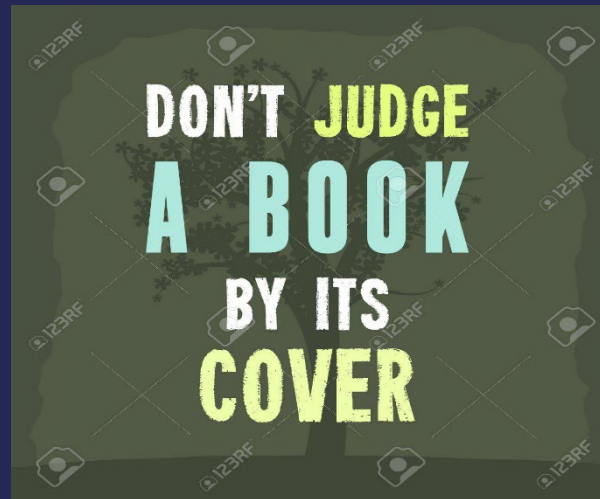


From Parish Ministries To Third Party Users



Office of Risk Management
September 11, 2025

The Key Question

Why concern ourselves with the status of a group, entity, program or like when it comes to our parish and school operations?



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The Reasons

Having a clear understanding of the status of a group, entity, program or like will impact the following:

- Eligibility for insurance coverage



- Responsibility for liabilities

- Impact to and management of public reputation



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Eligibility for Insurance Coverage

“Insured” means any:

1. Person or organization identified in Item 1 of the Declarations which is the Archbishop of Baltimore, corporate sole.
2. **Student or parent organization** formally recognized by you existing prior to or created or acquired on or after, the inception date of this insurance.
3. **Person in his or her capacity as any “executive”, “employee”, “volunteer”**
4. **“Religious person” in his or her capacity as such.**



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Eligibility for Insurance Coverage

“Insured” means any:

5. “Subsidiary”, “affiliate”, or “benefit program”, existing prior to or created or acquired on or after the inception date of this insurance.

“Subsidiary” means an organization that a person or organization identified in Item 1 of the Declarations, has the ability to control by means of membership or ownership.



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Eligibility for Insurance Coverage

“**Affiliate**” means an organization that a person or organization identified in Item 1 of the Declarations, either directly or indirectly has the ability to control by means of the right to:

1. Elect or appoint the general partner or manager or a majority of the directors or trustees;
2. Serve ex officio as general partner or manager or as a director or trustee and represent a majority of the directors or trustees, individually, or collectively with any other ex officio director or trustee or right of such person or persons to elect or appoint any other director or trustee; or
3. Direct any financial or managerial decision making, whether by operation of law, pursuant to contract or agreement, or pursuant to such entity’s charter, articles of association, or by-law provisions.



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The Location Hierarchy

Parish/School Ministry/Program

Parish/School Affiliates and Subsidiaries

Chartered

Not Chartered

Cooperative Entities

Parish/School Third Parties

The Location Lineage

Affiliated/Subsidiary Entity

An affiliated/subsidiary entity is associated due to common ownership and is a controlled group. Such structures may include separate legal structures.

Includes: Home School Associates at AOB Schools, Parish Athletic Leagues, or other groups that use the school or parish Tax ID and are under the control of the parish or school.

Chartered

An additional element of the relationship between an affiliated/subsidiary entity is a charter agreement. This is a written agreement under which the school or parish is assuming specific responsibilities for the operations of the affiliated entity.

Includes: Boy Scouts, American Heritage Girls and Life Trails



The Location Lineage

Cooperative Entities

Catholic organizations that are autonomous from the local diocese, while maintaining a close and cooperative relationship with the Catholic Church. The nature of the relationship is based on spiritual alignment, canonical approval, and regular communication, while organizational independence allows the cooperative entities to manage its own affairs.

Examples: Knights of Columbus, St Vincent DePaul Society, and other similar national groups with parish presence.

Third Parties

There is no business relationship between the location and the other entity.

Examples: Individual facility user, tenants, licensees, Girl Scouts, other community groups, self help and mutual aid programs such as AA,



Assessing a Group, Organization or Entities' Standing

Primary purpose	Explicitly missional, focused on evangelization and spiritual formation. Aims to build disciples and strengthen faith within a specific Christian context.
Authority and recognition	Operates under the official authority and canonical structure of the parish or school in accordance with diocesan norms. It is recognized and sanctioned by parish or school leadership.



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Assessing a Group, Organization or Entities' Standing

Integration	Fully integrated into the life of the parish or school, aligning with the broader institutional goals. It's a central part of the community, not a separate function.
Sustainability and funding	Generally receives priority funding, resources, and staffing from the parish or school due to its core mission and integration with the parish or school.
Autonomy	While ministries have leadership, they operate under the absolute control of the parish or school leadership.



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Managing The Location Lineage

- Control
- Tax ID
- Evidence of Insurance
- Use Agreement *
- Reportable Special Event
- Charter Agreement
- Memorandum of Understanding*



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Managing The Location Lineage

Use Agreements

Special Event Agreement:

Less than 72 hours or 10 uses in 12-month period

License Agreement:

Greater than 72 hours or 10 uses in 12-month period with limited use of facility

Lease Agreement :

Greater than 72 hours or 10 uses in 12-month period with control of facility

Memorandum of Understanding

A memorandum of understanding (MOU) is a formal, non-binding agreement between two or more parties that outlines the terms of a mutual understanding or intended collaboration. It is more formal than a verbal agreement but less legally strict than a contract.



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Managing The Location Lineage

	Parish/School Ministries/Programs	Parish/School Affiliates and Subsidiaries (Not Chartered)	Parish/School Affiliates and Subsidiaries (Chartered)	Cooperative Entities
Control	Absolute	Absolute	Significant	Limited
Tax ID	Shared	Shared	Shared	Separate
Evidence of Insurance	Insured by location	Insured by location	Shared	Yes
Use Agreement	None required	None required	No	No
Reportable Special Event	No	No	No	No
Charter Agreement	None required	None required	Yes	No
Memorandum of Understanding	None required	None required	Optional	Optional



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Managing The Location Lineage

	Third Party (Individual)	Third Party (Commercial, Non-Profit, Other)	Third Party (Mutual Aid and Self Help)
Control	Very Limited	Very Limited	Very Limited
Tax ID	Separate	Separate	Separate
Evidence of Insurance	Variable based upon length of use	Yes	Optional
Use Agreement	Yes	Yes	Optional
Reportable Special Event	Variable based upon length of use	Variable based upon length of use	No
Charter Agreement	No	No	No
Memorandum of Understanding	No	No	Optional



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Why Is This Important?

Joint and Several Liability:

In Maryland, joint tortfeasors are generally jointly and severally liable for the plaintiff's entire verdict.

In layman terms:

Judgement:	\$1,000,000
At Fault Party 99% Liable:	\$ 990,000
Other Party 1% Liable:	\$ 10,000

At fault party has no insurance or assets: Pays \$0

Party 1% Liable has insurance of \$1,000,000: Required to pay the \$1,000,000



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