

St. Philip Parish
Peru Mission Policy

Drafted By: Chair, Temporal Affairs Council

Reviewed by: Members of the Temporal Affairs Council and Parish Pastoral Council

Approved by: Fr. Bob Poole, Parish Pastor

Date Approved: July 11, 2018

1. Objective:

The objective of this parish policy is to highlight the various measures that must be followed in regards to the parish's "Peru Mission" activities.

2. Background:

The "Peru Mission" activities within the parish commenced shortly after Fr. Bob Poole arrived at St. Philip in late 2013. Fr. Poole, along with his appointment as parish priest of St. Philip, is also the director of the Ottawa-based Catholic charismatic community Lift Jesus Higher ("LJH"). One of LJH's ministries is conducting outreach activities in Peru, including running faith camps for under-privileged children and performing other missionary works.

Certain parishioners learned of Fr. Poole's Peru Mission activities and considered it an appropriate activity to undertake within the parish community. Fundraising activities within the parish started in early 2013 and continue to the present day.

3. Diocesan Financial Protocol

By memorandum dated December 20, 2011 and effective January 1, 2012, the Archdiocese adopted its Protocol for Parish Financial Administration (the "Financial Protocol"). The Financial Protocol contains a number of *ordinances* concerning the financial administration of parishes within the Archdiocese of Ottawa. Furthermore, any derogation from the Financial Protocol requires the prior, written authorization of the Archbishop or his delegate.

One of the *ordinances* contained within the Financial Protocol is that fundraising within or by a parish is limited to parish operations and capital expenditures and to collections ordered or requested by Diocesan Administration. Fundraising must not take place for individuals or for organizations outside of the parish which do not have prior approval, in writing, from the Archbishop or his delegate.

In light of the parish's desire to engage with LJH and its Peru Mission, by letter dated May 22, 2013 and signed by the then-chairs of the parish's Parish Pastoral Council and Parish Financial Council, the parish sought permission from the Archdiocese to raise funds and other participate in activities relating to Fr. Poole's management of the Peru Mission.

4. Archdiocese Derogation on Peru Mission

By letter dated June 25, 2014 and signed by then Vicar General Msgr. Kevin Beach (copy attached), the Archbishop granted permission to the parish to conduct fundraising and other activities in support of LJH's Peru Mission. This approval constitutes a derogation from the Archdiocese's Finance Protocol, which otherwise requires parish fundraising activities to be limited to parish operating or capital requirements. The Archbishop's derogation contained several conditions the parish must adhere to. These conditions are (quoted verbatim):

1. As the Peru Mission is very much connected to Fr. Poole's work with the LJH community, the derogation will be valid for so long as Fr. Poole is the parish priest of St. Philip. When he is appointed elsewhere, the derogation will end with the end of his pastoral appointment at St. Philip.
2. As Fr. Poole is the parish priest, he is ultimately responsible for the financial management of the parish's fundraising activities, including support of the Peru Mission.
3. Our parishes, as is the Archdiocese, are subject to the laws and regulations concerning Canadian charities and to regular audits by the Canadian Revenue Agency. As a result, the parish will need to be aware of its fiscal obligations, including:
 - a. Revenues and disbursements should be done through the parish accounting system (operating account). The archdiocese will consider these amounts as funds from parish organizations and not subject to diocesan tax.
 - b. The parish should receive an annual report – narrative and financial – from the person, or persons, receiving the money for the Peru Mission.
 - c. If the money is not paid to a Canadian-registered charity, tax receipts cannot be issued for any amount contributed for this project. Parishioners should be so advised before each occasion when funds are solicited for this project.
4. The parish should maintain complete records, in its parish archives, both financial and narrative, that would be available for any financial review by an Archdiocese visitor.

Until November 2017, management of the broader Peru Mission activities rested with LJH, as the missionary work had originated within their community. The parish's official involvement in the Peru Mission was therefore limited to conducting fundraising activities, with the monies raised being paid to LJH upon receipt of a request for funds to cover paid expenses.

However, in November 2017, LJH agreed to relinquish control and management of the Peru Mission to the parish, because most of the resources and personnel of the Peru Mission were now coming from the parish.

