

PARISH MERGERS AND CHURCH CLOSINGS

for *All Things New* Pastoral Planning Process

2025-26



D I O C E S E O F S A I N T C L O U D

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PRAYER FOR ALL THINGS NEW



Ever-present God,
just as you accompanied our biblical ancestors,
so, too, you accompanied our ancestors
who came to Central Minnesota generations ago
to begin a new life and set down
their roots of faith in our churches.

Be with us now as we, the people of the Diocese of St. Cloud,
embark on a new, uncharted journey,
heeding your call for renewal and transformation.

Send forth your gifts of
courage, compassion, trust and collaboration.

Help us discern the best ways
we can fulfill your call to missionary discipleship
with vibrant communities and effective ministries.
Open our hearts to the stirrings of the Holy Spirit
and give us the grace we need for this journey
as you make all things new.

We ask this through Jesus Christ our Lord,
with the intercession of Mary, our Mother,
and St. Cloud, our patron. Amen.

TIMELINE FOR PROPOSALS

Aug.-Dec. 2025

Sept.-Dec.

Spring 2026



ACCs discern and draft proposal(s)

ACCs submit proposal(s) to the CAP for review

CAP returns plan to ACC for further development OR CAP affirms plan and submits to Presbyteral Council for review

Bishop consults Presbyteral Council regarding ACC plans

Diocesan bishop decrees merger of parishes

New parish corporations adjust administration and civil status to reflect merged reality

New parish corporations prepare for church closures, building projects, alienation of property

Diocesan bishop decrees and ritually closes church buildings with relegation to secular use as needed; or church buildings are repurposed to non-sacred use by parish; or church buildings are sold (alienated) by parish

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Introduction

The process of merging parishes or closing a church is one of the most sensitive and challenging moments in the life of a faith community. It touches not only on buildings and finances, but on the deep spiritual and emotional bonds people have with their faith community.

This handbook has been prepared to assist pastors, parish leaders and diocesan staff in navigating these transitions with care, clarity and fidelity to both canon law and civil law. It is meant to be a practical resource that outlines the necessary general steps, provides guidance on best practices and points you toward the diocesan offices and personnel who can walk with you through each stage.

While the procedures here are important, the heart of this work is pastoral. Every decision, announcement, and action should be rooted in prayer, compassion and respect for the people and history of the parish. Our goal is to honor the legacy of each community while faithfully embracing the mission Christ entrusts to us today.

How to Use This Guide

1. **Review** this guide as soon as a merger or closure is being considered. Early familiarity will help you anticipate needs, avoid delays and plan with confidence.
2. **Follow the Sections in Order.** The guide is organized to move from pastoral preparation to financial procedures, employment considerations, and communications strategy. Each section builds on the previous one.
3. **Consult the Right People.** Many steps require coordination with diocesan offices. Contact information is provided so you can reach the right people quickly. See contact information on the back cover.
4. **Document Everything.** Keep thorough records of decisions, transactions and communications. This ensures transparency and compliance.
5. **Adapt to Your Context.** While the procedures are consistent across the diocese, each parish has its own history and circumstances. Use the principles here as a framework and work with diocesan staff to address unique situations.
6. **Keep the Pastoral Priority in View.** Even as you handle legal, financial and logistical matters, remember that the ultimate goal is to care for the people of God – helping them grieve, adjust, and find hope in the new chapter ahead.

Pastoral Preparation

The merger of parishes and/or the closure of church buildings deeply affects communities. Some recommendations are:

