

THE ROMAN CATHOLIC
ARCHDIOCESE OF ATLANTA



Large Capital Project Process



Updated February 2023

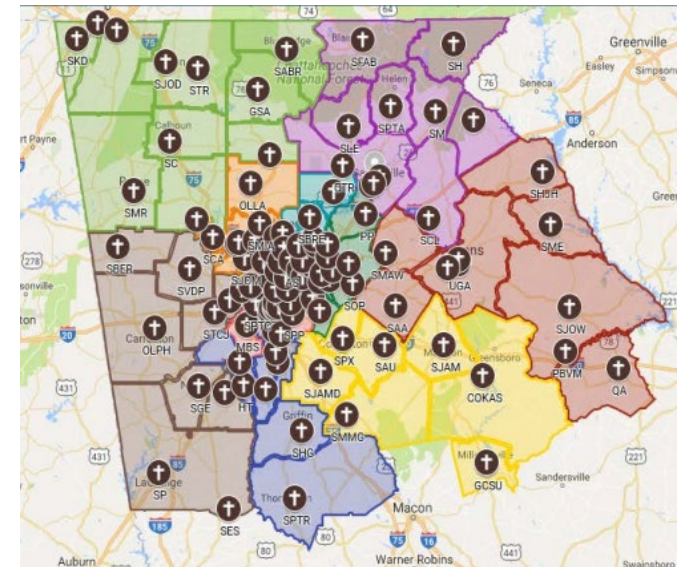
Why Do We Need a Large Capital Project Process?

- ❖ Standardize the process for all parishes and schools (“Parishes”).
- ❖ Establish clear communication between Parishes and the Archbishop, his Project Review Committee and the Archdiocesan Finance Council.
- ❖ Provide professional program management services to Parishes through Catholic Construction Services, Inc. (CCSI)
- ❖ Protect Parish assets by establishing minimum insurance, bonding and contracting requirements.

The sixty-nine county area that comprises the Archdiocese of Atlanta continues to experience significant population growth. This growth creates a strain on existing Archdiocesan facilities and also highlights the need for new facilities. Therefore, one of the key challenges facing pastors* is the maintenance, renovation, and expansion of parish facilities.

Prior to 2009, the Archdiocese of Atlanta did not have a clearly defined process that parishes and schools could follow when building or renovating their facilities.

In 2009, the Archbishop established the Facilities Planning and Construction Advisory Board to develop, among other things, one process that streamlined the Archdioceses' parish and school building delivery goals. That process is called the **Large Capital Project Process** and the following pages are intended to provide an overview of the entire process.



*Anytime the word "Pastor" is used, it is meant to include Pastors, Principals, Administrators, etc.

When Should You Use the Large Capital Project Process?

What size project requires specific permission from the Archbishop?

Key Thresholds

Canon law separates actions into two categories, acts of ordinary administration and acts of extraordinary administration. The vast majority of acts to administer a parish fall under ordinary administration. Acts of extraordinary administration are more limited and require additional approval. The advice of the Finance Council should be sought both for acts of ordinary administration and acts of extraordinary administration. However, the degree of consultation varies.



Photo by Michael Alexander
The Georgia Bulletin

Extraordinary Administration

The advice of the Finance Council is to be sought regarding all acts of extraordinary administration. It is an archdiocesan norm that the pastor must consult with his Finance Council prior to seeking the approval of the archbishop. Examples of acts of extraordinary administration include but are not limited to the following:

- Acquisition or sale of real property
- Leasing of real estate
- Collateralization or mortgaging of real property
- Initiating law suits in which the parish is a plaintiff
- Sale of religious artifacts which are considered part of the parish's patrimony (e.g., stained glass windows)
- Execution of certain contracts

Extraordinary Administration (cont.)

- Capital projects* and facility maintenance in excess of these limits**:

If the annual offertory income of the parish averages:	Project Costs limit that requires Archbishop's approval:
Above \$2,000,000	\$75,000
Between \$1,000,001 and \$2,000,000	\$50,000
Between \$500,000 and \$1,000,000	\$40,000
Below \$500,000	\$20,000

***Catholic Construction Services, Inc. will provide further guidance.**

****These limits are for the purpose of accountability and are intended to cover the total cost of a particular item rather than the amount of individual checks.**

Extraordinary acts taken without approval of the archbishop are invalid in canon law. A complication is that they may be valid under Georgia law since the pastor is acting under the “color of authority” so that others have a right to depend on his representations. This fact leaves the pastor open to a claim under canon law, and possibly under civil law, for any damage that may be caused to the parish.



