



**ARCHDIOCESE OF BALTIMORE
CATHOLIC CENTER
TEMPORAL GOODS POLICY MANUAL**

SECTION

2. Organizational Controls

SUBSECTION

211 Cemeteries, Columbaria and Mausoleums

SECTION 211 CEMETERIES, COLUMBARIA and MAUSOLEUMS

NOTE: All of the following polices pertain to - Cemeteries, Columbaria and Mausoleums unless otherwise noted and collectively are called cemeteries.

211 Policy THE CREATION, DESIGN, CONSTRUCTION OR EXPANSION OF ANY CEMETERY, COLUMBARIUM or MAUSOLEUM REQUIRES THE PRIOR WRITTEN APPROVAL OF THE ARCHBISHOP REGARDLESS OF DOLLAR VALUE.

211.1 Policy – Columbaria and Mausoleums Construction or installation of Columbaria and Mausoleums shall only occur on the land of existing Cemeteries.

211.2 Policy General Administrative Records The Archdiocese of Baltimore requires the use of six primary forms in the administration of its cemeteries and columbarium. Following is a list and a description of the required forms:

1. Lot or Vault Card
2. Sales Contract
3. Certificate of Ownership
4. Application to Erect a Memorial
5. Original Entry Form
6. Interment Card

211.2a Policy The Lot or Vault Card Lot and Vault Cards are designed to record the necessary information that cemetery management needs to keep track of the status of the lot, vault or niche inventory at a given cemetery. An individual Card is maintained for each developed cemetery lot or vault or niche. A properly maintained Lot or Vault Card file allows cemetery information to be accessed on:

- sold grave sites
- unsold grave sites
- sold vaults (columbaria and mausoleums)
- unsold vaults (columbaria and mausoleums)
- lot or vault ownership



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- interments
- memorialization

The reference number of the original sales document can be placed on the card so that access to the original sales document will be simplified. The use of a 5” x 8” Lot or Vault Card is recommended.

211.2b Policy The Sales Contract The Sales Contract is the first formal contract between the purchasers and the cemetery through the purchase of a right of interment (burial) in a particular space in the cemetery. This space may be a grave, a crypt, a vault or a niche for cremated remains. This purchase establishes a long term, legal relationship between the purchaser and the cemetery. The items that should be included in a typical contract are as follows:

- The name of the parish and/or cemetery as the seller of the interment right.
- The contract number. This is often a helpful method in keeping track of contracts. The number can be used as a reference for filing. Also, a sequential numbering system can prevent unauthorized sales.
- The purchaser’s name(s), address, and phone number.
- The date of the agreement.
- The location of the lot or vault in the cemetery, columbarium or mausoleum.
- Purchase price.
- Payment terms, including financing.
- Signatures of parties to the contract.
- Any required statutory disclosures

In addition to the agreement for the purchase of interment rights to specific grave, crypt, vault or niche, the sales contract can also be utilized for sale of additional products. The cemetery may offer for sale various memorials, and casket protection such as vaults, grave boxes or grave liners. The contract must, at a minimum, identify the type of product, the service to be provided, the costs and financing.

The sales contract should have at least two copies. After the contract has been completed and signed, one copy would go to the purchaser while the other would remain with the cemetery. Sales contracts should be filed by contract number and the number will then be noted on other records as a cross reference for future access of this document.

The standard form sales contract and any updates to it are to be reviewed by legal counsel for the Archbishop.



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211.2c Cemetery Certificate of Ownership Form The Cemetery Certificate of Ownership Form is a legal document that assigns the interment right in a specific location to a specific individual or individuals. A numbering system is also helpful with this document. The same number as the original sales contract can be used, or a separate numbering system can be employed. A consistent, numbered control can be invaluable since this is a legal document for which there must be a record.

The form of the certificate is to be reviewed by legal counsel for the Archbishop.

211.2d Policy Application to Erect a Memorial The Application to Erect a Memorial is designed as a means to give cemetery management the ability to control memorialization activity performed in a cemetery by an outside dealer. The use of this form, coupled with a cemetery policy that this form must be completed by outside memorial dealers and approved by cemetery management, allows cemetery management to retain control over the memorialization activity on cemetery grounds. It allows cemetery management to:

- Control quality, size and design of memorialization
- Control work scheduling
- Monitor work done by third parties and ensure appropriate insurance
- Charge appropriate administrative fees
- Update cemetery records concerning grave memorialization

There should be a definite description of the memorial on the application. The cemetery management should approve the memorial application in writing. Without prior written approval, outside contractors are not permitted to erect a memorial. The application should be signed by the owner of the interment rights and by the person supplying the memorial. The cemetery, through its rules and regulations, can control who may install a memorial in the cemetery. It is required that all outside contractors- provide a written certificate of insurance naming the Parish or Cemetery as additional insured prior to commencing any work.

