



Rationale

The Bishop is responsible for all lands and buildings in the Diocese. To enable the Bishop to provide proper guidance in the management of these assets, all Diocesan institutions considering construction projects, real estate transactions, and other expenditures shall communicate these plans to the Bishop, care of the Diocesan Finance Office.

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 the Cth, all



APPROVAL OF CAPITAL EXPENDITURES 714

Between \$25,000 and \$50,000

When a parish or school is contemplating an expenditure, which will fall within these financial parameters, it must, before such expenditure is made, request approval from the Bishop, care of the Diocesan Finance Office. In order to obtain this approval the parish or school must, in addition to the information and requirements required for projects that are less than \$25,000, provide the Bishop with the following:

- details of the project or the expenditure and its justification
- preliminary estimate of the cost involved
- how the expenditure is to be financed

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VI. Project Management

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. The school must work with the diocese and its consultants when it comes to specifications and the bidding process. This is particularly important where the project involves roofing or flooring in existing buildings.

Due regard shall be given to general liability and property insurance, warranties and WCB considerations, where applicable.

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.

Given liability issues, the use of volunteer labour, while beneficial in terms of containing costs, is a matter requiring careful consideration and should only be undertaken with the prior approval of the Building Commission.

A 10% holdback is required for progress payments, and these should be held for a minimum of 45 days from day of substantial completion, or as per existing provincial legislation.

All contracts exceeding \$50,000 shall be signed by the Bishop or his delegate, not the proposing institution. Those between \$25,000 and \$50,000 may be signed by the pastor or school administrator, but only with the Bishop's written permission.

Monthly project progress reports are to be made available to the Bishop either by the contractor, architect, or the school, as arranged in the contract.

No significant 'extras' are to be undertaken without prior consultation with the Building Commission, which will also address any substantial cost over-runs, damage claims etc. The Commission will then, in consultation with the Diocesan Finance Office, seek the written approval of the Bishop.



VII. Project Financing

Once quotes have been received and contractor/supplier selected the final costs shall be determined and the amount of financing required agreed upon with the Diocesan Finance Office.

Expenditures incurred prior to receipt of final formal approval of the project (e.g. cost of architect) will not be considered for financing assistance, unless the school had received advance authority for such expenditure.

A formal agreement will be signed between the school and the Diocese, approved by the Diocesan Finance Committee, covering financing, interest, and repayment terms.

VIII. Project Completion

Certification of completion, liens release, certificate of occupancy and any other local regulatory requirement shall have been met before final payment to the contractor/supplier. Where new buildings are involved, the New Building Warranty will be verified to be in place.

Upon completion of the project and before final payment is made, the school shall provide the Bishop with 8.400912 0 612 792 reW nBT/F32 Tf1 0 0 1 494.02 52.34 Tm 70rhall p



Diocese of Victoria

Request for Extraordinary Expenditure Exceeding \$25,000

Name of Parish _____

Description of Project _____

If Equipment is to be purchased, give details: _____

Costs Preliminary (with details)

Financing Plan

If MIC Capital loan is required, give details of Repayment Plan

Requested by _____ Date _____

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| Diocese of Victoria use only: | | |
| Request approved _____ | Not Approved _____ | Deferred _____ |
| Signed _____ | Date _____ | |