

POLICY

In British Columbia, a Catholic Bishop is recognized in law as "A Corporation Sole" with respect to legislation regarding church property in his Diocese. This means the Bishop holds absolute title to all Church property, including schools. In civil law the Diocesan Bishop has absolute control over the property as long as it is in compliance with Canon law.

A Catholic Bishop is also recognized by the BC Ministry of Education as the authority responsible for the operation of Catholic schools within his Diocese. In this dual capacity, the Bishop has the responsibility for all major capital expenditures by Catholic schools in the Diocese.

PROCEDURES

A. Leasing

1. Leasing costs are capital costs. As such, any financing arrangements, which include leasing or leasing renewals of capital equipment (i.e., computers, photocopiers, vehicles etc.) must be approved by the Bishop.

B. Building/Renovation Projects up to \$20,000.

1. The School Council is delegated full authority to plan and proceed with project/expenditures of a cost not to exceed \$20,000.
2. Every effort will be made to receive 3 (three) written quotes for services over \$5,000.
3. Prior to a contract being signed, written proof of general liability insurance and WorkSafe BC coverage is required.
4. The School Council will review contracts to ensure that the minimum requirements are detailed including term, completion date, and total cost.

C. Projects or Expenditures over \$20,000, including Feasibility Studies.

1. Proposed new buildings, renovations, and/or major repairs costing more than \$20,000 in aggregate, require the Bishop's written consent prior to the project starting. In order to obtain this approval, the school must provide the CISND Board of Directors ("the Board") with the following:
 - Details of the project or the expenditure and its justification.
 - Preliminary estimate of the cost involved – 3 (three) written quotes.
 - How the expenditure is to be financed.
 - Written proof of general liability insurance and WorkSafe BC coverage.
 - Completion of Form CE-1
2. This information is to be included in a written formal request and should only be brought to the Board after proper consultation has taken place at the local level.
3. Schools Councils must have consulted with the school administrators, and affiliated parishes.
4. Projects requiring substantial cash outlays require greater effort and scrutiny. A formal school project committee should be considered to oversee the activity. The Bishop may choose to refer the proposal to the Diocesan Finance Committee.
5. Generally, no major construction project will be considered unless the school can demonstrate that it will have 100% of the required funds in hand, or a financing arrangement approved by the Bishop, prior to the commencement of the project.
6. No further work or expense, outside of the original approved project, can be undertaken without a written 'approval in principle' from the Bishop, and a letter stating the required diocesan involvement.

D. Use of Professionals

1. At the discretion of the Bishop, The Diocesan Finance Committee may be consulted in the choice of engineers, insurers, contractors, architects, and other specialists required for the project, before engaging the services of these professionals, depending on the scope of the project.

E. Project Submission for Final Approval (if required)

1. Once approval in principle is received from the Bishop, the school shall prepare a written proposal for submission to the Bishop for final approval. Required information shall include:
 - Detailed description of the project and working drawings.
 - Cost estimates including material, labour, sub-contract etc.
 - Estimate of professional fees.
 - Liturgical requirements/norms review, if applicable.
 - Proposed funding plan including repayment plan/schedule, if applicable.
2. This information will be reviewed by the Board of Directors which, in consultation with the Diocesan Finance Committee, will make its recommendations to the Bishop.
3. Proponents should expect to meet with the Bishop or his representatives during the final review process.
4. The Bishop will make the final decision to approve, reject, or amend, and convey this in writing to the school concerned.

F. Project Management

1. Once formal written approval has been granted the project may proceed. Final design and construction documents must be developed/prepared where applicable. A competitive bidding process is mandatory, with at least three qualified contractors/suppliers asked to bid on pre-determined specifications and working drawings.
2. Before a contract is signed, written proof of general liability insurance, WorkSafe BC coverage, and current Business Licence, is required.
3. Before a project commences and during the construction process, building permits, inspections, approvals, and other requirements (including environmental) of Local Authorities must be obtained and met.
4. The use of volunteer labour, while beneficial in terms of containing costs, is a matter requiring careful consideration and must only be undertaken with the prior approval of the Diocesan Building Committee in consultation with the Diocesan Finance Office regarding insurance requirements.
5. A holdback of 10% of the total cost is required. Such holdbacks will be held for a minimum of 30 days from day of substantial completion, or as per existing provincial legislation.

6. All contracts exceeding \$50,000 must be signed by the Bishop or his delegate. Those between \$20,000 and \$50,000 may be signed by the pastor or by a member of the School Council who is a signatory on the bank account, but only with the Bishop's written permission.
7. Monthly project progress reports are to be made available to the Board of Directors either by the contractor, architect, or the school, as arranged in the contract.

G. Project Financing

1. A formal agreement will be signed between the school and the Diocese, with the approval of the Diocesan Finance Committee, including the approved financing interest, and repayment terms, if required.

H. Project Completion

1. Certification of completion, liens release, certificate of occupancy and any other local regulatory requirement must be met before final payment is made to the contractor/supplier. Where new buildings are involved, the New Building Warranty must be in place.
2. Upon completion of the project and before final payment is made, the school shall provide the Board of Directors with a final costing and justify any variance from the original estimate or budgeted expenditure.

I. Real Estate Transactions

1. No real property acquisition or disposal shall be made without the explicit written approval of the Bishop. Any proposal to purchase or sell land and/or building(s) must follow the approval process set out above. With respect to a real estate sale, discussion with the Diocesan Financial Administrator must occur before approaching realtors or other parties.

J. Contact

1. Any questions concerning these guidelines and their application should be directed to the Diocesan Financial Administrator.

Diocese of Nelson**FORM CE-1**

Request for Extraordinary Expenditure Exceeding \$20,000

Name of School _____

Description of Project _____

If equipment is to be leased or purchased, give details:

Costs – Preliminary (with details)

Financing Plan

Repayment Plan – if applicable

Requested by _____

Date _____

Diocese of Nelson use only:

Request approved _____ Not Approved _____

Deferred _____

Signed _____

Date _____

Authorized Signatory

Date Approved: January 2017**Date(s) Revised: October 2022****Date Reviewed: May 2023 (SO)**