5. Parish Governance and Management for the Peru Mission

As Fr. Poole's appointment to the parish continues to this day and as LJH has decided to relinquish control of the Peru Mission to the parish, this policy is enacted to highlight the various measures that must be followed in regards to the parish's Peru Mission activities.

This policy is intended to compliment, not replace, the parish's obligations imposed on it by the Archdiocese under the Financial Protocol, or any other civil or religious law that may be applicable.

a. Responsibility of Parish Pastoral Council in Peru Mission Activities

The parish's Parish Pastoral Council ("PPC"), as the group designated under canon law¹ with assisting the parish priest in fostering pastoral activities within the parish, is charged with the responsibility of management of the Peru Mission within the parish.

The PPC can establish a subcommittee, consisting of parish and other individuals, whose responsibility it is to provide governance, oversight and management of the parish's Peru Mission activities. The subcommittee shall report regularly to the PPC and where necessary, to the Temporal Affairs Council, of its activities. However, the PPC retains ultimately responsibility within the parish for Peru Mission activities.

b. Role of Temporal Affairs Council in Peru Mission Activities

The parish's Temporal Affairs Council ("TAC"), as the group designated under canon law with assisting the parish priest in the administration of temporal goods within the parish², is charged with assisting and advising the parish priest and the PPC, when appropriate, on the discharge of their responsibilities in relation to Peru Mission activities.

c. Fundraising Events

The Financial Protocol governs the parish's Peru Mission fundraising activities.

For every fundraising event, the parish must:

- Must state the fundraising event is being held in furtherance of the Peru Mission and its missionary activities;
- Ensure that proper cash handling procedures are in place to monitor and safeguard monies received before, during and after the event;
- Designate one individual to act as the event "accountant", who shall keep track of the fundraising revenues and expenditures, but who shall not ever hold or otherwise be in possession of monies relating to the event;
- Cash handled and kept on hand (i.e. outside of the parish's operating bank account) is kept to an absolute minimum;
- Cheques received are made payable to the parish and not to a particular individual involved with the organizing committee;
- At regular intervals (e.g. weekly), cash and cheques received as part of the fundraising event must be deposited into the parish's operating bank account, with a note that clearly identifies those funds as being from the fundraising event;
- Where tickets are issued in conjunction with a fundraising event, those tickets must be pre-numbered and their quantum clearly identified and verified by two unrelated people prior to the selling of tickets. At the completion of the event, a verification must be

¹ Canon 536

² Canon 537

performed by two unrelated people not involved in ticket selling that reconciles tickets sold and the tickets unsold with the tickets sales as deposited into the parish's operating bank account;

- All expenditures or outlays relating to the fundraising event are to be made by cheque out of the parish's operating bank account, not through the withholding of cash from ticket sales (for example) originally destined for deposit into the parish's operating bank account; and,
- A financial accounting is maintained and provided to the TAC for review and reconciliation with the parish financial records.

Donations received from a Peru Mission event must be used in furtherance of the Peru Mission and its missionary activities. To this end, monies raised specifically for the Peru Mission will be segregated from the parish's general operations and will be tracked separately for reporting purposes.

d. Charitable Donation Tax Receipts on Financial Donations Received

The parish's responsibilities for issuing charitable donation tax receipts are governed by the Canadian *Income Tax Act* and accompanying regulations, and administered by the Canada Revenue Agency.

The parish may issue a charitable donation tax receipt when an individual makes a financial donation to the parish and indicating they would like the donation to be used to further the parish's Peru Mission activities. The donation must be made by either cash or by cheque (payable to the parish). Upon receiving the cash or cheque, the parish office administrator can issue a charitable donation tax receipt. Otherwise, the receipt will be issued in January the following year in conjunction with the production of the annual tax receipts issued to parishioners.

The parish may not issue a charitable donation tax receipt for fundraising events where the donor receives an *advantage or benefit*. For instance, a parishioner purchasing a ticket to a dinner fundraiser cannot receive a tax receipt for the value of their dinner ticket as they are receiving a benefit (by virtue of the dinner), and ascribing the fair market value of that dinner would be an impossible task.