1. The people of a merging parish should be shown empathy and compassion as they understand and process their emotions amid loss.
 - a. They need to remember and reminisce, grieve and heal.
 - b. Be patient, honest, and sensitive.
 - c. It is healthy and normal to experience denial, shock, anger, bargaining, grief, sadness, depression, and acceptance.
 - d. The explorative process of these feelings helps people to transition through change.
 - e. Under anger is fear; underneath fear is grief; underneath grief is love; and under love is freedom. When someone exhibits anger, fear, or grief, ask:
 - i. Anger: What are you afraid is happening in this decision?
 - ii. Fear: What are you grieving that you lost before or anticipate losing now?
 - iii. Grief: What do you love that you are angry, afraid, grieving?
 - iv. When we discover what it is that we love and others show compassion, then freedom of heart is at hand.
 - f. It presents an opportunity for the community and its leaders to rise to the occasion in care for others.
2. Talk about the merger/closing as a reality in both private and public conversations, in homilies, social events, etc. Be honest. Validate feelings.
 - a. Communicate a lot throughout the process to ensure all are informed as best as possible, admitting a lack of knowledge when that is the case, and making a good faith effort to obtain answers. The diocesan planning office exists to assist in these matters.
3. The attitude of parish leadership is paramount and infectious.
 - a. Do not underestimate the poison of sarcasm, derogatory remarks made in passing, and moments where feelings are dismissed or discouraged.
 - b. Make every effort to be positive and to validate and encourage others.
 - c. Don't play the blame game, and curb instances of gossip and negative speculation in the moment they happen.
 - d. Not every thought that passes through our minds needs to be shared with others and/or believed by them to be validated or processed well.
 - e. Counter attitudes of defeat or failure or competition with notions of shared loss, communal rebirth, and opportunities that become possible with change.
 - f. We are one family of believers. Comparison and unfair judgment can ruin relationships. Encouragement and compassion are antidotes.
 - g. Self-blame can do far more harm than good. The weight of decisions is shared.
 - h. To some parishioners, merger or closure signifies failure or defeat, and it can feel discouraging and disheartening. Church life is made mostly of micro-decisions over a lifetime. No one can predict the future, but we have to make decisions at the time from the knowledge and wisdom available to us.

- i. In exploring the feelings around change, the community can include and look to what may be reborn or grow because of change. This new combination, with the commitment of the faithful and their gifts and charisms, will give birth to new gifts and deeper faith.
4. As information becomes available, communication to the parish(es) involved is key. When published, information may be posted in print, electronic and social media to reach the broadest audiences. Parish community meetings can be helpful for those who benefit from social environments.
5. Parish councils, committees, groups, organizations, and ministries will need to meet and all be included in dialogue to allow their concerns to be heard and to seek to address them appropriately.
6. Even if disagreement exists with the final decision of merging of parishes and closure of church buildings, please refrain from disseminating personal opinions to other staff and parishioners. Parishioners look to their leaders for guidance and encouragement during times of transition; finding resentment and discouragement can lead to disenfranchisement with the faith.
7. We will accompany the parish through the process when the parish is merging with another:
 - a. Utilize the ACC Planning Committee that has been formed during the All Things New process. At this point, people from the Area Catholic Community (ACC) should already have been working together to address the pastoral needs and concerns of parishioners. To these groups, an additional transition team may be formed and added.
 - i. A transition team might include a staff person and three to five parishioners from each parish, depending on the number of parishes involved in the merger.
 - ii. Members of the transition team should be selected by the pastor.
 - iii. They should be parishioners who are supportive of the merger and who understand it to be a way of building a stronger and more vibrant parish.
 - iv. The transition team members do not represent their former parish but the new entity.
 - b. The transition team, in dialogue with the planning office, should work on a timeline based on the proposed plan for implementation. This would involve the final liturgical celebration for each site, closure dates for any sites not to be used, and an official date for the parish merger and/or church closure.
 - c. Facilitate the integration of parish ministries, programs and organizations by having joint meetings of the officers and/or joint meetings of the membership on an alternating basis, and the participation of both groups in any social, religious, educational or fundraising activity.

8. Plan a liturgical celebration of the parish in accord with the following section on “Liturgical Guidelines Ritualizing the Closure of a Worship Site.”
9. If more than one worship site will be used in the ACC, the ACC Planning Committee or the ACC pastoral council will be tasked with developing a schedule for Masses and other activities. Devotions that have been very meaningful to the merging parish should be incorporated into the life of the receiving parish. All current ministries, especially liturgical ministries, should be evaluated and new ministries should be considered.
10. If the merging parish hosted a parochial or regional school, think of how items from that school might be memorialized in the receiving parish or elsewhere within the ACC. For school inventory, consult with the diocesan superintendent of Catholic schools to make sure policies and guidelines are followed.

Letter Template Once Plan Has Been Affirmed By CAP

This template will be given to the pastor(s) of the ACC once a plan has been affirmed.

Dear Brothers and Sisters in Christ,

With deep gratitude and renewed hope, I write to share an important milestone in our journey through the All Things New planning process. After much prayer, discernment, and consultation, the proposed plan for our Area Catholic Community (ACC) has been affirmed by the Committee for the Affirmation of Plans (CAP). This is an important, first step in the approval process.

