**CANON 29 BUSINESS METHODS**

Section 29.1 The Executive and the Finance Committee shall maintain, amend and revise as needed,

the Diocese of Dallas Business Policy Manual (“Business Policy Manual”). The Business Policy Manual

shall catalog all the business methods, standards and policies that shall be observed by every Parish,

Mission or Diocesan Institution (“Diocesan Entity or Entities”).

The following business methods, standards and policies will be observed by the Diocese and all Diocesan

Entities and will serve as the minimum standard for the Business Policy Manual.

**Section 29.2 General**

 (a) The Bishop shall maintain a current roster of all Diocesan Entities of the Diocese of Dallas. This information shall be reviewed annually, amended as necessary, and

published in the “Directory of the Diocese of Dallas.”

(b) The fiscal year of the Diocese shall coincide with the calendar year and all reports

made to the Annual Meetings of the Convention shall be for the preceding fiscal year.

The Finance Committee may grant permission to certain Diocesan Entities to maintain

a non-calendar year fiscal year.

(c) The financial statements of the Diocese and those of all Diocesan Entities shall be

maintained in accordance with U.S. Generally Accepted Accounting Principles or

some other comprehensive basis of accounting acceptable to the Finance Committee.

(d) The Executive Council may authorize any officer or officers, or agent or agents, to

enter into any contract or execute and deliver any instrument in the name and on behalf

of the Diocese. The Executive Council may make such authorization general or special.

The Treasurer and such other persons as the Bishop and the Finance Committee

determines, may issue all checks, drafts and other orders for the payment of money,

notes and other evidences of indebtedness issued in the name of or payable by the

Diocese.

(e) The Executive Council may authorize the opening and keeping of general and special

bank accounts with those financial institutions authorized by the Bishop, Treasurer and

the Finance Committee. The Treasurer and the Finance Committee may make such

special rules and regulations with respect to such banking and investment accounts,

consistent with these Canons, as they may deem appropriate.

(f) Treasurers and custodians, other than banking institutions, shall be adequately bonded;

except treasurers of funds that do not exceed five hundred dollars at any one time

during the fiscal year.

**Section 29.3**

Depository and Securities Accounts shall be managed according to the procedures

prescribed in the Business Policy Manual.

**Section 29.4**

All accounts of the Diocese and Diocesan Entities shall be audited annually by an

independent certified public accountant or such audit committee as shall be provided in the Business Policy Manual. The audited financial statements, including but not limited to, the report of the auditors or audit committee, statement of financial position (balance sheet) and statement of activities (operations) shall be filed with the Bishop, the Treasurer, and the Executive Council not later than September 1 of each year, covering the preceding calendar year.

(a) All audit reports shall be accompanied by any memorandum issued regarding the

sufficiency of internal controls and other accounting matters required to be

communicated to those charged with governance and a summary of action taken or

proposed to be taken to correct deficiencies or implement recommendations contained

in any such memorandum.

(b) Any Parish or Mission of the Diocese that fails to file timely its Annual Audit for the

preceding year shall be subject to the following sanctions:

(i) When any Parish or Mission has failed to timely file its Annual Audit for

any given year, no person from the Parish or Mission, clerical or lay, shall

be eligible for election or appointment to any Diocesan Board, Committee,

Commission or Office in the year following that given year.

(ii) When any Parish or Mission has failed to timely file its Annual Audit for

two years in a row, the Parish or Mission shall lose voice and vote in the

Diocesan Convention for the current year and in each subsequent Diocesan

Convention until the Parish or Mission has timely filed its Annual Report.

(iii) The imposition of the foregoing sanctions shall have no effect upon any

member of the Parish or Mission already actively serving upon any

Diocesan Board, Committee, Commission or Office.

(iv) For good cause shown, the Bishop, with the concurrence of the Finance

Committee and Executive Council may suspend the imposition of

sanctions arising from the failure to file timely the Annual Audit required

by this Canon.

**Section 29.5**

Property and Liability Insurance shall meet the requirements set out in the most current

version of the Policy Manual.

Section 29.6 Encumbering or Alienating Property.

(a) No Diocesan Entity may encumber or alienate its real or personal property except

under such regulations as may be prescribed by Canons of the Diocese.

(b) The Treasurer and the Finance Committee, or their designated representative, shall

be the intake point for any such requests for consent.

(c) Leases or rentals of real property to any third party, Diocesan or not, for a primary term that exceeds 180 days shall be considered an encumbrance of real property and must receive the consent described in this section.

**Section 29.7**

Consent to Acquire Real Estate.

(a) All Diocesan Entities must obtain the advice and consent of the Executive Council,

after receiving a written report from the Real Estate Advisory Committee and the

Finance Committee, before acquiring real property, whether by purchase, gift,

bequest or otherwise.