It is recommended that the Application to Erect a Memorial be numbered consecutively. The number provides a means of controlling the document. All numbered documents should be accounted for by cemetery management. The number also provides a means of filing this primary entry document and a point of reference for future retrieval.



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211.2e Policy Original Entry Form An Original Entry Form document, consisting of an original and two copies, is used as the primary document to capture information regarding an interment. One of the copies can be used by the operations crew in preparing for the interment. The third copy can act as a receipt to the family for the monies received. This form is not meant to replace the sales contract. The sales contract outlines the agreement between the parties and is a legally binding agreement, while the original entry form is an internal document to provide a format for collecting information about the interment and any related fees.

It is recommended that this form be numbered. This number should be noted on other records (i.e. the interment card and the lot card). The form can then be filed by the number and retrieved as necessary in the future by the reference to the number. This form is available through the NCCC.

211.2f Policy The Interment Card When a burial occurs in the cemetery, or an urn is interred in a columbarium, an interment card must be completed. The primary copy of this card is filed alphabetically by the last name of the deceased. The second copy is filed to best suit the needs of the particular cemetery. It may be filed by document number, as this provides a reference back to the initial sales contract. It may be filed chronologically so that the number of interments in a particular period can be tracked. It could also be filed by the burial date. The interment card is always used in conjunction with the lot or vault card. The burial location or vault niche identification on the interment copies provides the reference information needed to access the appropriate lot or vault card. The use of a 2 1/4" x 3" interment card is recommended.

211.3 Policy Rules and Regulations Every parish needs to have rules and regulations that outline the responsibilities, privileges, restrictions, etc. that govern all parties that have an interest in the cemetery or columbarium. A well drafted set of rules and regulations can protect the cemetery from many legal difficulties while helping to ensure a harmonious relationship among all users of the cemetery.

Procedures:

- All legal documents (sales contracts, right of burial certificate, etc.) should reference the rules and regulations.
- It is sufficient to have the rules and regulations available at the office for inspection by interested parties **provided cemetery management can demonstrate that it advised interested parties that the cemetery rules and regulations are available for their review.**

Legal counsel should review rules and regulations.



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211.4 Policy Transfer of Burial Rights The transfer of interment rights from one individual to another is an important procedure which should be documented in the cemetery's rules and regulations. Forms used for transfer of Burial rights are to be reviewed by legal counsel.

211.5 Policy Continuing Care of the Cemetery Parish and diocesan cemeteries, columbaria and mausoleums must put aside funds that will produce a steady flow of earnings to cover the costs of maintaining the grounds when current income ceases. Each cemetery needs to calculate the size of endowment required for continuing care and contribute funds annually until the required endowment is established. Therefore a minimum of 20% of revenue including grave sales, columbarium vault sales, interment fees, foundation setting, vault handling, monuments and even grave blankets is required to be transferred to a continuing maintenance endowment fund within an approved Archdiocesan investment account.

Procedures:

- If the parish is no longer generating cash flow through grave or vault sales, is generating very little cash flow from grave or vault sales or is not earning interest from the cemetery endowment to cover cemetery costs, the parish will have to budget for and pay for cemetery expenses through parish operations.
- Parishes can fund or grow endowments through second collections, campaigns and/or appeals, and deposit the proceeds from these fundraisers into a continuing maintenance endowment fund.
- For example, if the total operating expenses of a cemetery are \$12,000 annually, and the continuing maintenance endowment fund is invested in an account paying four percent interest, the endowment fund should have a balance of \$300,000. The \$300,000 at four percent will earn \$12,000 annually to cover the expenses of maintaining the cemetery.

See Appendix A titled : Care Funds-, Why-, How and How Much.

211.6 Policy Endowment A continuing maintenance endowment fund is required to ensure that the principal balance of the fund remains intact and only the interest is used for cemetery expenditures.

Procedures:

- The parish is required to establish the endowment fund in an approved Archdiocesan investment account.