Large capital projects typically involve design consultants (architects, engineers, mechanical engineers) while maintenance is typically the repair and replacement of building elements (carpet, HVAC, painting). **Projects whose costs do not exceed the limits set forth before,** may still warrant review by CCSI (often at no cost to the parish or school) to make sure contracts and insurance certificates are enforceable and that best practices are followed.

If You plan on using volunteer labor for maintenance projects, please be especially cautious in dealing with legal and liability issues of volunteers doing facility work without meeting the proper codes and licensing. CCSI is available to help you plan and execute small projects as well as Large Capital Projects.



Are You in Compliance with Archdiocesan Procedures?

Before being approved for any Large Capital Project, you need to ensure that your parish is in compliance with Archdiocesan Procedures:

☐ **Accounts current (e.g. loans, assessments, etc.)?**

Contact the Director of Financial Services, Finance Office*

☐ **Using the ParishSOFT Accounting system?**

Contact the Parish Systems Manager, Finance Office*

☐ **Using the ParishSOFT Family Suite data system?**

Contact the Parish Systems Administrator, Parish Support*

☐ **Safe Environment Compliance is current?**

Contact the Director of Safe Environment*

☐ **Parish Facilities Master Plan in place?**

Contact the Director of Real Estate Development, CCSI*



**Contact information may be found
on the Archdiocesan website.*

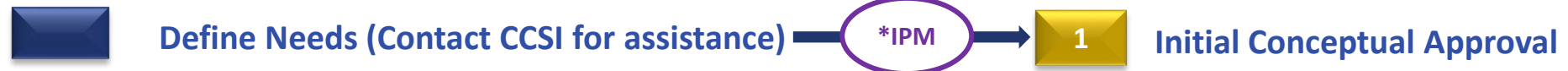
PLEASE NOTE: If you suspect you are not in compliance, please begin the initial steps of the Large Capital Project Process to request First Approval and, concurrently, work with the appropriate Chancery contact to become compliant before requesting Second Approval.

Overview of the Large Capital Project Process

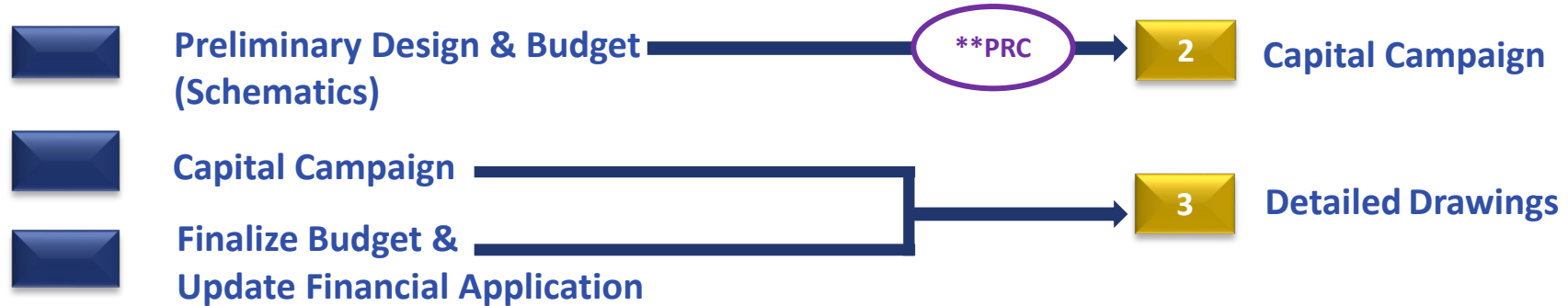
This information is not inclusive of all project specifics. These steps will give you the language and background needed to confidently embark on your large capital project under CCSI's guidance.

Parish/School Identifies NEED

PHASE I



PHASE II



PHASE III



PHASE IV

Begin Construction

**IPM or Initial Project Meeting: The Pastor and appropriate Parish representatives may need to meet with various Chancery departments (Finance, Stewardship, CCSI and PRC members) to discuss the proposed project. Initial Conceptual Approval will be contingent on the results of this meeting.*

***Projects that involve capital campaigns require the submission of a Financial Application and approval from the Project Review Committee before the Parish can begin a capital campaign or move forward with detailed drawings.*