This plan – available at [INSERT WEBSITE HERE] – reflects the path we are called to walk together. It honors our shared mission to [INSERT SUMMARY OF GOALS HERE], rooted in our faith and tradition, while embracing the possibilities of a vibrant future. Though change can be difficult, we trust the Holy Spirit is leading us toward renewal and deeper communion.

The next step in the process is consultation with the Diocesan Presbyteral Council, followed by review and decrees from the bishop. Once all ACC plans are approved by the bishop, the diocesan plan – comprised of the plans of our 29 ACCs – will be shared, and official decrees will follow.

While the plan is not yet final and may require modification as neighboring ACC plans are revealed, we are encouraged to begin moving forward with its goals in mind. A plan – even when approved – remains a guide, not a guarantee. It cannot foresee every future circumstance, and flexibility will be essential. What must remain constant is our shared purpose and commitment to Christ's mission.

We will continue to keep you informed as updates become available. In the meantime, let us stay focused on what truly matters: our faith, our love for one another, and our dedication to renewing a Church that serves both present and future generations.

As your pastor, I recognize the range of emotions this process may stir. There is sorrow in letting go of the familiar but also grace in embracing what lies ahead. I invite you to walk together in patience, charity, and prayer as we take these next steps – united in hope and trust.

In Christ,

[Your Name]

Pastor

Types of Parish Mergers

Our diocese will use two types of mergers in our process:

- Type I: Amalgamation
- Type II: Consolidation.

Type I: Amalgamation Merger

In this type of union, one or more communities of the faithful (parishes) are absorbed or assimilated into another [*receiving*] parish. The receiving parish retains its original identity, while the merging parish(es) take on the identity of the receiving parish, and the merged parish(es)'s identity(ies) is/are suppressed.

Action steps under this type of merger:

1. A decree is prepared by the Office for Canonical Affairs and executed by the bishop declaring the merger of the parishes.
2. The members/directors of each parish corporation adopt resolutions enacting the merger civilly and the transfer of assets. This step can only be done with the explicit permission of the bishop and after the net assets/liabilities have been identified.
3. The pastor transfers the financial assets (bank/investment accounts) to the accounts of the receiving parish after the decree of merger, once the net assets are identified.
4. The diocesan attorney will file the appropriate documentation.

Type II: Consolidation Merger

In this type of union, two or more parishes are joined in a way that each loses its own identity and a new parish, with its own unique legal identity, is constituted in their place. The designated parish is a new identity with a new name.

Action steps under this type of merger:

1. A decree is prepared by the Office for Canonical Affairs and executed by the bishop declaring the merger of the parishes and the formation of a new parish.
2. The members/directors of each parish corporation adopt resolutions approving the merger civilly and the transfer of assets. This step can only be done with the explicit permission of the bishop.
3. The pastor transfers the financial assets (bank/investment accounts) to the accounts of the new parish after the decree as stated in no. 3 of *Type I: Amalgamation* (above).
4. If the new merged parish plans change its corporate name, the diocesan attorney will file appropriate documentation.

Note: Renaming of church buildings is not allowed even if a parish name changes. (Canon 1218)

Human Resources

Staffing Transitions

As parish structures within ACCs evolve, staffing changes may occur. Staff may be consolidated under one parish, roles may shift, and policies and practices may be updated. While these changes can lead to more consistent and efficient operations, they may also present challenges. The goal is to retain as many dedicated employees as possible, though some downsizing may be necessary. Here are a few key considerations during staffing transitions:

Merging Staff and Terminations

- When merging staff, prioritize employees' well-being. Transitions can be challenging, so it's important to communicate clearly, foster a welcoming environment and support staff as they adjust to new roles, procedures, and culture.

When employment is being terminated by the parish or school, it is strongly recommended to contact the diocese before any decisions are made or acted upon. For questions or support, contact the diocesan human resources office.

Disposition of Property

When a church building is closed, arrangements need to be made for the disposition of all buildings and their contents. Contact the diocesan planning office for a checklist and to make arrangements for the disposition of buildings and contents.

