

INVESTMENTS

Effective January 1, 2002, outside investments are not permitted (including savings, money market and certificates of deposits). Archdiocesan organizations, parishes, or schools must invest excess funds in the Archdiocesan Deposit and Loan Fund, which is described below. In addition, parishes or schools are able to invest funds in the Catholic Foundation of Louisville. Please contact the Chief Financial Officer of the Archdiocese to coordinate details if interested.

Grandfather Clause

If a parish or school received written approval from the Archbishop prior to January 1, 2002 to invest outside of the Archdiocesan Deposit and Loan Fund, those investments may be maintained. However, no new monies may be added to those investment accounts.

- Since parishes or schools are not separately incorporated under civil law, but are part of the Corporation Sole, all investments must be registered in the name of "Roman Catholic Bishop of Louisville, a corporation sole, for the use of "Name of Parish or School". All investments must be listed on the parish or school's balance sheet.
- All securities, especially those, which are not registered, must be kept in an adequate safe, a bank deposit box, the safekeeping department of a federally insured bank, or sent to the Pastoral Center for safekeeping. The pastor, pastoral administrator, or school administrator must retain custody of bank safety deposit box keys and be present whenever the box is entered. The pastor, pastoral administrator, or school administrator must also retain an inventory of the contents of a safety deposit box. Securities such as U.S. Treasury bills and bonds, corporate stocks and corporate bonds are recorded on the parish or school balance sheet at cost.

Archdiocesan Deposit & Loan Fund

The Archdiocesan Deposit & Loan Fund is essentially an internal bank or depository account for excess or reserve funds of parishes, schools, organizations and institutions within the Archdiocese. It was established so that parishes or schools with excess funds could assist parishes or schools that needed money for construction and development needs.

The Pastoral Center Finance Office under the supervision of the Archdiocesan Finance Council administers the Fund. Funds that are placed on deposit are guaranteed by the Archbishop and earn a risk free rate of return. The money placed on deposit is made available to parishes or schools for low interest loans. All loan applications are reviewed by the Archdiocesan Finance Council loan committee and approved by the Archbishop.

Interest rates on both deposits and loans fluctuate according to economic conditions. Check with the Pastoral Center Finance Department for current rates. The minimum interest rate paid on deposits is .50%. Funds generated by the rate spread are used to cover the risk of loan defaults. When requesting a withdrawal of \$50,000 or more from the Archdiocesan Deposit and Loan Fund, please provide a minimum of a 7-day notice.

Forms for savings deposits, savings withdrawals or loan payments are available in *Appendix – Accounting Sample Forms/Reports*.

- Deposit & Loan One Time EFT Authorization Agreement.
- Deposit & Loan Recurring EFT Authorization Agreement.
- Deposit & Loan Withdrawal by Check Form.
- Deposit & Loan Parish/School Transmittal Form.