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- The fund must be managed in keeping with the requirements of canon and civil laws. Funds given for continuing care may not be used for any other purpose without expressed, written permission of the Archbishop. All who manage such funds must adhere to the requirement that any donation be used for the intention in which it was given (canons 1284, 1302, etc.).

211.7 Policy Pricing of Internment Rights in Graves and Vaults Those entrusted with the care of cemeteries must consider the costs involved in the operation of the cemetery and the financial needs of the Catholic families when pricing is being established for all goods and services.

Procedures:

- Many costs in determining grave and vault prices may be hidden from the administrator if he does not analyze each of them carefully. A list of items to be considered would include:
 - Cost of replacing facilities
 - Cost of land, equipment use, development, landscaping, roads, fences and related costs
 - Cost of overhead, insurance, administration, supervision, office and clerical expenses, unusual or emergency situations
 - Cost of future maintenance
 - Cost of eventual renovation or rehabilitation
 - Cost of no-compensation services

211.8 Policy Pastor's Role as Cemetery Administrator The pastor is usually the primary coordinator. He should exhibit concern and be willing to assume responsibility for an effective parish cemetery operation. He will have to plan the record system and its implementation. He has the obligation to oversee the creation of a continuing maintenance plan.

Procedures:

- Even though the smaller parish cemetery may require very little of the pastor's time, it must be given sufficient attention to guarantee its orderly operation which includes record keeping. A basic principle of supervision is to delegate as many details as possible to others.
- The pastor may create a committee or appoint a member of the parish council to oversee the cemetery administration.
- The pastor should have available, with easy access, the following cemetery information:



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- Overall plot and description of cemetery property
- Road and section layout
- Grave and lot location including location of columbarium
- Location of Easements
- Income care records
- Accounts receivable and accounts payable
- Record of owners of burial rights
- Burial records
- Payroll reports
- Equipment inventory and depreciation
- Memorial and foundation applications and approvals
- Contract copies
- Accounting journals and general ledger
- Periodic summaries and analysis

211.9 Policy Moving of Remains The Parish or Cemetery is required to obtain the written approval of the Archbishop prior to moving or relocating any remains. The Parish is required to work with the Archbishop's legal counsel to ensure compliance to State law.

212 Policy Regarding Status of Cemetery at the Change of Parish Status If a parish is merged, suppressed or changed in any way, the civil and canonical documents must determine the status of the cemetery including the obligations of care and any allocation of a continuing care fund.

213 Exceptions to this policy may be requested in writing and submitted to the Executive Director of Management Services for consideration. The Executive Director will evaluate each exception request and make a recommendation to the Archbishop for final approval.

END OF POLICY

ARCHDIOCESE OF BALTIMORE
APPENDIX A – CEMETERIES, COLUMBARIA AND MAUSOLEUMS.

CARE FUNDS

WHY, HOW AND HOW MUCH

By Regis J. Flaherty and Harry J.J. O'Neill, Esq.

Running a cemetery can be compared to a person journeying through life. If an individual takes every dollar that comes into his possession and spends it, a day finally arrives when he is no longer able to generate dollars but the need for shelter and food continues. Without a reserve to carry him through the twilight years, the spend-thrift either becomes a ward of the state, a subject of private charity or dies from lack of food or shelter. A cemetery operation, which does not set aside a portion of each sale for the day on which the income from grave sales and ancillary services ceases, will find itself with a large parcel of ground to maintain without assets to draw upon. The result is either the state, using its police power to protect the health and welfare of the community, entering the cemetery to maintain the property or, in the case of a Church-operated cemetery, diversion of scarce resources from other charitable purposes, such as education or comforting the afflicted, to maintain the cemetery or, the cemetery becomes an eyesore, sending an negative message to the community.

A. The Pennsylvania Statutory Scheme

After experiencing the drain on state resources which were used to maintain abandoned cemeteries, the legislatures, in Pennsylvania and other states, enacted statutes requiring cemeteries to set aside a certain portion of proceeds from each sale to be invested in order to produce a predictable income stream to be earmarked for the maintenance of the facility. Pennsylvania enacted its most recent care statute in 1973.

It has been the position of the Church that the statute does not apply to it and the administration of the statute's provisions by the Commonwealth has been consistent with that position. The position of the Church is rooted in both the specific language of the statute and the constitutional separation of church and state.

