

Phoenix parishes to become nonprofit entities

PHOENIX – The Phoenix Diocese is undertaking a comprehensive restructuring process so that its civil organization matches the one already in place canonically.

Currently, the diocese is a corporate sole – a legal entity consisting of a single incorporated office occupied by Bishop Thomas J. Olmsted. Through July 1, church leaders will be preparing each individual parish to become a separate, nonprofit corporation.

Little will change in day-to-day parish operations, according to diocesan officials.

“While this is a civil restructuring, we cannot forget who we are as church,” said Father Fred Adamson, vicar general and moderator of the curia. “The way the church structures itself provides a great deal of autonomy at the parish level to minister to the local needs of the people of God.”

Under the current civil structure, Bishop Olmsted is listed as the property owner of all parish assets in trust for the given parish. But in actual practice, as prescribed by canon law, the pastor makes almost all decisions at the parish level.

“Right now we don’t present ourselves in the secular world in a way that is true to our own understanding,” said Father Chris Fraser, the diocese’s judicial vicar and a canon law expert.

The restructuring will, in effect, make the pastor president of a nonprofit corporation – the parish. Each parish will control its own property, in communion with the bishop.

“We want to be able to communicate and enter into relationships civilly that reflect who we believe ourselves to be,” Father Fraser added.

In addition to better defining itself civilly, the restructuring offers the local church an opportunity to better understand the fundamental principles that underlie canon

law, Father Adamson explained.

"It's more than a civil exercise," he said. "It's a spiritual exercise that will allow us to better understand who Christ established us to be."

Understanding the church means understanding the different roles its members play, Father Adamson said.

"It's a further clarification of the way we function on a day-to-day basis," he said. "You cannot have a relationship with Christ without having a relationship with his church."

Bishop Olmsted, whose former dioceses in Wichita, Kan., and Lincoln, Neb., had separately incorporated parishes, established a task force in 2005 to study the restructuring of the Phoenix Diocese. He was ordained a priest for the Lincoln Diocese and served as coadjutor bishop and then bishop of Wichita, 1999-2003.

When the Phoenix Diocese was founded in 1969, the corporate sole model was widely used by many dioceses, and the Phoenix Diocese followed suit. Since that time, however, many dioceses across the country have reorganized their parishes as separate corporations.

The Diocese of Tucson, for example, took the opportunity to restructure its parishes after it filed for bankruptcy in 2005. Other dioceses have similarly reorganized their parishes, both within and outside the context of bankruptcy.

"Unlike some of the dioceses who have embarked upon this process, there is no specific event or court case or other impending deadline that is pushing us to do this," said John Kelly, general counsel for the Phoenix Diocese.

"We are taking this step after years of study, consultation and prayer over which model most correctly expresses the true identity of our parishes under civil law."

Separate incorporation should also provide a benefit to the parishes, since the current corporate sole structure puts one parish's resources at risk for another's negligence, Father Fraser said.

"It's irresponsible for us not to do this for the various liability issues," he said. The

new structure “safeguards the goods of the church that are given for service.”

After July 1, the day the restructuring paperwork will be submitted to the state, the diocese will go from one to more than 100 civil entities, Kelly said.