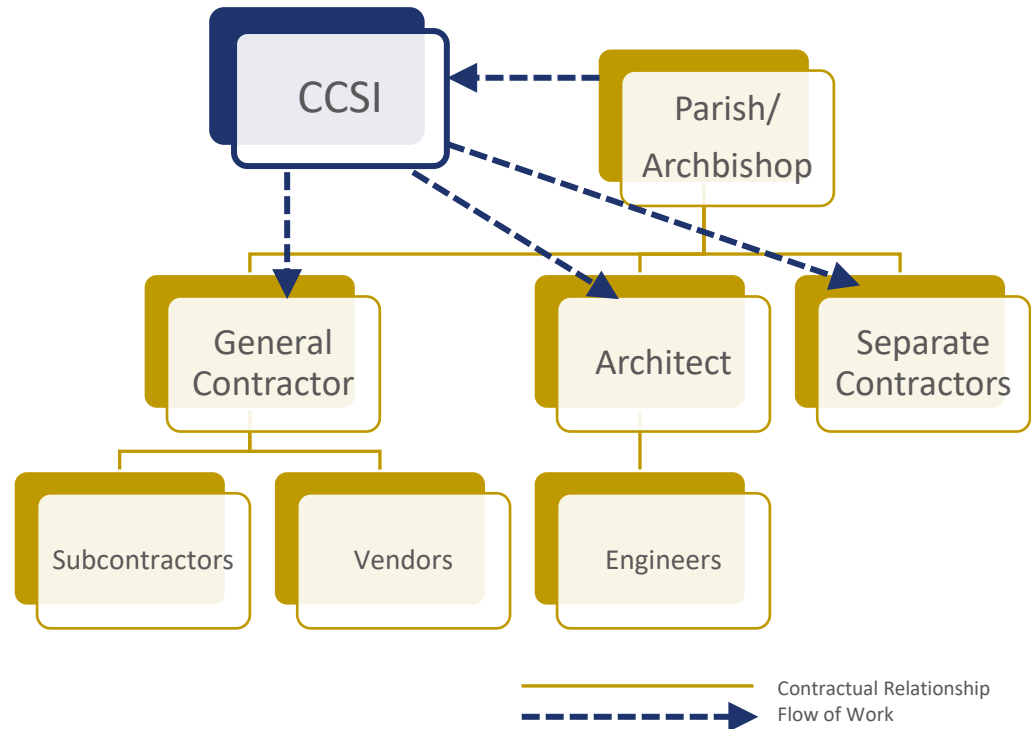


CONTACT CCSI

Contact Catholic Construction Services, Inc.

A CCSI Program Manager will meet with you and help the Parish through all the steps required to comply with the Archdiocesan Large Capital Project Process.

More importantly, CCSI will help the Parish plan, design, and execute your project. CCSI's professional Program Managers have years of experience renovating and building Catholic Parish facilities. They will help your committee select and work with designers, consultants, and general contractors needed to successfully complete your project.



CCSI has been in existence since 1997 and is a separate legal entity owned by the Archdiocese. CCSI funds its operation by charging a 2.5% project management fee based on the costs associated with the project.



DEFINE AND REVIEW PROJECT

CCSI will assist you with the following interim steps:

a. Form a Project Study Team

Assemble a small study team to determine parish needs and to define the facility project

b. Define Parish Needs and Goals (*Project Case Template*)

Create a narrative of the parish's needs, goals, and potential solutions

c. Update Parish Master Plan

Review and update parish master plan if it exists or consider engaging an architect to develop

d. Determine Financial Capacity for the Project

Use parish's financial history to estimate future income and expenses to gauge financial capacity

e. Secure Parish Support (*Confirmation of Parish Support Form*)

Project Team should meet with key stakeholders in the parish to review the need for the project

f. Notify Deanery (if required) (*Deanery Review Form*)

Keep neighboring parishes in your region informed about expansion projects

Approval 1 Initial Concept APPROVAL

Approval to Investigate the Project

1ST APPROVAL LETTER

Key points to include:

- ❖ Project Case Template Form
- ❖ Confirmation of Parish Support Form
- ❖ Deanery Review Form (if required)
- ❖ Type of Project and Description
- ❖ General Timing
- ❖ Estimate of Project Cost
- ❖ Source of Funds to Pay for Project and Financial Application (if required)



PLEASE NOTE: *No other step is to be taken, nor is any consultant (architect, engineer, planner, interior designer, etc.) to be retained, until the Pastor has received written approval and permission to proceed from the Archbishop. Requests for **First Approval/Initial Conceptual Approval** generally receive a reply within 7-10 days of receipt by the Archbishop's Office.*



