Frequently Asked Questions

1. Why are parishes in the Archdiocese of Indianapolis being separately incorporated?

According to canon (Church) law, every parish in the archdiocese has its own unique set of rights and responsibilities, including the right to hold and administer Church property. Under our current civil structure, however, parishes have no recognized legal identity, and thus no right to buy, sell, hold or administer their own property. After much study and prayer, we have determined that creating non-profit parish corporations is the most effective way to ensure that a parish’s rights regarding its property will be respected not only under Church law, but also under civil law. In other words, by separately incorporating our parishes, we will be adopting a civil law structure that will most accurately reflect our ecclesiastical identity and our canonical structure.

2. Are there theological reasons supporting parish incorporation?

Yes. In every step of the restructuring process, the Archdiocese of Indianapolis has been guided by: (1) the theology of communio, (2) the principle of subsidiarity, and (3) the responsibility of stewardship.

First, with respect to the theology of communio, we must keep in mind who we are as a Church. Everything that we do, from establishing a civil structure, to taking other steps to guide the daily operations of a parish, must be connected to the mission which God has entrusted to the Church. Through parish incorporation, clergy and laity will work together in the administration of parish affairs, and in the continued outreach of parish ministries, which will enhance the communion of the parish. Parishes will continue to interact with the broader archdiocese, and the archdiocese will continue to provide administrative support to the parishes. In effect, the archdiocese will continue to exist as a communion of communions, and the theology of communio will continue to guide everything that we do as individual parishes and as the archdiocese as a whole.

Second, parish incorporation will help us order and define the rights and responsibilities of each parish, and the duties and obligations of clergy and laity, consistent with the principle of subsidiarity which has long formed the framework of the Church. By acknowledging the unique rights and responsibilities of all members of the local Church (i.e., the parishes), by recognizing each individual’s particular talents within a parish, and by giving those individuals the autonomy to use those talents to fulfill the particular roles that they are given under canon law, we hope to
create a framework that will allow our parishes to continue to give witness to Christ and advance the Kingdom of God in all of the work that they do.

Third, we must remember that as members of a parish, and as Catholics, we are stewards of all that has been entrusted to us – including all forms of parish property. The separate incorporation of our parishes will demand that each parish and that each member of each parish exercise proper stewardship over the parish's temporal goods.

3. Why now?

The idea of parish incorporation has been studied by the archdiocese for several years. We have watched other dioceses reorganize for various reasons. We have received inquiries from priests and laity alike, who have asked why the archdiocese has not separately incorporated our parishes. We have retained outside civil and canonical counsel to analyze the archdiocese’s structure and to give recommendations. After years of study and prayer, we have decided that we are now ready to move forward with this transition.

In some cases, civil courts have directed dioceses to separately incorporate their parishes to clear up the confusion between the canonical and civil identity of the parishes, and to reinforce, through civil law, the fact that parish assets belong to the parish, not the diocese. In our case, there is no such pressure from any court or other such entity. In our mind, that makes this the perfect time to take this step – on our terms, and for our own reasons.

4. Is parish incorporation something new? Have other archdioceses already separately incorporated their parishes?

Parish incorporation is not a new concept in the United States. In 1911, the Holy See recommended that Roman Catholic dioceses in the United States consider separate parish incorporation. At that time, a particular model of parish incorporation was available under New York law, and the Holy See suggested that archdiocese follow that model if at all possible. The civil structure that New York adopted was probably not available in Indiana in 1944, when the Archdiocese of Indianapolis was formed. For that reason, the Archdiocese of Indianapolis adopted a fairly simple model allowed for in Indiana law (an "unincorporated association"). Since 1911, many archdioceses have adopted the separate incorporation model, either at the time of their formation, or afterwards, and many more, like our archdiocese, are in the midst of such a transition.

5. Will schools be separately incorporated?

Under canon law, a parish school is a part of the parish and serves as a ministry of
the parish. For that reason, there are no plans to separately incorporate our parish elementary schools, parish preschools, or our one parish high school. Those schools will continue to be ministries of the parish they serve. Our six archdiocesan high schools, on the other hand, which do not have any direct affiliations with any single parish, will be separately incorporated. (These high schools are sometimes referred to as “deanery” or “interparochial” high schools.)

6. What is the present legal structure of parishes in the Archdiocese of Indianapolis?

The Archdiocese of Indianapolis previously existed under the laws of the State of Indiana as an "unincorporated association." The Archdiocese was incorporated in mid-2009. Until we complete the incorporation project in mid-2010, parishes still exist as unincorporated associations. We utilize a nonprofit corporation, R.C. Archdiocese of Indianapolis Properties, Inc. to hold title to all archdiocesan and parish real estate. In recent years, there has been a great deal of discussion between dioceses and between Bishops regarding the fact that the unincorporated association structure does not fully reflect the theological and canonical vision of the Church. We believe that the transition to an incorporated archdiocese and separately incorporated parishes will resolve that issue.

7. How will parishes be incorporated?

Incorporation in Indiana is a relatively simple process. Articles of incorporation are filed with the Indiana Secretary of State's office. Each parish corporation will then hold an organizational meeting, at which the board of directors will adopt bylaws regulating the governance of the corporation and sign corporate resolutions adopting various policies and programs. The articles of incorporation and bylaws will be drafted by legal counsel, and will be identical in form for all parishes. The initial articles of incorporation will be filed in mid-2010, and the original organizational board meetings will be held by deanery in the fall of 2010. (All parishes of the archdiocese are members of one of eleven geographical deaneries.)

