described Parish to be lay members of the Corporation. Such appointment shall be in writing and entered upon the records of the Corporation.

2. Election of Lay Members. The appointment of the two lay members above mentioned shall be made at the annual meeting, or, in the event a vacancy should occur before the expiration of a lay member’s term of office, at a special meeting called for that purpose.

3. Term of Office of Lay Members. The term of office of the lay members above mentioned shall be for two years from the date of their election, or until successors to them have been duly chosen and have entered upon the duties of their respective offices. The term of office of a member chosen to fill out an unexpired term of a member who has resigned or who has been removed from office shall extend to the close of such unexpired term.

4. Resignation of Lay Members. The resignation of a lay member of the Board shall be offered in writing to the Vice President and shall be submitted by him for final action to a meeting of the Directors.

5. Removal of a Director. If any member of the Board of Directors, except ex-officio members, becomes unfit for the duties of the office of Director, or incapable of performing such duties, the remaining Directors shall have authority to remove the Director permanently from membership on the Board and as a member of the Corporation. Causes for which a Director may be removed from membership are: physical inability to perform the duties of the office; prolonged neglect to perform such duties, or to perform them properly; persistent refusal to observe in the transaction of the business of the Board, the statutes and rules of the Diocese of Crookston, or the rules of the general and recognized discipline

or Code of Canon Law of the Roman Catholic Church; or public personal conduct at variance with the laws of said Roman Catholic Church.

### ARTICLE III. QUORUM

A majority of the Directors shall constitute a quorum for the transaction of business, and the action of said quorum shall be considered to be the action of the Board, except in those cases mentioned in the Certificate of Incorporation as requiring a unanimous vote of the Directors. Any action which could be taken at a meeting of the Board of Directors may be taken without a meeting when authorized in writing and signed by all of the Directors. Such written authorization shall be placed and maintained in the corporate minute book.

### ARTICLE IV. PROXY OF BISHOP AND VICAR GENERAL

The Bishop and the Vicar General will customarily participate in meetings of the Board of Directors of the corporation by proxy. The Vice President (Pastor) of the corporation, or his designee, should give notice of the date, time, and place of all scheduled meetings of the corporation or obtain waiver of notice, and should obtain from the Bishop and the Vicar General such proxy or proxies as are deemed necessary for the conduct of the business of the corporation to be undertaken at the meeting. Requests for proxy should be mailed to the Bishop and the Vicar General in advance of the meetings. Such requests should be accompanied by a proposed proxy containing the language deemed necessary to authorize the Pastor to vote the proxy of the Bishop and the Vicar General to conduct the business to come before such meeting.

### ARTICLE V. CONSULTATION WITH PARISH FINANCE COUNCIL AND PASTORAL COUNCIL

The Board of Directors should consult with the Parish Pastoral Council on all important matters pertaining to the pastoral care of the parish and with the Parish Finance Council on all matters pertaining to the temporalities of the Parish, but neither the Parish Council nor the Parish Finance Council shall have legal vote in the transaction of the business of the Corporation.

### ARTICLE VI. OFFICERS

1. Officers. The Officers of the Corporation shall be: a President, a Vice President, a Secretary and a Treasurer. The Bishop of the Diocese, or in the event of the death or incapacity of said Bishop, the person appointed in his place and stead, shall be ex-officio the President. The Pastor of the Parish or, if the parish has Co-Pastors, the moderator, shall be ex-officio the Vice President. The Secretary and the Treasurer shall be members of the corporation, elected by the three ex-officio Directors of the Corporation and shall hold their respective offices during the term of their membership on the Board.

2. Duties of President and Vice President. The President, or, in his absence, the Vice President, shall preside at all meetings of the Board. The President and the Vice President shall otherwise perform all such duties as usually appertain in corporations to the offices of President and Vice President.

3. Duties of the Secretary. The Secretary shall attend all sessions of the Board of Directors and record all votes in the minutes of all proceedings in a book kept for that purpose. The Secretary shall give, or cause to be given, notice of all meetings as required in Article VIII of these by-laws. The Secretary shall perform such other duties as may be prescribed by the Board of Directors or President, under whose supervision the Secretary shall be.

