



ARCHDIOCESE OF LOS ANGELES Construction Department

Project Budget & Funding Guide

Maintaining, building a new facility or renovating an existing one for a church or school is a significant undertaking that requires careful planning and execution. This Project Budget and Funding Guide offers a step-by-step process to ensure that the project's budget meets the funding capacity of the location. Locations should contact the Construction Department for assistance with any step outlined below.

1. Pre-Requisites

Locations should ensure that they have no outstanding past-due accounts receivables and no outstanding Archdiocesan loans before planning for maintenance, renovation or major construction projects.

2. Funding

Projects are required to have 100% of the project costs plus the appropriate contingency on deposit in their Parish/School restricted building fund OR in their Dedicated Gift Trust Fund Accounts before starting any project.

3. Feasibility Study / Capital Campaign

Locations may need to conduct a financial feasibility study to ascertain the maximum available funding capacity to establish a maximum project budget for a proposed project and initiate a Capital Campaign.

4. Project Budget

The Project Budget should not exceed the parish's cash on hand or maximum funding capacity as established by a feasibility study. Project budgets are generally established as follows:

- **Minor projects:** Obtain at least three proposals from qualified vendors. Add 15-20% contingency to account for unforeseen conditions.
- **Major Projects:**
- Maintenance: Obtain at least three proposals from the appropriate and qualified vendor for the scope of work (single trade or general contractor). Add 15-20% contingency to account for unforeseen conditions.
- Additions/New Construction:

PRELIMINARY PLANNING BUDGET:

- HARD COST: =Rough order of Magnitude (ROM) Calculated by taking total square feet (sf) times the cost per SF for construction in the geographic area. (Contact the Construction Department for up to date SF cost)
- SOFT COST: =Architecture, Engineering, Project Management & Permitting Costs Calculated as 25% of the Hard Cost.
- CONTINGENCY: =Initial, Planning Design and Construction calculated as 25% of the Hard Cost.

FINAL BUDGET:

- HARD COST:=Competitive Bids
- SOFT COST:=Cost of approved contracts as required by the project.
- CONTINGENCY:=20% for remodels, 10-15% for new additions/new construction.

5. Loans

Locations desiring to seek an Archdiocesan loan in advance of collecting 100% of the project funds as typically required to start construction must meet the following minimum requirements:

- At least 60% of the total project budget on deposit in the parish investment pool building fund account.
- 120% of the total project budget in pledges redeemable in 5 years. (Please note that pledges are discounted by 20%)
- Maximum loan amount is \$5M