8. Will there be a corporate board of directors? Will laity be involved?

Each parish corporation will have a Board of Directors consisting of at least three persons: the pastor, priest administrator or priest moderator and two parish lay representatives (the chairperson of the parish pastoral council and the chairperson of the parish finance council). For those parishes with a Parish Life Coordinator (PLC), the PLC will be a fourth board member. The pastor, priest administrator or priest moderator will be designated as the Chairman of the Board of Directors, and as the president of the corporation, and will exercise the same powers and duties that he
currently has over the parish and over any parochial school.

**9. How will the minutes of the annual meeting be prepared? Where will they be filed?**

The chairperson of the parish pastoral council will be identified as the Secretary of the parish corporation, and will be expected, as Secretary, to draft the meeting minutes, based on a template that will be provided by the archdiocese. The minutes will be filed in the parish office. The Archdiocese will complete the paperwork to annually register the parish corporation with the Indiana Secretary of State.

**10. What types of issues will the corporation’s board typically consider?**

Following incorporation, the board of directors of the parish corporation will be required to have at least one annual meeting and will be required to file a simple annual report with the Indiana Secretary of State. The archdiocese will monitor each parish to make sure it conducts an annual meeting, maintains minutes of the meeting, and files its annual report. (In practice, the archdiocese office will actually file the annual report for the parish with the Indiana Secretary of State.)

At the annual meeting, which will be a closed meeting, the board will typically review issues involving the temporal affairs of the parish – such as approval of the annual financial budget, and approval of the purchase or sale of any real property. The board is not intended to replace the main consultative groups required presently for parishes, such as the parish pastoral council and the parish finance council. These councils will continue to perform the critical tasks that they perform today. For example, the parish finance council will continue to submit an annual budget and financial report to the Pastor for his approval (along with the board of directors of the parish corporation), just as it does today.

It is anticipated that the annual board meetings will be relatively brief. A standard agenda will be sent out in advance and will likely include the following:

(i) Approval of minutes of the prior annual meeting and confirmation that the minutes have been properly filed at the parish and with the archdiocese;
(ii) Approval of the annual parish budget and the annual school budget (if appropriate);
(iii) Confirmation that the parish corporation has filed the required annual report with the Indiana Secretary of State; and
(iv) Discussion of any major changes since the last board meeting or major future plans relating to the temporal goods of the parish.
11. What will be the archbishop’s role in the parish corporations?

The archbishop will be the “member” of the parish corporation. Among other things, the member is responsible for:

(i) Appointing and removing the board of directors;
(ii) Approving any amendments to the Articles of Incorporation and Bylaws;
(iii) Approving the acquisition, sale, lease, transfer or other alienation of property of the Corporation.

Permission of the archbishop will still be needed when the administration of parish goods is an act of major importance, exceeding what is considered ordinary administration, as that is a requirement under canon law.

12. What liability will Parish Board members assume?

Civilly, board members will owe a fiduciary obligation to the parish corporation - they must act toward the corporation with utmost honesty, loyalty, good faith and fair dealing. Board members must resolve any conflicts of interest in favor of the corporation and must discharge their duties in good faith with the care of an ordinarily prudent person, in a manner which they reasonably believe to be in the best interests of the corporation. If a board member breaches that fiduciary duty, a civil complaint could be filed against that board member by whoever is injured by that breach.

13. Will the board of directors be indemnified against lawsuits that may be filed against them for decisions that they make on behalf of the parish corporation?

Yes. The articles or bylaws of the parish corporation will specify that directors have indemnification rights as provided under Indiana non-profit law. In addition, each parish corporation will provide Directors and Officers liability insurance coverage, which is currently in place for all parishes and for the archdiocese itself. Appropriate levels of D&O liability coverage will remain in place, with the parish and its directors and officers as named insureds under the insurance policy, once the parishes are separately incorporated. Indemnification will not be provided for, and D&O insurance will likely not cover, intentional acts of misconduct, theft, fraud or other similar offenses.

14. How will parish incorporation affect the parish tax status, employee benefits, insurance, and other benefits and services currently provided by the archdiocese?

Incorporation will not require parishes to independently obtain IRS approval of the
parish's non-profit status. Such non-profit status already exists and will continue to be granted by virtue of the parish’s listing in the Official Catholic (Kenedy) Directory. Incorporation will not affect any employee health or benefit programs (including employee insurance), the procurement of property/casualty insurance for parishes or any other financial services provided by the Archdiocese of Indianapolis. Those programs and services will continue to be maintained through the archdiocese for the benefit of the parishes.

Incorporation also will not change any of the support programs currently available to assist parishes. Written service agreements will be signed by board members of both the archdiocesan corporation and each parish corporation describing the services provided and any compensation/assessments received for these services.

15. How will parish incorporation affect the day-to-day operations of the parish?

There should be no material change in the normal operations and day-to-day activities of any parish. The pastor will continue to handle the daily affairs of the parish as he did previously, in consultation with the parish finance council and the parish pastoral council as required under canon law. The pastor will also continue to handle the daily operations of any parochial school that has been established on the parish’s property, again in consultation with the parish finance council and the parish pastoral council, and in cooperation with the principal and school advisory council. All parishes will remain in communion with and will continue to be accountable to the archbishop.

The archdiocese will continue to provide a wide variety of administrative services to the parishes. The fact that the parishes will now be separate non-profit civil incorporations will not change the basic patterns of parish and archdiocesan life.

16. What is going to happen to parish property?

Today, all real property in the archdiocese is held (civilly) by R.C. Archdiocese of Indianapolis Properties, Inc. in trust for each parish. This will remain the case following the parish incorporations. However, written service agreements will be executed to describe the rights and responsibilities with regard to acquisition, administration, and disposition of real property. The archbishop will continue to have certain powers over real property, similar to our current practice and in accord with canon law (e.g. approval of sale or purchase of real estate, leases, etc.), but the parish will also have certain rights and responsibilities over that property.