Before the Merger / Closing

The priority during this period is the careful and sensitive pastoral preparation of the parishioners for the impending merger/closure. During this time, a number of other preparations can begin as well, as outlined below:

1. **Sacramental Records:** When parish corporations merge the receiving parish automatically obtains all sacramental records from the merging parish(es). As in the past, parishioners can contact the receiving parish to request newly issued copies of their sacramental records.
2. **Parishioner Registration:** When parish corporations merge, the registration of parishioners does not automatically happen, as some parishioners may elect to register at another parish than the receiving parish. Therefore, all parishioners of the merging parish must contact the receiving parish to communicate to which parish they wish to register.
3. **Treasuries of Parish Societies and Organizations:** The financial accounts of parish organizations and societies will need to be reconciled by those organizations and societies during the merger of parishes.
4. **All standing orders** for the merging parish should be reviewed and perhaps reduced/ cancelled, including but not limited to:
 - a. Missalette subscription
 - b. Bulletin publishing contract or orders for bulletin covers
 - c. Hosts and sacramental wine
 - d. Ash Wednesday ashes
 - e. Palms
 - f. Paschal candle
 - g. Music and copyright licenses
 - h. Loose leaf lectionaries and universal prayers of the faithful.
 - i. Annual *Ordo* subscriptions
 - j. Print publication subscriptions: e.g. newspapers, magazines, etc.
 - k. Electronic publication subscriptions: Formed.org, Microsoft Office, web hosting, etc.
5. Parishioners should be notified of the cancellation of donation envelopes, for which the merging parish is responsible.
6. Any donors who contribute via electronic methods should be encouraged to consider renewed giving to the merged parish.
7. Be sure to reroute the parish website to the site of the receiving parish for at least one year following the merger. Be sure to remove auto-renewal information.

Following the Merger / Closing

Once the merger of the parish is completed, the worship site and all other parish real estate of the merged parish becomes the property of the receiving parish who is responsible for its upkeep and security. If a church property is to be sold, it needs to be maintained until a sale is completed.

1. Begin transferring records to the receiving parish or merged parish office. Ideally, records should be maintained at the merged parish office. Examples of the records required to be transferred include:
 - a. Lists (name, address, email, phone number) of liturgical ministers, hospitality ministers, money counters, catechists, council and committee members of the merged parish. With these lists, the receiving parish can invite these key members into ministerial assignments.
 - b. General parish files, including all financial records, should be handled according to the section on document retention below.
2. Settle the Mass Intention/Stipend account (all unfulfilled Masses need to be celebrated)
 - a. Disburse any final offering checks for extra clergy.
 - b. Reconcile the Mass Stipend account balance with the number of paid but unfulfilled intentions. If the Mass Stipend account has a deficit, the deficit must be funded from the merging parish operating account. Provide the receiving parish with a comprehensive list of all unfulfilled Masses. Forward the appropriate monies for these Masses to the receiving parish. Get a receipt.
 - c. Should there be any surplus funds in the Mass Stipend account, contact the canonical affairs office or the diocesan finance office.
 - d. Detail the resolution of funds from the Mass Stipend account.
 - e. Close the Mass Stipend account.
 - f. Retain the closing bank statement with the Mass Stipend account records.
3. Complete final Safe Environment audit.
4. Stay in dialogue with the planning office and other diocesan officials. There may be additional information required, or the need for special arrangements.

Record Retention Policy

The proper retention of records is essential to the merger of parishes. The faithful rely on the Church to maintain accurate records of their sacraments and to be able to produce authentic copies when needed.

1. All merging parish/school records should be reviewed. Those selected for retention should be transported to the receiving parish. Contact the diocesan Finance Office and Human Resources for further guidance.
2. For parishes with a parochial school that is also closing, see diocesan superintendent for procedures on school closings and school records retention and disposition schedule for additional information regarding transfer, retention or destruction of school records.
3. All parish financial records not specifically selected for retention **MUST** be shredded, because these records contain confidential information. Many services are available for on-site shredding and should be considered. **DO NOT** dispose of the non-shredded records via trash or recycling.

Closing and Merger Rituals

The closing and merging of parishes involve many feelings and emotions, not unlike those experienced at a funeral. Drawing upon the three-fold funeral liturgy, the Diocesan Liturgical Commission has developed a three-fold liturgical ritual for those parishes who will experience closing and merging.

1. Liturgy of Loss and Hope

A ritual of remembering, done prior to the scheduled Closing Liturgy; much like a Funeral Vigil Service, this ritual allows various options of involving parishioners and stories of remembrance. (This is not a Mass.)