All charitable donation tax receipts must be issued by the parish and through the parish office administrator.

e. Charitable Donation Tax Receipt on Physical Items Received

The parish may issue a charitable donation tax receipt when an individual makes a physical item donation to the parish indicating it is further to the parish's Peru Mission activities. However, before issuing a receipt, the parish must be satisfied as to the fair market value of that donated physical item.

As the parish is never obligated to issue a tax receipt when it receives a donation, the individual will be required to establish the fair market value of the physical item and demonstrate that value to the parish before the parish agrees to accept the item. An item's fair market value may be established by the individual supplying a copy of a sales receipt obtained by the individual at the time they purchased the item they wish to donate.

Once the parish is satisfied as to the item's fair market value and the parish pastor, PPC Chair and the TAC Chair are all in agreement on that value, the parish's office administrator will issue a receipt specific for that donated item. A copy of the items' sales receipt (for example) shall be kept on file and retained in the parish's records for reporting purposes.

Notwithstanding the above, the physical donation of items is to be discouraged due to the inherent risks associated with determining an item's fair market value.

f. Expenditures and Outlays

All expenditures made by the parish regarding the Peru Mission must be made in accordance with the Financial Protocol.

In this regard:

- All expenditures should be disbursed through the parish's operating bank account, whenever possible;
- All expenditures must be accompanied by supportable source documentation (e.g. sales receipt, invoice, etc.);
- All expenditures must be acknowledged by the PPC Chair and approved by the parish priest;
- For cash amounts incurred by an individual who subsequently seeks reimbursement from the parish, a signed statement must be provided attesting to the nature and amount of the expenditure. The statement must be acknowledged by the PPC Chair and approved by the parish priest before payment will be issued;
- The parish discourages the practice of disbursing funds in respect of the Peru Mission in advance of the event taking place. However, recognizing the inherent nature of conducting missionary work in Peru, a nominal amount of cash (relative to the parish's estimated total cost associated with that event) can be disbursed in advance of the event with the acknowledgement of the PPC Chair, the TAC Chair, and the parish priest.

g. Charitable Donation Tax Receipt on Reimbursable Expenses Incurred by an Individual

There may be instances where an individual, in conjunction with a Peru mission fundraising event, will purchase items and will ask for a charitable donation tax receipt be issued to them in respect of those purchased items rather than seek reimbursement for those items purchased and donated to the fundraising event.

In these instances, it is preferred that the individual seek reimbursement from the parish by submitting a *Reimbursement Form* (obtainable from the parish office) and supplying their receipts, invoices, etc. to establish the reimbursement amount. This form shall be approved by the PPC Chair or the fundraising event organizer, and a cheque will be issued by the parish in the normal course of its operations. Once received, the individual can donate the cheque amount to the parish by writing a cheque from their own account, and a charitable donation tax receipt will be issued. This practice is called a cheque exchange and is endorsed by the Canada Revenue Agency.

Alternatively, the individual can supply the *Reimbursement Form* and, after having it approved by the PPC Chair or fundraising event organizer, can include a note indicating their desire to receive a charitable donation tax receipt in lieu of a reimbursement cheque.

The parish may not issue a tax receipt for services provided by an individual to the parish in conjunction with a Peru Mission event.

Furthermore, the parish may not issue a tax receipt for any costs personally incurred by an individual who is also a participant of a Peru Mission trip. This would include airfare, accommodations, food, and other costs occurred by the participant in relation to the trip. This is due to the CRA's prohibition against the issuance of tax receipts where the donor receives an "advantage", or benefit, in relation to the donation.

h. Reporting of Activities – Narrative and Financial

In keeping with the spirit of section 10 of the Financial Protocol, the PPC will prepare and distribute a report to the TAC and to the parish community (via the parish bulletin) within thirty days after a Peru Mission event. This report will generally describe the activity that took place, who participated in the event, how much money was raised from the event and reiterate what the intended use of the funds raised is (if the purpose of the event was to raise funds for the Peru Mission).