

# Understanding the Proxy Process in the Archdiocese of Milwaukee

ACCC February 2, 2019



## **Why is this an interesting talk?**

- ✓ Crossroads between Civil and Canon Law
- ✓ Parish Corporative organization
- ✓ Relationship between Parish and Archdiocese/Archbishop
- ✓ Shows our view on the spirituality of Administration
- ✓ Tells us about internal functioning of roles (Pastor, PPC, Finance Council, Trustees)
- ✓ Helps improve the reputation of Lawyers, especially Canon Lawyers



## Parish

- Canon Law → A parish is a public juridic person in the Church by the law itself (c. 535, §3) The pastor is the canonical administrator of the property of the parish and represents it in juridic affairs (c. 532)
- Civil Law → Each parish is an independent religious corporation Established according to the Civil Statutes of the State of Wisconsin

### **Corporate directors of the parish:**

Archbishop, president

Pastor, vice-president

A Vicar-general of the Archdiocese

Trustee treasurer

Trustee secretary



Civilly, certain acts of extraordinary administration require unanimous consent of the corporate directors:

Canonically, the Archbishop has to exercise due vigilance over the administration of public juridic persons in his diocese + Pastors/Administrators/Parish Directors are required to obtain the consent of the ordinary (Archbishop, in this case) prior to positing acts of extraordinary administration (c. 1281§§ 1,2)

In the Archdiocese of Milwaukee, the proxy process covers both

- Borrowing
- Selling, Mortgaging, Leasing (to, from)
- Extraordinary Expenditure (over 4% previous' year parish revenue)\*Know approx. figure
- Establishment of an Endowment or Foundation
- Building or Renovation Project
- Capital Campaign



Can. 1281 §1. Without prejudice to the prescripts of the statutes, administrators invalidly place acts which exceed the limits and manner of ordinary administration unless they have first obtained a written faculty from the ordinary.

§2. The statutes are to define the acts which exceed the limit and manner of ordinary administration; if the statutes are silent in this regard, however, the diocesan bishop is competent to determine such acts for the persons subject to him, after having heard the finance council.



## **Proxy Process**

To secure the vote of the Archbishop and a vicar general:

A letter (proxy letter) is sent to Archbishop by the pastor, including the signatures of the pastor, the two trustees (secretary and treasurer) and chair of Pastoral Parish Council

**Letter should include:**

clear explanation of the issue and what is being proposed

figures and funding proposals

lending and schedule of debt retirement

identification of research (3 bids) or relevant studies/consultation

Goal or utilization of a fundraising company (for a Capital Campaign)



## Proxy Review Process

Pastor submits letter of request to Archbishop

Archbishop reviews and gives initial OK to proceed with review process; forwards to Chancery Office; acknowledgment of receipt sent to pastor

Chancery reviews and summarizes request; forwards to Parish Finance Office for review in light of parish's financial status (CFR, status of pensions, assesment payments and other outstanding debts)

If a real estate transaction, lease arrangement, major borrowing, or endowment is involved, reviewed also by CFO

Proxy document drafted by Chancery and forwarded to Archbishop and Vicar-general for signatures

[Any additional follow-up requested by Vicar-General]

Proxy document sent to pastor with copy filed in Chancery

Pastor and trustees sign document and file it in parish corporation book



ARCHDIOCESE  
of MILWAUKEE

**ARCHDIOCESE of MILWAUKEE**

3501 South Lake Drive PO Box 070912 Milwaukee, Wisconsin 53207-0912 Phone 414-769-3300

The Chancery

**WAIVER and PROXY**

**KNOW ALL MEN BY THESE PRESENTS**, that the undersigned Members, Directors and Trustees do hereby waive notice of the time, place and purpose and of all requirements as to the holding of a special meeting of the Board of Directors, the governing body

\_\_\_\_\_ of \_\_\_\_\_

(Exact Corporate Title)

(Location)

a corporation duly authorized and existing under and by virtue of the laws of the State of Wisconsin, and do hereby appoint

as our proxy to cast our votes at the proposed meeting of said corporation in favor of a motion(s) to

**IN WITNESS WHEREOF**, we have hereunto set our hands and seals this

\_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

Archbishop, Pres., Member, Director and Trustee \_\_\_\_\_ (SEAL)

Vicar General, Member, Director and Trustee \_\_\_\_\_ (SEAL)

**AND BY THESE PRESENTS**, the undersigned remaining Members, Directors and Trustees of said corporation do hereby join in the foregoing waiver of notice of the time, place and purpose and of all requirements as to the holding of the said special meeting of the Board of Directors of the above mentioned Congregation.

**IN WITNESS WHEREOF**, we have hereunto set our hands and seals this

\_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

Member, Director and Trustee, V. Pres. \_\_\_\_\_ (SEAL)

Member, Director and Trustee, Secy. \_\_\_\_\_ (SEAL)

Member, Director and Trustee, Treas. \_\_\_\_\_ (SEAL)

N.B. The above waiver and proxy appointment should be incorporated in the minutes of the meeting of the Board and attached to them.





## Proxy Process for Real State Transactions

If a parish is planning on buying or selling property, most people recognize the need to obtain a proxy. The question becomes, when in the real estate process to seek one.

- When purchasing property, it must be clear that the property will serve some present or future pastoral need in the context of the parish's strategic planning.
- No offer to purchase may be tendered until a waiver and proxy has been issued.
- If a parish is selling property, a proxy should be in hand prior to placing it on the market and the request for the waiver and proxy should include the reason(s) for divesting the parish of the property along with the appraised value of the property.
- No offer to purchase may be accepted or countered until a second waiver and proxy has been issued allowing that step to be taken.
- In a similar vein, no lease may be signed until the waiver and process has been issued. A copy of the proposed lease must accompany the request for proxy.

PS Please do not wait until the last minute to present the request for proxy. We cannot guarantee that you will have the proxy in hand and be able to proceed to closing if you allow less than ten days turn-around time.

