



*Office of the Archbishop*

March 14, 2008

Dear Pastors and Parishioners,

When I wrote to you last fall, we were in the initial stages of restructuring the civil law arrangements of the Archdiocese of Portland, as called for in our Plan of Reorganization. The Plan commits us, among other things, to restructure so that the parishes are legally separate and distinct from the archdiocese itself under civil law, as they are under canon law.

An advisory group assisted me in determining what legal structure would be the most appropriate for our parishes. The Advisory Group, chaired by Msgr. Dennis O'Donovan, Vicar General, consisted of representatives of the Archdiocesan Finance Council, the College of Consultors (a small group of priest advisors to the Bishop), the Presbyteral Council, the Parish and Parishioners' Committee, as well as a canon lawyer, and attorneys for both the Archdiocese and the Parish and Parishioners' Committee.

The goal of the Advisory Group was to recommend a civil legal structure for each parish that, to the extent possible, would: 1) be consistent with canon law and best mirror the canonical structures under which parishes presently operate; and 2) clarify under civil law the separation of assets of each parish one from another and from those of the Archdiocese. After considering various potential organizational structures, the Advisory Group recommended to me the non-profit "member corporation" structure described below.

I accepted that recommendation. After presenting it to the Presbyteral Council, and obtaining the consent of the Archdiocesan Finance Council and the College of Consultors to proceed with this reorganization, I now share the plan with you.

**What is a non-profit "member corporation"?**

A "member corporation" is a well-accepted form of corporate organization for nonprofit entities. It has a board of directors which is responsible for the overall guidance of the organization, and a member (or members) with authority to appoint the board of directors and over certain actions that go beyond the ordinary activities of the entity. The Advisory Group recommended that each parish be structured as a separate non-profit member corporation with the Archbishop of Portland in Oregon, in his capacity as Archbishop, designated as the sole member.

In our parish member corporations, the powers reserved to the member will be similar to the responsibilities of a bishop for oversight of parishes under canon law. The Archbishop and pastors will have authority under this civil corporate structure similar to what they have under canon law. An important benefit of a member corporation is that it is consistent with canon law in distinguishing the responsibility of the pastor for the ordinary day-to-day administration of the parish from that of the bishop for canonical oversight of parish affairs.

**Who will serve on the board of directors?**

Each parish corporation will have a five person board of directors. Three members will serve by virtue of the religious office they hold (*ex-officio* directors): the pastor of the parish (who will also serve as president of the corporation), a Vicar General of the Archdiocese, and a member of the College of Consultors. Each parish corporation will also have two appointed directors, typically from among those parishioners serving on the Parish Finance Council and the Parish Pastoral Council.

**What will be the responsibilities of the corporation?**

The responsibilities of the corporation will be streamlined to parallel the operations of the parish as they should exist today under Canon law. The day-to-day operation of the parish remains in the hands of the pastor, as advised by the parish pastoral and finance councils. Our only goal in this restructuring is to clarify under civil law what we maintain under canon law: that each parish is a separate juridic person with its own rights and obligations, and that each parish has property owned separately and distinctly from that of the Archdiocese and from every other parish. The goal of this restructuring is not like that of a business which reorganizes, for example, to improve customer relations, to increase profit, etc. In other words, the mission of each parish and its function under canon law should remain unchanged under this new civil law structure.

**What will happen to parish real property presently in title to the Archdiocese?**

Under the current legal structure, called the corporation sole, the Archbishop has legal title (but not equitable ownership) to parish properties which he holds in trust for the parishes. With the restructuring, title to these properties will be legally conveyed and each parish corporation will have title to the real property that belongs to the parish under canon law.

**What will change for the parishes under the new corporate model?**

For parishes now operating in accordance with canon law, Archdiocesan policies and good business practices – very little will change. Certain non-routine business matters (e.g., the purchase or sale of property, borrowing money, etc.) will need to be brought to the corporation for appropriate resolutions and approval by the board and/or member. The ordinary day-to-day operations of the parish will remain the same and most parishioners will not notice any difference in the life of the parish as a result of the restructuring.

The Archdiocese will continue to assist parishes in managing their affairs. A “services agreement” will be adopted between each parish and the Archdiocese, to ensure that the parishes continue to receive the benefits and services now provided to the parishes by the Pastoral Center and to ensure that the bishop may appropriately fulfill his canonical obligations for oversight of parish affairs.

**What else will the restructuring involve for parishes?**

As soon as is feasible, the pooled parish funds held by the Archdiocese for the Archdiocesan Loan and Investment Program will be structured under civil law so that they are more clearly segregated from those of the Archdiocese and identified as assets of the various participating parishes. Similar work will be done concerning the assets held by parish schools in the Catholic Education Endowment Fund, and by the Archdiocese in other charitable funds for restricted purposes. A Catholic Community Foundation may be established.

I thank the Advisory Group for its work in recommending a parish legal structure. The articles of incorporation and bylaws for the parish corporations are now being prepared, and my staff is busy preparing for the major work of helping the parishes transition seamlessly to this new civil legal structure.

Sincerely yours in Christ,

Most Rev. John G. Vlazny  
Archbishop of Portland in Oregon