4. Duties of Treasurer. The Treasurer, with the Vice President (Pastor or moderator), shall provide for the orderly receiving, accounting and dispersing of all funds belonging to the Parish Corporation. They shall be responsible for the deposit of all monies belonging to the Corporation in a bank designated by the Board. All such monies shall be deposited in the name of the Corporation and shall be withdrawn under the signature or signatures approved by the Board.

5. Duties of the Assistant Secretary. In the event of a temporary absence or unavailability of the Secretary, the Vice President may, with prior consent of the President, appoint an Assistant Secretary to perform the duties of the Secretary during such period of temporary absence or unavailability.

#### ARTICLE VII. ANNUAL REVIEW OF PARISH ACCOUNTS

The Parish accounts shall be examined and approved by the Board of Directors at least once a year, and a detailed report of all receipts and expenditures of the Corporation shall be published to the congregation within forty-five days of the close of the fiscal year. A copy of such report signed by the Vice President, Treasurer and Secretary shall be sent to the Bishop.

#### ARTICLE VIII. NOTICE OF MEETINGS

The Secretary shall notify the Directors of the time and place of all meetings. The notice requirement may be waived by the Bishop and Vicar General by written waiver attached to their proxies. Any action which might be taken at a meeting of the Board of Directors may be taken without a meeting if done in writing, signed by all of the Directors.

#### ARTICLE IX. DOCUMENTS AFFECTING PARISH PROPERTY

Deeds, mortgages, contracts, evidences of indebtedness, documents of whatever form affecting the property of the Corporation, or entailing upon it a monetary obligation, shall when duly authorized by the Board, be signed and executed by the President, or Vice President, and by the Secretary or Assistant Secretary of the corporation. Upon unanimous vote of all Directors upon a resolution so providing, deeds, mortgages, contracts, evidences of indebtedness or other documents may be signed by the President or Vice President, and by the Secretary or Assistant Secretary of the corporation.

#### ARTICLE X. ANNUAL MEETING

The annual meeting of the members of the Corporation and the Board of Directors shall be held within forty-five days of the close of the fiscal year. Special meetings may be called at any time by the President, or by the Vice President.

ARTICLE XI.  
LIMIT OF DIRECTORS' AUTHORITY

No Director, unless authorized by the Board, shall have power or authority to sign notes or other evidences of debt or to contract liabilities binding on the Corporation. No Director, without a special authorization from the Board, shall be presumed to have the power or permission to act as agent of the Board; and no contract made and no liability assumed by a Director in the absence of such special authorization shall be other than that Director's own personal contract or liability, and no mere custom or practice of any member or any Director of the Board, separately or collectively, shall be construed as establishing a legal agency binding on the Board.

ARTICLE XII.  
LIMIT ON EXPENDITURES AND INDEBTEDNESS

There shall be no expenditures for equipment, repair, remodeling or new construction costing in excess of the spending limit as promulgated by the Bishop from time to time, and published in the Diocesan Policy Book, without the unanimous consent of the ex-officio members of the Board. Exempted from this expenditure limitation are the purchase of parish automobiles, the purchase of or routine replacement of mechanical equipment, regular maintenance such as painting, and routine employment contracts for teachers and regular parish staff. Any indebtedness resulting from operating deficits shall not exceed 5% of the prior year's annual operating budget, without the unanimous consent of the board. No loans may be made, notes signed, or indebtedness undertaken, except for purchases on open account in the ordinary course of parish business, without the unanimous consent of the ex-officio members of the Board.

ARTICLE XIII.  
VALIDITY OF ACTIONS

All action, of whatever nature, of the Corporation shall be null and void, which is not in conformity with its own Certificate of Incorporation, with the statutes and rules of Diocese of Crookston, and with the generally recognized discipline of the Roman Catholic Church.

ARTICLE XIV.  
AMENDMENT OF BY-LAWS

These Bylaws shall not be repealed or amended except by a unanimous vote of all the members of the Corporation.

The above by-laws were duly approved at the meeting of the Board of Directors of \_\_\_\_\_ held on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

Secretary