2. Eucharistic Liturgy with Closing Ritual

The Closing Liturgy will be presided by the bishop. It will normally be done on the last Sunday Mass celebrated in the building. As part of the closing ritual, the bishop and presider will lead prayer at various stations in the church to remember their role in the prayer life of the community. Various items that will be taken to the new location are processed out, along with the Blessed Sacrament.

3. Welcoming Eucharistic Liturgy

Guidance and prayers has been developed to assist parishes with rituals to welcome those whose parishes are to be closed.

Members of the Diocesan Liturgical Commission look forward to sharing the developed resources and helping the parishes experiencing closing and/or mergers with planning the appropriate rituals. Please contact the diocesan worship office to begin the planning process.

Please note: The Diocesan Liturgical Commission will work with parishes before disposing of property to go over requirements for religious articles

For more information, contact the diocesan worship office.

Financial Procedures

Financial matters pertaining to the merger of parishes are of primary importance. Without proper transmission of parish finances, a true merger is incomplete. Any questions may be directed to the diocesan finance office.

1. When parishes merge, the assets and liabilities are also merged and become the responsibility of the receiving parish. Before any proceeds are provided to the receiving parish, all liabilities of the merging parish are required to be identified. (This takes place when a civil merger is realized.) Until such time, any available funds are to be suspended and kept in the operating account of the merging parish. Proceeds from the sale of a closed church and related properties shall be used to pay off debts of the merging parish.
2. Any funds received from the sale of real estate (net of commission) and other parish property (see section regarding "Disposition of Property" in this document) must be deposited in the merging parish's operating account. Checks should be made payable to this account under the name of the merging parish.
3. Submit a financial report for the merging parish to the diocesan finance office for the final months of your parish's operation.
4. Bank Accounts
 - a. The merging parish and school bank accounts must be closed, but only with explicit permission and upon instruction from the diocesan finance office and the bishop.
 - i. If a parish school is closing as a result of this merger, it may take up to 24 months to receive MN state reimbursements for programs or grants. For more information, contact the diocesan school superintendent.
 - b. Cemetery bank accounts must contain the receiving parish name and Federal Identification Number. The title should be "N. Cemetery at N. parish." For more information, consult the diocesan finance office.
 - c. The pastor of the receiving parish should be added/replaced as an authorized signer on any accounts that might remain open either temporarily or indefinitely (i.e., cemetery) of the merging parish.
6. Other Accounts/Liquid Assets
 - a. All unused petty cash must be deposited to the merging parish operating account prior to the merger.
 - b. Access to donor restricted and/or endowed funds is suspended until a determination on their status is made by diocesan officials.
 - c. Vendor accounts should be closed prior to merger and all charge/debit cards should be gathered and cancelled. These cards should be stored with the other financial records.

7. Forms
 - a. If there is non-employee compensation, Form 1099 NEC information must be filed by the merging parish. A copy of the form, applicable Forms W-9 and PDS Ledger vendor reports must be given to the receiving parish. These forms must be filed by January 31st of the following year.
 - b. The merging parish must issue all necessary W-2G's for raffle prizes.
8. The merging parish should prepare an inventory list of all financial records and should make arrangements with the pastor of the receiving parish for transport/storage of these items. Boxes should be numbered and their location at the receiving parish should be documented for easy location in the future.

Communications Strategy for Mergers / Closures

1. Be clear and timely in regard to any parish announcements utilizing communication vehicles like newsletters, bulletin announcements, website and social media sites as they relate to the timeline for merger/closure.
2. Look for opportunities to acknowledge and communicate the legacy of the merging parish, while also looking for opportunities to communicate the partnership with the receiving parish, as well as other members of the Area Catholic Community.
3. As changes occur, be certain to communicate the timeline, and prepare for the transition of website and social media pages/accounts. If the merging parish has a standalone website, have the URL of the website redirected to the receiving parish's website, or the landing page for the Area Catholic Community upon closure for up to one year.

Naming Parishes

Procedures for naming parishes will be explained in the General Executory Decree Nominando Creaturas.

Cemeteries

Chapter 306 of the Minnesota Statutes governs the legal matters pertaining to cemeteries. When considering the sale, transfer, or other material changes to cemetery ownership or management, consult diocesan offices which will include the diocesan attorney.

