

## CEMETERY OPERATING PROCEDURES

Effective January 1, 2007, cemeteries are part of the parish as determined by parish territorial boundaries and are the responsibility of the pastor. Cemeteries are similar to other parish activities, accountable through the Parish Finance Council to the pastor under canon law, and accountable to the parish corporate board under civil law.

The Parish Finance Council Charter provides for who represents the Parish Finance Council and Corporate Board.

Prior to January 1, 2007, cemeteries were an extension of the Diocese of Fargo corporation and were managed by the parishes as agents for the Diocese of Fargo. The former setup necessitated the appointment of separate officers by the Bishop for the many cemetery associations that existed. These cemetery officers, known as Secretary and Treasurer, had authority to conduct business with the oversight of the pastor, in accord with applicable provisions of the Code of Canon Law of the Roman Catholic Church and the rules and regulations of the Diocese of Fargo promulgated from time to time by the Diocese of Fargo. As of December 31, 2006, this authority is no longer valid.

As part of parish life, cemetery operations are subject to the rules and regulations of the Diocese of Fargo, and especially the Parish Finance Council Charter. Pastors may choose the method and manner of operation that works best under the local situation, provided it is within the context of the laws set forth.

Since the Parish Corporate Board has the authority, if a separate operating (checking) account is maintained for cemetery purposes, the account and individuals who are to be authorized signers on the account must be approved annually at a Corporate Board meeting. This should be done at the same time that parish accounts and authorized signers are approved. The pastor as Vice President, who is the canonical representative of the parish (Canon 532), and the Parish Corporate Treasurer, who is a lay director, must always be authorized, in addition to other approved individuals.

**If a separate cemetery operating account is maintained, the financial institution (i.e. bank, credit union) needs to be notified of the proper way to setup and/or list the account. Keeping in mind the legal structure of the parish, and the fact that the cemetery is part of the parish, and not a separate legal entity itself, an account needs to include the parish name first, cemetery name second (as the title of the account), parish address, and parish tax identification number. The tax identification number is for the legal entity listed first – the parish. For example:**

*{Parish Names} Church of {Town Name}*  
*{Name} Cemetery [This is the title of the account]*  
**Parish Address, City, State, Zip**

To properly address this issue, the financial institution will need to be notified and provided with the correct cemetery name and parish information, names of authorized

signers, and parish tax identification number. A cemetery association tax identification number previously utilized can no longer be used. A bank statement is not to be mailed to private homes or businesses. The principal place of business for the parish is the address that is to be used.

While other options may be utilized, following are some options for on-going cemetery operations and accountability:

#### Financial Matters:

1. [Preferred] The cemetery operates as a department or cost center of the parish, without a separate checking account. Income and expenses are recognized on the parish chart of accounts. Excess operating income is transferred to cemetery reserves and perpetual care monies are transferred to the cemetery perpetual care account(s) at regular intervals; or expenditures exceeding income are reimbursed from operating reserves at regular intervals. The financial aspects of cemetery operations are part of the usual parish reporting to the Parish Finance Council.
2. The cemetery operates as a department or cost center of the parish, with a separate checking account. Authorized signers are approved annually by the Parish Corporate Board. Income and expenses are processed through the cemetery operating account with regular written reports to the Parish Finance Council. The income and expenses are recognized and reported on the parish annual financial report to the Diocese of Fargo. Excess operating income or expenses in the separate operating account are transferred to or from cemetery reserves as needed. Perpetual care monies received are transferred to the perpetual care account(s) at regular intervals.

Summary: Operating activity may flow through either the parish general account or a separate cemetery operating account. Operating reserves and perpetual care funds are to be maintained according to Diocesan Depository Policy, utilizing either the *Catholic Church Deposit & Loan Fund of Eastern North Dakota* or the *Catholic Development Foundation*. The Diocesan Finance Office is available to assist with determining the appropriate choice or combination.

#### Committee Structure:

- 1 [Preferred] A Parish Finance Council "Cemetery Committee" oversees cemetery operations. A Parish Finance Council member acts as the chairperson of the Cemetery Committee, with other parishioners who are not Parish Finance Council members invited to serve the Church through service to the parish cemetery. The Cemetery Committee chairperson reports on cemetery activity during Parish Finance Council meetings.

- 2 A Parish Finance Council member serves as a liaison to a separate “Cemetery Committee” of the parish. The liaison attends meetings, provides minutes for the meetings held, and reports on cemetery activity and operations during Parish Finance Council meetings.
- 3 A separate “Cemetery Committee” is formed in the parish. The chairperson of this committee is not a member of the Parish Finance Council. The Cemetery Committee takes care of cemetery matters and reports to the Parish Finance Council at regular intervals.

Summary: Regardless of the structure selected, the Parish Finance Council and Parish Corporate Board have the ultimate responsibility for cemetery operations. Cemetery Committee members cannot act contrary to the authority of canon law or civil law.

#### Multiple Cemeteries:

Through the years, many parishes have been closed or merged with other parishes. As a result, a parish may have more than one cemetery within its boundaries. The above should be adapted by the pastor and Parish Finance Council as appropriate to each situation. It may be appropriate to have a single Cemetery Committee to care for multiple cemeteries, a committee for each cemetery, or a combination thereof.

In all cases, we have a moral and legal obligation to honor the intent of donors and purchasers of burial rights and perpetual care. Money collected, received, donated, or bequeathed for a specific cemetery must be properly held, identified, and used for the particular cemetery. Reserves and perpetual care must be identified accordingly.

In order to continue to emphasize the restricted nature and use of cemetery assets, long standing Diocesan Statutes continue to apply:

*Statute 676 states: In accordance with the decree of the II Plenary Council of Baltimore, the assets and revenues of such cemeteries shall neither be held nor used for the benefit of the Parish. Whenever from such assets or revenues there remains a surplus over and above the sum needed and used for the maintenance and the ornamentation of cemetery grounds, such surplus shall be applied to such charitable and religious works as the Ordinary may direct.*

*Statute 770 states: Surplus revenues resulting from the operation of the cemetery and not subject to the provisions on investment shall be remitted to the Ordinary of the Diocese and shall be used for the support of works of education and charity in the Diocese. Any alienation of cemetery funds to purposes other than that for which they were received shall be subject to the penalties stated by Canon Law in case of alienation of ecclesiastical property.*