

PARISH INVESTMENT GUIDELINES

In their canonical roles as administrators of the temporal goods of their parishes, Pastors are required to exercise responsible stewardship regarding the monies contributed to their parishes. Part of that stewardship is the obligation to invest surplus funds in a pastorally appropriate manner so that the assets of the parish will not be prematurely diminished. This is especially important in order to maintain a reasonable amount of funds for unforeseen expenditures and, in particular, for capital expenditures, such as major renovations, which may become necessary periodically.

Under canon law, the Bishop bears the responsibility to exercise careful vigilance over the administration of temporal goods by Pastors. In this regard, these Parish Investment Guidelines have been promulgated. These guidelines should serve as norms to clarify the parameters within which such responsible stewardship is to be exercised.

- a. In general, the surplus funds of a parish should be liquid so that they can be used to meet the needs that arise. Thus, investments other than in one of the Unitas Investment Fund (Unitas) long-term investment options should not involve long-term commitments.
- b. Church funds should never be used for purposes of speculation of any sort. Investment strategies should avoid even the impression of speculation.
- c. A parish should not purchase stocks since such instruments are not suitable for short-term needs.
- d. When stocks are donated to a parish, once the parish obtains ownership, the stocks should be sold as soon as reasonably possible.
- e. A parish should strongly consider taking advantage of Unitas as a vehicle for the investment of surplus funds recognizing that some operating expense reserve needs to be held for ordinary purposes. Parishes should take advantage of the benefits afforded by Unitas as a cooperative vehicle for the investment of surplus funds. Such benefits include the safety, efficiencies and returns made possible by pooling large amounts of parish and Diocesan funds; professional investment management, lower fees, and minimum of administrative burden.
- f. Parish investments should continue to be subject to the following guidelines regarding permissible investment vehicles:
 1. United States Treasury Bills bonds and notes. The aggregate value of these securities may constitute up to 100% of the parish investment portfolio. The maximum maturity should not exceed five years.
 2. The direct debt of a United States Federal Agency, which are now guaranteed by the full faith and credit of the United States government, such as Fannie Mae and Freddie Macs. The aggregate value of these securities should not exceed 10% of the parish investment portfolio. The

maximum maturity should not exceed five years. This guideline specifically excludes mortgage backed securities.

3. The maturity of the instruments described in f1 and f2 should not exceed five years. If the parish invests in a fund of such securities rather than purchasing individual instruments, the maturity of any issue in the fund should not exceed five years. If a parish holds bonds at a brokerage firm, the parish should verify that the broker maintains SIPC insurance, is highly rated for credit worthiness and charges competitive fees within the industry.
 4. Certificates of Deposit (CD's) in leading banks with FDIC insurance. The total value in any one bank should be less than the prescribed insurance limits presently at \$250,000.00. "Laddering of CD's" is acceptable only when the maturity of any one CD does not exceed five years.
 5. Insured Money Market funds as defined by Section 2a7 of the Securities and Exchange Commission's (SEC) Company Act of 1940. This rule restricts investments in money market funds by quality, maturity and diversity. Money market securities must be highly liquid and have a stable value.
 6. The overall "average maturity" of assets not invested in Unitas must not exceed three years.
- g. Any other method of investing funds should be submitted to the Bishop for review through the Diocesan Treasury Office, whose staff is available to all pastors for any needed guidance or assistance in this important area of stewardship.
 - h. The investment in securities of any corporation involved in the manufacture or distribution of tobacco products, contraceptives, or abortifacients is prohibited. Additionally, from time to time the Bishop may prohibit investment in securities of individual companies that fail to meet the moral and ethical criteria of the Church.
 - i. The parish investing in any outside investments will be required to produce a listing of all securities with the annual parish financial report or upon request.

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