A parish cemetery must be managed and operated in accord with the Minnesota statutes and any applicable diocesan policies. Funds received through lot sales or donations to the cemetery must always be used solely for the upkeep, improvement, and beautification of the cemetery. They may not be used for other purposes by the parish corporation.

If a parish changes its status in a way that affects the management of its cemetery, a successor corporation (usually a neighboring parish) must assume the management of the cemetery. That successor corporation is to receive all the records and funds pertaining to the cemetery and shall use such funds only for the upkeep, improvement, and beautification of the cemetery in question. The rights and obligations of existing lot owners must remain intact upon such changes in management.

The annuities will stay attached to the cemetery, and cemeteries are always attached to a particular parish, using that parish ID number. That church receives the cemetery funds and is responsible for the care of that cemetery.

Donor Intent

Donations, bequests, contributions to endowments, and other such income accepted by the parish corporation and given for a particular designated purpose by the donor must always be used exclusively and solely for the designated purpose.

This restricted use is to be made in writing by the donor or recorded as such by the recipient and kept on record by the corporation.

The restrictions assumed by the corporation when accepting funds continue to apply even if the oversight and management of such funds is assigned to or assumed by another parish corporation.

Any questions related to the use of restricted funds are to be addressed by the diocesan chief financial officer.

[This is a reprint of Diocesan Policies]

Governing Sale, Mortgage Encumbering or Disposing of Real Estate

Article V of the parish Articles of Incorporation states that “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.” Canon Law directs the bishop to determine specific regulations in regard to these actions. The following policies shall govern such actions.

- A. To sell, mortgage, encumber or dispose of real estate belonging to the parish corporation for a sale price of up to \$100,000 the following is required:
 - 1. A clear statement of need and purpose
 - 2. A written appraisal of its value determined by a qualified, competent person
 - 3. Consultation of the parish pastoral council
 - 4. Consent of the parish finance council
 - 5. The unanimous consent of all members/directors of the parish corporate board
- B. To sell, mortgage, encumber or dispose of real estate belonging to the parish corporation for a sale price of between \$100,000 and \$3,000,000 the following is required:
 - 1. A clear statement of need and purpose
 - 2. A written appraisal of its value determined by a qualified, competent person
 - 3. Consultation of the parish pastoral council
 - 4. Consent of the parish finance council
 - 5. The unanimous consent of all members/directors of the parish corporate board
 - 6. Consent of the diocesan finance council
 - 7. Consent of the diocesan college of consultors
- C. To sell, mortgage, encumber or dispose of real estate belonging to the parish corporation for a sale price of more than \$3,000,000 the following is required:
 - 1. All the steps required for such actions involving between \$100,000 and \$300,000,000
 - 2. Consent of the Holy See through the Congregation for Clergy
- D. Values are to be determined by the total evaluation of the real property affected

Diocesan Policy on Limits on Parish Expenditures: For Equipment, Repair, Remodeling or New Construction

Article XII of the by-laws of parish corporations in the Diocese of St. Cloud states that “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.” The following expenditures policies are established for parishes of the diocese.

- A. Expenditures of less than \$5,000 can be made at the discretion of the local parish following usual accountability procedures.

- B. Expenditures between \$5,000 and \$20,000 which have not been specifically included in an annual budget previously approved by the parish finance and pastoral councils can be made only after:
 1. Consultation with the parish pastoral council
 2. Consent of the parish finance council
- C. Expenditures of between \$20,000 and \$100,000 can be made only after:
 1. Consultation with the parish pastoral council
 2. Consent of the parish finance council
 3. Corporate approval including the unanimous consent of the ex-officio members/directors of the corporation
- D. Expenditures of over \$100,000 can be made only after:
 1. All steps required for such action involving between \$20,000 and \$100,000
 2. Consent of the diocesan finance council
 3. Consent of the diocesan college of consultors
- E. Expenditure limits are determined by the complete cost of the item or project in question
- F. These policies are effective even when the parish has the necessary funds on hand

Diocesan Policy Governing Borrowing Money by Parishes

Article XII of the bylaws of parish corporations in the Diocese of St. Cloud states that “No loans may be made, notes signed, or indebtedness undertaken, except for purchases on open account in the ordinary course of parish business, with the unanimous consent of the ex officio members/directors of the board.” Canon Law directs the bishop to determine specific regulations in this area. The following policies shall govern the borrowing of money.

