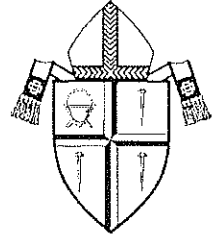


## MEMORANDUM

TO: ALL PASTORS AND PARISH BUSINESS MANAGERS  
 FROM: OFFICE FOR CIVIL AFFAIRS/OFFICE FOR FINANCE *JCB*  
 RE: ADDITIONAL GUIDELINES FOR USE OF PARISH FACILITIES  
 DATE: May 5, 2016



Office for Civil Affairs

This memorandum will supplement two documents pertaining to use of parish facilities: 1) Parish Facilities Sacred Space Policy; and 2) Facility Use Application and Indemnity Agreement (collectively, the "Sacred Space Policy"). The Sacred Space Policy is addressed to uses of parish facilities which may undermine the Church's teaching or witness, the denial of which uses could expose the parish to claims of wrongful discrimination, e.g. wedding receptions for same sex couples, a Planned Parenthood fundraising gala. All individuals and groups seeking to use parish facilities will now be provided a copy of the Sacred Space Policy, and be required to sign the accompanying Facility Use Application and Indemnity Agreement, to ensure those events and their sponsoring organizations are in accord with Church teaching, and to protect parishes and the Diocese from claims of discrimination.

The following are additional guidelines for parishes in determining whether to grant permission to use parish facilities by individuals and non-parish entities and groups. This memo is for parish use only, and should not be provided to outside individuals or groups.

1. No interference with Parish usage. All uses of parish property by non-parish entities must not interfere with parish activities and uses.
2. Usage not inconsistent with the Church's mission. After use by the parish and its constituent ministries, organizations, and committees, next priority should be given to uses by entities whose mission and activities are consistent with the mission of the Roman Catholic Church. That mission encompasses religious education, liturgical celebration, and the Church's social teaching, e.g. feeding the hungry, clothing the naked, sheltering the homeless, comforting the afflicted. Knights of Columbus, Cursillo, and Marriage Encounter are all examples of organizations whose activities support the Church's mission.

Beyond these users lies a large group of entities and community organizations whose missions, while not specifically Catholic in character, are nevertheless not inconsistent with the Church's mission or her teaching. Examples would be: Boy Scouts; Alcoholics Anonymous; fraternal organizations (e.g. Italian-American groups, Irish-American clubs); arts organizations (e.g. a community orchestra or chorus); educational organizations (e.g. community college classes); a community-wide event (e.g. a town rodeo). The parish should investigate with care the mission and activities of these organizations to make sure there is no conflict with the Sacred Space Policy or the guidelines contained herein before granting to such organizations permission to use parish facilities. If, after review of the applicant's Facilities Use Application and Indemnity Agreement, questions exist about an organization, the parish should contact the Office for Civil Affairs.

3. Non-profit status and California welfare exemption. Entities and businesses organizations using parish facilities must be non-profit, IRC §501 tax-exempt organizations or government entities. In addition, if the entity will use facilities once a week or more, it should have obtained from the California Board of Equalization an Organizational Clearance Certificate, which is given to entities whose mission and activities satisfy criteria for the state's welfare exemption from real estate taxes. Welfare exemption eligibility requires a mission and activities consistent with one or more of four categories of community service: charitable (social services, low-rent housing), religious (church, church and school, or housing of religious personnel), hospital, or scientific. Applications for the OCC (BOE Form 277) can be obtained on-line at [www.boe.ca.gov](http://www.boe.ca.gov).

4. Insurance certificates. Entities which use facilities with some frequency (i.e. more than e.g. 5 times a year) should provide the parish a certificate of insurance showing they carry liability insurance coverage of at least \$1,000,000 per incident/\$2,000,000 aggregate, which names both the parish and the Roman Catholic Bishop of San Diego as additional insureds. Individuals using facilities for a single event, e.g. a wedding reception, should purchase from Catholic Mutual the single event insurance coverage rider, available for a modest one-time premium.

5. Prohibited uses: for-profit entities; Sacred Space Policy. With the exception of independent contractors engaged by schools for educational, athletic or enrichment programs (see paragraph 6 below), parish property may not be used by for-profit entities for the conduct of their businesses. See *Diocese of San Diego Policy Manual, Administration/Diocesan nos. 19 and 26*. This includes individuals operating sole proprietorship businesses, e.g. a piano teacher, a yoga instructor, a physical therapist. The prohibition applies whether or not the for-profit business charges a fee for the services it provides on parish property, or pays rent to the parish. Parish facilities may not be used by entities or groups, regardless of their non-profit status, which do not satisfy the requirements of the Sacred Space Policy.

6. School enrichment programs; independent contractors. Schools may engage independent contractors to serve as tutors, coaches, or to provide other educational enrichment programs for students on campus. Schools should contract directly with these independent contractors, paying their costs from fees collected by the school from participating families. The contractors should not be permitted to contract directly with participating families, or to collect fees from these families, for services which are provided on school or parish property. All independent contractors providing services to students on campus should comply with Safe Environment policies, as applicable. If the enrichment program is provided by an entity (e.g. the YMCA), the entity should give the parish a Certificate of Liability Insurance as provided in paragraph 4. Individual tutors and coaches should also be asked for a certificate of liability insurance; however, lack of liability insurance will ordinarily not preclude engagement of these individuals, assuming all other background screening results are favorable. Contact the Office for Civil Affairs with any questions about the risks associated with a particular individual or entity.

7. Rental income allowed. Parishes are allowed to receive compensation for use of their facilities by non-parish entities, groups, or individuals, so long as the users satisfy the other criteria set forth in these guidelines and the Sacred Space Policy. However, parishes should not

advertise their facilities (e.g. the parish hall) as being for rent, using e.g. banners, notices in the church bulletin or parish website, or other forms of solicitation.

8. Miscellaneous permitted uses. Other permitted uses include: County Registrar of Voters (polling booths); Community College classes; health screenings; bloodmobile.

9. Tax consequences of unpermitted use. The use of facilities by businesses and entities which does not comply with the welfare exemption requirements set forth in paragraph 2 above will result in a partial loss of the real estate tax exemption for the parcel where the facilities are located. See *Diocese of San Diego Policy Manual, Administration/Diocesan nos. 19 and 26*. The County Assessor will compute what percentage of the full real estate tax should be assessed, based on the percentage use of the property by the non-exempt user.

10. Residential rental properties. Properties used by clergy as their residence are exempt from real estate taxation, whether or not the clergy pay rent to the parish. Residential properties which are leased to lay persons are not exempt from real estate tax, even if they are owned by the Parish or Diocese. Rental income will not incur unrelated business income tax (UBIT) liability, so long as the property is not subject to a mortgage, deed of trust or other instrument securing a loan. Parishes should avoid activities which generate unrelated business income, as this would require the filing of IRS Form 990 for the parish.