Whether or not a statute applies should not control the decision to establish a care fund. If the statute does not control, the need for an adequate care fund is even more important. If the care of religious cemeteries is beyond state regulation, we can not ask the state to care for these same cemeteries if we have not adequately provided for that care. Therefore the need for adequate funding today to provide maintenance, after sales proceeds end, is acute.

When we examine our Catholic dogma, as it relates to the resurrection on the Last Day and our bodies being temples of the Holy Spirit during our

lifetime, our need to demonstrate respect for the burial grounds of the Faithful transcends the usual concerns over aesthetics and eyesores, but can call into question our commitment to our fundamental teachings. Therefore, even if we are not required by civil law to provide for the future care of our cemeteries, our Faith would seem to demand it. The alternatives would not seem to be acceptable. We should not burden future pastors with our responsibilities. There may not be a solvent parish. As our society abandons neighborhoods and whole regions as economic forces dictate changes in the lifestyles of our parishioners what was once a prosperous parish can be suppressed in fifty years.

B. The Obligation to Care Survives the Parish

If a parish is suppressed, who will maintain that cemetery? The commitment was made when we accepted the responsibility to care for the remains. Because economic forces make that impractical at a future date, does not suggest that we are free from our responsibilities. The argument that the money was used to build the church, convent, school or rectory will not be persuasive when those structures are closed. If an adequate care fund had been established, the cemetery would be maintained after the parish was suppressed.

WE MUST PREPARE FOR THE FUTURE TODAY. THE WAY THAT A CEMETERY PREPARES FOR THE FUTURE IS BY THE ESTABLISHMENT OF AN ADEQUATE CARE FUND TODAY

II HOW?

Most care funds are generated by setting aside a portion of the amount received from the sale of each burial privilege and depositing the money into a segregated investment vehicle. In some cases, when care funds were not collected with the original sale, the cemetery operator may solicit lot owners for a payment to the care fund now.

A. Alternate Funding Schemes

An alternate or possible complimentary funding mechanism may be accomplished by the cemetery itself. Recognizing that the money which is being generated through the normal funding mechanism is not sufficient, a cemetery operator may set aside a portion of his accumulated assets to create a supplementary fund. Most of the discussion in this section involves the handling and treatment of that portion of the care fund that was generated by the charges made to lot owners for perpetual care.

B. Annual Care, Advantages and Disadvantages

There may be instances in which a cemetery has attempted to fund its maintenance operations by billing the lot owners for annual care. The disadvantages to this type of funding are numerous, among them are: (1) if the

lot owner stops payment, the cemetery can not allow that grave to be overrun by weeds and detract from the entire cemetery; (2) there comes a time when no member of the family maintains an interest in the grave and even if there is a contractual obligation with the purchaser of the lot, when that person dies, all payments would become voluntary; and (3) the cost of annual billing and record keeping can be disproportionate to the amount received. The principal advantage is that a well run program will keep abreast with inflation. These funds are to be consumed each year in the maintenance of the cemetery and do not become part of the fund which is to be invested.

If the operator offers a perpetual care alternative to those who have been paying annual care, then those funds become part of the general care fund and must be invested in accordance with the following discussion.

C. Trust Funds

The initial percept of a care fund is that the fund does not belong to the person or entity who controls it. To the contrary, that person, whether he be the pastor, the bishop or the trust department of a bank, is a fiduciary holding the funds for the sole purpose of creating income to be used for the maintenance of those sections of the cemetery which contain the remains of those for whom the fund was created.

Only the income may be used, the principal must remain invested in order to produce income in the future. Again, while it is the position of the Church, in the Commonwealth, that the state statute does not control, it is a good guide for determining the types of investment vehicles to be used. The need is to generate steady income, while recognizing the need for the fund to grow to offset the ravages of inflation in the future. In order to protect the fiduciary, operating pursuant to the state statute, the law restricts investment of the fund to those investments which meet the prudent man rule.

In this document, we have no intention of blue-printing an investment strategy, but suggest that it is more difficult than may first meet the eye and we recommend that each pastor obtain the guidance of his diocesan office for financial affairs, his diocesan cemetery office and legal counsel.

Once income is generated, the funds may not be used for the parish generally or for the development of an unrelated part of the cemetery. If, due to excellent planning and diligence in the collection of care funds, the income exceeds the need for maintenance in any year, the coverage should be reinvested for the future, because there is always a year in which the excess funds will be required to meet an unexpected major outlay.