- A. To borrow any amount up to \$100,000 from whatever source, the following is required:
 1. A clear statement of need and purpose
 2. Consultation with the parish pastoral council
 3. Consent of the parish finance council
 4. Consent of the corporate board including the unanimous approval of the ex officio members/directors of the parish corporation
- B. To borrow an amount from \$100,000 to \$3,000,000 from whatever source, the following is required:
 1. A clear statement of need and purpose
 2. Consultation with the parish pastoral council
 3. Consent of the parish finance council
 4. Consent of the corporate board including the unanimous approval of the ex officio members/directors of the parish corporation
 5. Consent of the diocesan finance council
 6. Consent of the diocesan college of consultors
- C. To borrow any amount over \$3,000,000 for the following is required:
 1. All steps required for borrowing between \$100,000 to \$3,000,000
 2. Consent of the Holy See through the Congregation for Clergy
- D. Borrowing amounts are to be determined by the total monies required to meet the stated need and purpose of the project

FAQs (Frequently Asked Questions)

If a new parish is formed from multiple parishes:

1. How are plate/envelope donations handled?

Donations are made to the new corporation as a whole, not to individual church buildings.

The finance council of the new corporation will oversee how funds are allocated across the various church sites and ministries, based on need, mission priorities, and sustainability.

2. Can donations still be directed to a specific church building?

Yes, optionally. The emphasis is on supporting the mission of the parish as a whole, not just maintaining buildings. Envelopes can be designed to allow donors to indicate a preferred church site (e.g., St. Mary's, St. Joseph's). This allows for transparency and donor intent to be honored, especially during a transition period.

3. What is the cost to dissolve a parish corporation and to create a new one? Who does this and who pays?

Fees to incorporate or modify corporations are going to be covered by the diocese. The diocese intends to use the same lawyer for all diocesan incorporation cases.

4. Why merge parishes?

Canon law states that one parish per pastor is the norm and multiple parishes per pastor is the exception (Canon 526.1). We are working toward the norm.

The goal is to reduce the administrative load for pastors. For example, every parish is required to have a finance council. It is recommended that they meet at least quarterly. So, if one is pastoring five parishes, that is 20 meetings per year. If you go to two parishes that would change the number of meetings to eight which is a considerable difference. Consider other duplications that could be reduced or eliminated: staff, office space, youth groups, pastoral council, religious education, maintenance, school, festivals, etc.

5. If we merge parishes, do all of them in the ACC need to be merged into one?

No, the parameter, "reduce the number of corporations," means exactly that. We are not saying how many corporations there need to be - just fewer of them. We are leaving it up to the local ACC to discern the number of corporations that would best fit the ACC. In some cases, a single corporation would be the natural next step especially when it's known that there will be a single pastor.

7. After merging, do all of the merged parishes have the same collection envelopes and the same checkbook?

Yes. The best way would be to have one envelope. That, however, does not exclude opportunities for envelopes designated for the maintenance of certain church buildings within the parish.

8. Do parishes keep their own money that is in their savings and checking account?

If you merge the parishes the accounts would all belong to the one new parish; those accounts could be combined into one checking/saving account or whatever arrangement seems best. The diocese suggests that if a parish has a cemetery, up to \$100,000 could be placed in a perpetual care fund. Other funds for particular purposes could be maintained in the new parish account, i.e. maintenance of a certain church building, funding of a particular quilting circle, etc.

9. What happens to parish debt?

The new parish corporation would be responsible for the debts of the former parishes.

10. What happens to endowments?

The endowments would go to the new corporation and would maintain their designated purposes as far as possible.

11. Is it possible for the corporations to be merged and to continue to have separate profit and loss statements for each parish?

The merged corporation represents the one parish and the P & L can reflect how the money is spent within the parish. It can be broken up into many different line items.

12. What is the significance of designating a primary church?

A primary church is the place where high feasts are celebrated as well as Sunday Masses. A primary church is the effort to try and meet the canonical presumption of one pastor serving one parish with one parochial church. Obviously, after a merger a parish may have multiple churches. The value of having one church per parish is having a single place where everyone needs to get to. This also allows for a fuller church and ease of operation.

Glossary of Terms

A parish is both an ecclesial reality and a civil corporation. Existing in these spheres, the distinctions outlined in this section help to set the tone for the rest of the document. In order to have better communication, please study the terms and their meanings.