(b) Title to real property shall be held as provided in Canon 39.

Section 29.8 No Diocesan Entity may incur indebtedness without the approval of the Treasurer and the

Finance Committee, except indebtedness for permanent improvement, replacements or additions to real

estate or equipment if the amount of such indebtedness, plus indebtedness and liabilities of every kind

already existing does not exceed 10% of the average annual income as reported on “Line A” of the Parochial Report of such Diocesan Entity for the past three years. In the event the Diocesan Entity is not a filer of the Parochial Report, a like-kind calculation will be made to determine average annual income.

Section 29.9 Where practical and cost effective, the Executive Council may develop and provide contractual arrangements for the Diocese and Diocesan Entities to enable the purchase of goods and services at beneficial prices.

Section 29.10 The Executive Council and the Finance Committee may adopt rules and regulations to carry out the purpose and intent of this Canon. The Finance Committee of the Diocese may require copies of any or all accounts described in this Section to be filed with it. It will advise and consult with all Diocesan Entities in complying with this Canon and may, for good cause, grant temporary waivers of compliance.

The Treasurer shall report annually to the Convention of the Diocese upon its administration of this Canon. The report to the Annual Convention will include a report upon its administration of this Canon, including the issuance of any qualified audit reports and the granting of any compliance waivers.

**CANON 33 ASSESSMENT OF PARISHES AND MISSIONS**

The Executive Council of the Diocese is hereby given the power and authority to assess the Parishes and

Missions of the Diocese of Dallas to support the budget as established by the Diocesan Convention.

In case of undue hardship, the Executive Council may adjust the assessment of any Parish or Mission. A

committee from Executive Council shall be appointed to meet with representatives of the Parish or Mission Vestry for a review. In the event that the committee determines that undue hardship exists, it shall recommend to the Executive Council that the assessment be adjusted.

**CANON 37 TITLE TO PROPERTY**

**Section 37.1**

Title to all real property now owned or acquired by the Diocesan Corporation (the

“Corporation”) for its use and benefit and for the use and benefit of Parishes, Missions, and Diocesan

Institutions (including parish schools) shall be held in the name of the Corporation and sold, leased,

encumbered and otherwise dealt with, only in accordance with the provisions of Section 37.4 and Section

37.5.

**Section 37.2**

Real property held or acquired by a Parish, Mission or Diocesan Institution by purchase,

gift or devise shall be conveyed by it to the Corporation, unless held for investment or income-producing

purposes and no ad valorem tax exemption is claimed on it.

**Section 37.3**

Real property held by the Corporation for a particular Parish, Mission, or Diocesan Institution shall be held by the Corporation, subject to the Constitution and Canons of the Diocese and General Convention, solely for the use and benefit of such Parish, Mission or Diocesan Institution. It is immaterial how, when or by what process title was vested in the Corporation, provided the original acquisition of the property was through purchase by, or gift or devise to, the Parish, Mission or Diocesan Institution, or the expenditure of funds for the improvement of the property, by the entity concerned, since acquisition, has greatly exceeded the original purchase price of the property. Such Parish, Mission or Diocesan Institution shall be entitled to any income from the property, unless otherwise committed, and will be responsible for expenses attributable to the property, but not for any administrative expense of the Corporation.

**Section 37.4**

In case of liquidation, dissolution or winding up of the Corporation, whether voluntary, or

by operation of law:

(a) the property held by the Corporation for a particular Parish, Mission or Diocesan

Institution shall be conveyed to the governing body of such Parish, Mission or

Diocesan Institution for its use and benefit, subject to the Constitution and Canons

of the Diocese and General Convention.

(b) the other assets or properties of the Corporation shall be distributed in such manner

as the Board of Trustees of the Corporation shall direct, provided, however, that any

such distribution shall be such as is calculated to be exclusively to carry out the

purposes for which the Corporation is formed or for one or more other exempt

purposes within the meaning of the applicable provisions of the Internal Revenue

Code of 1986, as amended, or any similar federal statute then in effect and rules and

regulations pursuant thereto. “The liquidation, dissolution or winding up of the

corporation,” within the meaning of this Canon and of the Constitution of the

Diocese, shall refer to the actual cessation of operation of the Corporation and not to

a change in its structure, so long as it can continue to perform its functions, duties,

and obligations set forth in this Section 39.

**Section 37.5**

The Corporation may sell, convey, lease, mortgage, encumber, grant easements affecting,

or otherwise deal with and dispose property held by it upon obtaining:

(a) the advice and consent of the Standing Committee, and

(b) the written consent of the rector of the Parish or vicar of the Mission and resolution

of the vestry of the Board of Trustees (or similar governing body) of the Diocesan

Institution, for whom the property is held.