D. Separate Fund for Mausolea

We also suggest a separate fund for the benefit of those who purchased above ground entombment. This fund would be for the maintenance of the mausolea and/or garden crypts. These structures have unique needs to keep them in a representative condition and while, during the first few years, there may not seem to be an immediate need to spend all of the income, the year will come when structural repairs will be required and all the apparent additional income from previous years will be needed. As you will note when examining the sections of this booklet, the under-funding of a care fund for above ground structures is a sure ticket to disaster.

III HOW MUCH

Pennsylvania law sets forth minimum requirement for funding. It mandates the cemeteries subject to its requirements to set aside the greater of 15% of the sales price or \$40 per square foot of grave space.

A. Demonstration of Size of a Care Fund

Without addressing the adequacy of the formula, but in order to demonstrate the magnitude of the funded requirements, the cemetery office of the Pittsburgh diocese made the following calculations using the 40 cents per square foot alternative:

1. The average number of square feet for each grave is 33.3, which translates to \$13.33 per grave.
2. There are an average of 1,000 graves per acre, which translates into \$13,333 per acre as the amount required to be deposited, from lot sales in each acre, to fund the future care of that acre.
3. Pittsburgh has 15 regional cemeteries composed of 1,468.5 acres which translates into \$19,384,200 in care funds.

Of course, if we are realistic, 20% of the ground will either be unfit for development or required for roads and operational structures. Adjusting the answer in 3 above by 20%, the sum of \$15,507,360 would be required to meet the statutory minimum.

Using the alternative of 15% of the sales price and applying it to the Pittsburgh cemeteries, and assuming an average grave sold for \$250 over a prolonged period of time, the average grave sale would either generate \$37.50 (or \$33.61 depending on whether the care allocation is an add-on or is taken from the amount paid). In the latter case the allocation to the care fund is treated as having been part of the \$250. This means that the gross sales price equals 115% of the amount of the basic price for a lot.

Applied to the Pittsburgh example, after allowing for roads and other impervious cover, the total allocation to the care fund would be \$44 million if the care charge was an add on and \$39.5 million if it is deducted from the sales price.

These are substantial numbers, but the upkeep of 1,468 acres is a substantial job.

B. The Application to the Parish Cemetery

A pastor may run the same test for his cemetery to determine the position target care fund if the state requirements have been met. As the above indicates the dollars are large.

Since the position of the Church is and has been that the statute does not apply, an alternative calculation is suggested and demonstrated as follows:

1. Determine the size of your cemetery, excluding buildings, roads etc. (the total land used for burials);
2. Determine how much is required to be paid each year for the maintenance of the burial grounds;
3. Determine how much is required to be invested in order to generate annual income equal to 2 above;
4. This can then become the care fund target amount;
5. Deduct the amount of care fund on hand (including any supplemental fund which has been created) from the target established in accordance with 3 & 4 above;
6. Divide the unfunded required care as established in 5 above by the number of unsold lots; and
7. The answer to No. 6 above becomes the amount to be charged to the purchasers of lots in the future.

In order to illustrate the above, let us assume a ten (10) - acre cemetery of which eight acres will be suitable for burial. We further assume that the annual cost of maintaining the cemetery will be \$12,000 and money may be invested at 5%. There are 4 acres unsold, and a care fund of \$16,000 has been established to date.

1. It takes \$240,000 to generate \$12,000 of annual income using a 5% investment income factor;
2. There is a need to increase the fund by \$224,000 to create the fund noted in 1 above;
3. At 1,000 graves per acre there are 4,000 unsold grave sites from which to generate the \$224,000.
4. This means a charge of \$56 from the proceeds of each future grave.

Whether the charge is an add-on or a deduction from proceeds is matter which each pastor should determine from his knowledge of his market.

It should be noted that the example above is hypothetical and is not representative of the actual costs associated with the care of a cemetery. For that figure, each pastor must make his own judgment, based on his experience and the factors involved in the development of his cemetery. However, the longer he waits the less likely he will be able to satisfy the goals. As an example of how the situation can get beyond salvation if one waits too long, let us assume in the last illustration only one acre was unsold. In that case the contribution required would be \$224.00 per lot which may, in some situations, be greater than the price of the lot.

The above is intended to demonstrate to each reader the importance of preparing for tomorrow today. If care is not established now, it may become impossible to do it in the future without diverting parish assets which are required for other traditional operating expenses.