- **Amalgamation Merger:** In this type of union, one or more community of the faithful (parishes) are absorbed or assimilated into another [receiving] parish. The receiving parish retains its original identity, while the merging parish(es) take on the identity of the receiving parish, and the merged parish(es)'s identity(ies) is/are suppressed.
- **Canonical Merger:** A merger of one community of the faithful (parish) combined with another. Since these communities are defined by a particular territory, this results when one community (receiving parish) incorporates the territory of another (merging parish) into its boundaries.
- **Consolidation Merger:** In this type of union, two or more parishes are joined in a way that each loses its own identity and a new parish, with its own unique legal identity, is constituted in their stead. The designated parish is a new identity with a new name.
- **Church:** The term 'church' is understood as a sacred building designated for divine worship to which the faithful have the right of entry for the public or private exercise of divine worship.
- **Civil Merger:** The civil process by which two or more parish corporations are joined together. When this happens, there is one parish corporation merging into another. The parish that merges ceases to exist and the receiving parish corporation takes over the assets and liabilities of the other(s). This takes place according to the laws of the State of Minnesota.
- **Closure or Relegation to Secular Use:** The canonical term "relegation" refers to the process by which the bishop issues a decree that removes the sacred character from a sacred building (churches), rendering it to secular or profane or but not unbecoming use. The colloquial description of this process is "closure." When a church is reduced/closed, it can no longer be used for sacred worship (Mass or the Sacraments). Reduction/closure of a sacred building must take place before it can be sold (alienated). It is possible for a formerly sacred space to be used for secular purposes by the parish, as when a former church space is renovated into a social hall, offices, or retreat center.
- **Consent / Permission:** The granting of permission to an ecclesiastical authority before the authority is permitted to act. When consent/permission is required, the authority is powerless to act until the requisite consent/permission is given by the individuals or groups specified in law. This differs from consultation, where the authority merely is required to hear the individuals or groups specified in law. For example, most of the time the parish finance council is consultative, but in some instances the law requires the pastor to receive consent from the finance council before acting.

- **Consultation:** Consultation is the process by which the one who has the power to act listens to the concerns of those affected by a proposed action before deciding on the action to take place. Consultation is sometimes required before an action can be taken by an ecclesiastical authority, e.g., a pastoral council only has a consultative vote (c. 536 §2), but a diocesan bishop may require pastors in his diocese to consult the pastoral council before the pastor makes a certain decision (c. 536 §1), like initiating a parish building project that exceeds a certain amount of money. This differs from consent, where the authority not only needs to hear the opinions of the individual or group but also may not act without permission.
- **Estate Masses:** Monies donated for Mass intentions in the name of a decedent, as requested by an individual's estate or related trust, surviving relative or executor for the sole purpose of celebration of the sacrifice of the Mass.
- **Area Catholic Communities:** Several parish communities who have been grouped together under the care of one (or more) pastor(s) or parochial administrator(s).
- **Mass Stipend Account:** A separate account maintained at every parish, which contains the money/stipend collected for Masses to be offered on behalf of some person, living or deceased. This account is restricted, is not to be an investment account, and is not to contain any other funds than those collected from the faithful which are dedicated to the offering of Masses for the assigned intentions. When a Mass is offered for an assigned intention, the money/stipend collected for the Mass is to be given to the celebrant (priest). The money comes directly from this account.
- **Merging Parish:** The parish corporation that will cease to exist by reason of its territory being combined/amalgamated/subsumed into another parish. See *Canonical Merger* above.
- **Parish:** A certain community of Christ's faithful stably established within a diocese whose pastoral care is entrusted to a parish priest as its proper pastor under the authority of the diocesan bishop (c. 515). A parish may have more than one worship site (primary church and partner church) within its territory.
- **Parish Corporation:** The State of Minnesota recognizes the civil corporate structure of a parish community as a religious not-for-profit entity. The parish corporation has a five (5) member/director board composed of the diocesan bishop (president), the Vicar General (vice president), the pastor, and two (2) lay trustees (treasurer and secretary), who are the decision makers in civil acts of the corporation, such as the purchase or sale and alienation of property.
- **Receiving Parish:** The parish which subsumes the territory of another parish and is the heir to all net assets and liabilities of the merging parish.

This handbook is a resource for parish mergers and church closings. Parish mergers and church closings are complex and very difficult tasks that are to be tailored to the circumstances. The following diocesan offices are available for assistance. Please do not hesitate to consult them:

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