DEVELOP PRELIMINARY DESIGN

CCSI will assist you with the following interim steps:

a. Determine the preferred construction delivery method

The Design-Bid-Build process is the preferred method for completing most projects

b. Develop and Issue a Request for Proposal

Create and issue an RFP to secure qualified architectural or design/build candidates

c. Select Design Professionals for the Project

Architect or Design/Build Entity is chosen after presentations and building committee feedback

d. Develop Initial Design (Schematic) and Detailed Cost Estimate

CCSI will help the parish prepare the total projected development budget for the project

e. Plan a Capital Campaign(if needed)

Create a plan to raise the money needed to fund major capital projects

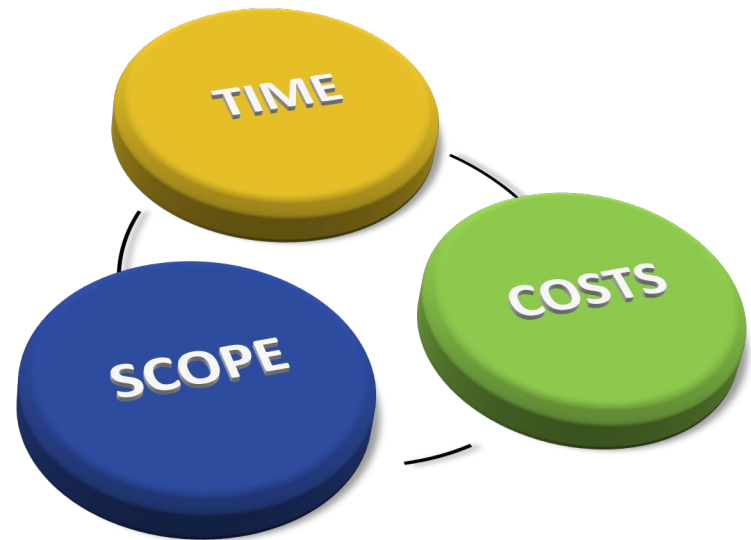
Approval 2 Capital Campaign APPROVAL

Approval for Capital Campaign

SECOND APPROVAL LETTER

Key points to include:

- ❖ Formal request for permission to:
 - Begin Capital Campaign
- ❖ Capital Campaign Target & Timing
- ❖ Updated Cost Estimate
- ❖ Updated [Financial Application](#)



PLEASE NOTE: All project information will be reviewed by the Project Review Committee (a subcommittee of the Archdiocesan Finance Council). This Committee is comprised of the Archbishop and his Auxiliaries, several Pastors, and volunteer lay men and women who have business and real estate experience. The PRC makes recommendations to the Archbishop whether to approve the project as planned or require the Parish to modify its' approach or project scope. *Requests for **Second Approval/Approval for Capital Campaign** generally receive a reply within 7-10 days of receipt by the Archbishop's Office.*

PHASE II

Capital Campaign (if needed)

Effectuate the plan created to raise the money needed to fund major capital projects



Take a look at our helpful document [STE Outline of a Parish Campaign](#), found under INFORMATIONAL DOCUMENTS on the CCSI Resources webpage, and contact the Office of Stewardship for assistance with your campaign.

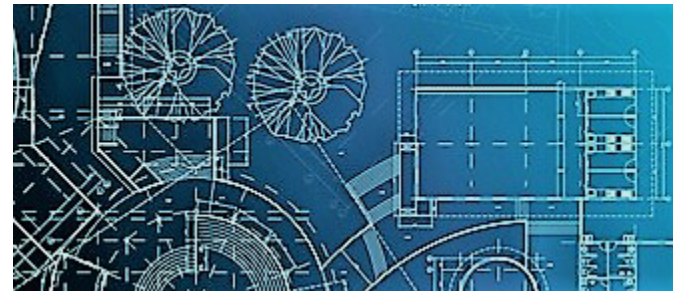
Approval 3 Detailed Drawings APPROVAL

Approval for Detailed Drawings

Third APPROVAL LETTER

Key points to include:

- ❖ Formal request for permission to:
 - ❖ Proceed with Detailed Drawings
- ❖ Capital Campaign Results
- ❖ Updated Cost Estimate
- ❖ Updated [Financial Application](#)



PLEASE NOTE: All project information will be reviewed by the Project Review Committee (a subcommittee of the Archdiocesan Finance Council). This Committee is comprised of the Archbishop and his Auxiliaries, several Pastors, and volunteer lay men and women who have business and real estate experience. The PRC makes recommendations to the Archbishop whether to approve the project as planned or require the Parish to modify its' approach or project scope. *Requests for Third Approval/Approval for Detailed Drawings generally receive a reply within 7-10 days of receipt by the Archbishop's Office.*



FUNDING GUIDELINES

Capital expenditures are sometimes required for the health and growth of the parishes and schools of the Archdiocese. Parishes/Schools can:

- ❖ Fund projects with savings or from operations
- ❖ Combine cash with Capital Campaign pledges
 - Obtain a loan to complete construction based on a percentage of Capital Campaign pledges

The loan approval process evaluates whether a parish or school will be able to repay the loan **without jeopardizing its other obligations, mission, and ministry.**

The Two Sources of Funds for Loan Repayment:

- ❖ **Capital Campaign** – Unpaid pledges act as collateral for the loan
- ❖ **Annual Cash Flow** – Offertory/tuition in excess of expenses, acts as collateral for the loan. Loans funded by Annual Cash Flow are seldom recommended by the PRC.

Term of Loans:

- ❖ **Capital Campaign** - coincides with the length of the Capital Campaign
- ❖ **Annual Cash Flow** - 5 years or less but may stretch as long as 10 years

Minimum Cash Requirement: 1/3 of the Total Project Cost

Financial Application: Captures recent financial history & forecasts future financial risk.



PLEASE NOTE: The **Capital Projects Financing–Guidelines**, found under INFORMATIONAL DOCUMENTS on the CCSI Resources webpage, contains more details on securing financing from the Archdiocese.



FINALIZE DESIGN

Capital Campaign level of success will determine the next steps in project design:

- ❖ **Remain Unchanged**
- ❖ **Reduced in Scope**
- ❖ **Enhanced in Scope**

❖ **Abandoned**

PROJECT MOVES FORWARD

Design-Bid-Build Approach:

- ❖ Architect develops detailed construction & engineering drawings
- ❖ Contractor is selected from list of qualified entities
- ❖ Architect works with Contractor to finalize cost of project

Design-Build Approach:

- ❖ Design is finalized
- ❖ Cost of project is finalized

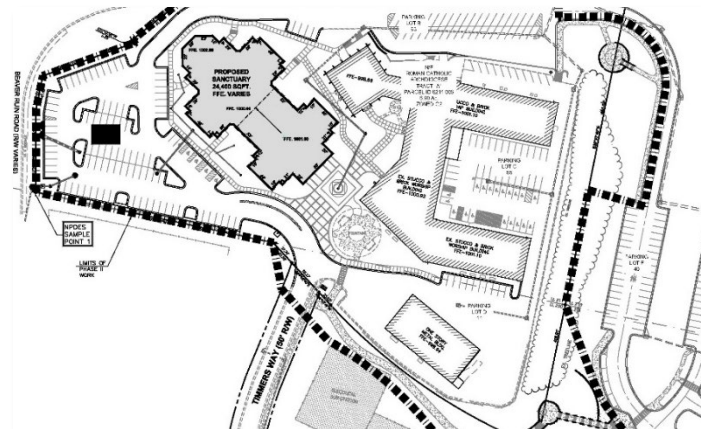
CONSTRUCTION COSTS - As applied to page 2 of the Financial Application

Project: Holy Vietnamese Martyrs
 Date: 06/12/17
 Summary of Hard and Soft Construction Costs

Please check one box:
☐ Initial Financial Application
☐ 2nd Financial Application
☐ Final Financial Application

Item	Cost	Costs
20000 of		
20000 of		
900 each		
N/A		
ISS building size	\$730,000	30.4
table building size	\$40,000	1.6
prship center seating	\$293,083	12.2
Wing	\$0	0.0
88002	\$0	3.8
YFT CONSTRUCTION COSTS	\$93,000	17.1
Architect/Engineering Fees	\$410,819	15.4
Consulting Fees	\$370,000	8.0
CCM Program Management Fee	\$0	0.0
Permits and Impact Fees	\$1,937,693	401.2
Geotechnical & Testing	\$8,630,000	20.0
Furniture, Fixtures and Equipment	\$401,500	502.01
Owner Furnished Systems		
Moving Phasing - Temporary Costs		
Subtotal Sub Construction Costs	\$12,049,193	
5.00%		
180 CONSTRUCTION COSTS		
180 CONSTRUCTION CONTINGENCY		
TOTAL OF PROJECT COSTS:		

NOTE: Property acquisition is a separate line item on the Financial Application



Approval 4 Construction APPROVAL

Approval to Build

FINAL APPROVAL LETTER

Key points to include:

- ❖ Formal Request to Begin Construction
- ❖ Total Cost of Project
- ❖ Date Construction is to Begin
- ❖ Overview of Financing Plan
- ❖ Financial Application w/Final Updates

