

Finance Manual Update – October 14, 2024

LONG-TERM AND SHORT-TERM SAVINGS & LOANS

RATIONAL

Parish savings are deposited to the Diocesan Deposit and Loans Program (D&L). School savings are deposited to the Catholic Foundation of Utah (CFU). Both programs are designed to collectively pool monies from our Catholic institutions of the Diocese to keep administrative fees, brokerage fees, interest on loans, etc. within our Diocese. In this way, these same monies that would be leaving our Diocese can be kept within the Diocese and be used to better support our ministries (diocesan, parishes and schools). The Catholic schools and parishes operate on drastically different financial models, and it is for this purpose we deposit their savings into the two different programs. This is to provide better financial stability to all parties.

OVERSIGHT

The administration and management of the CFU and D&L, as well as the approval and evaluation of projects are all consultative to the Bishop of Salt Lake City. The oversight of the D&L is by the Catholic Diocese of Salt Lake City Capital Development Corporation and by the Diocesan Finance Council. The oversight of the CFU is by the Catholic Foundation Board of Trustees with project approval recommendation by the Diocesan Finance Council. All withdrawals from the D&L and CFU are subject to approval by the Vicar General.

All projects of any institution (parish, school, or otherwise) must be approved when exceeding their expenditure limit (see Appendix Expenditure Limits) whether or not they are requesting a loan.

SAVINGS POLICY

Parishes are to regularly invest all monies in excess of one month's operating requirements into their D&L parish emergency fund and/or parish savings fund. It is recommended to invest these excess funds monthly, but at least quarterly. Additional D&L savings funds may be setup for maintenance funds, ministry funds, project funds, or restricted funds. Parishes may deposit funds into a CFU permanent endowment for long-term savings. Parishes seeking to deposit fund into a CFU temporary endowment will require the approval the Vicar General, because these funds are normally deposited into the D&L as stated above. The D&L is liquid.

Schools are to regularly invest all monies in excess of two month's operating requirements into their school's CFU savings endowment or emergency endowment, both which are temporary endowments. It is recommended to invest these excess funds monthly, but at least quarterly. These funds are liquid, meaning available for partial or complete withdrawal.

When saving for a project the school should deposit these savings into their CFU savings endowment to keep their asset liquid. Additional CFU endowments either permanent or temporary could be setup for athletics, event funds, maintenance funds, restricted funds, scholarships, travel, etc.

A good rule of thumb is if your parish or school is holding large sums of money in liability accounts or net asset accounts to carry over from year to year, most likely these funds belongs in the CFU or D&L respectively. If the sums are small, then they are most likely washing in and out, and should be maintained in the operating account.

It is recommended that both parishes and schools maintain their emergency fund at three to six months expenses as a minimum.

LOAN POLICY

All loans for any institution of the Diocese must be recommended for approval by the Diocesan Finance Council and approved by the Bishop. The only exceptions are smaller loans of \$50,000 or less that may be executively approved by the Vicar General or Bishop without a formal application to the Diocesan Finance Council.

Parishes and schools requesting D&L loans must apply through the Diocesan Finance Council. Loans are recommended for approval when the parish or school can demonstrate the following:

1. Cash in hand for the project must be adequate for the servicing of the loan amount (cost of the project and the overage contingency combined).
2. Cash in hand may not include monies from your emergency fund, liability funds, net asset funds, other restricted funds, or pledges.
3. Adequate cash in hand is determined by the Diocesan Finance Council to be a minimum of 60% of the loan at a minimum, but could very well be higher, e.g. 70%, 80%, or more. Determination of what is adequate depends on the following:
 - a. Your parish's or school's ability to service the loan
 - b. Your parish's or school's emergency fund at three to six months of your expenses at a minimum
 - c. The availability of funds in the D&L

The Diocesan Finance Council will evaluate your parish's or school's ability to be stable and be able to service the debt adequately, and in many cases establish a payment plan. Parishes that take too big a loan with less cash in hand at the beginning of a project may find themselves in severe financial distress if the Federal Reserve were to raise interest rates, or costs were to dramatically increase.

Emergency loans will still need to meet the above requirements, and/or make an appeal to the Bishop to find diocesan funds as a charitable gift or extraordinary loan.

Appendix Expenditure Limits

Permission of the Vicar General is required for all expenditures in excess of the below limits for each respective institution.

\$5,000

Blessed Tekakwitha, Fr. Duchesne
Good Shepherd, East Carbon
Holy Family, Fillmore
Holy Spirit, Duchesne
Our Lady of the Light, Beaver
Sacred Heart, La Sal
Saint Anthony of the Desert, Torrey
Saint Bridget, Milford
Saint Dominic, Bryce Canyon
Saint Gertrude, Panguich
Saint Jerome, Logan
Saint John Bosco, Delta
Saint Michael the Archangel, Green River
Saint Patrick, Eureka
Saint Sylvester, Escalante
San Juan Diego, Gunnison
San Rafael, Huntington
Santa Ana, Tremonton

\$7,000

Immaculate Conception, Copperton
Saint Christopher, Kanab
Saint Elizabeth, Central Valley
Saint Helen Roosevelt
Saint Joseph, Monticello
Saint Jude, Ephraim
Saint Paul, Hurricane
San Isidro
Newman Center, Weber State University
Saint Anthony of Padua, Helper
Saint Florence, Huntsville
Saint Henry, Brigham City
Saint James, Vernal
Saint Lawrence, Heber City
Saint Peter, American Fork
Saint Pius X, Moab
San Andres, Payson

\$15,000

Christ the King, Cedar City
Notre Dame de Lourdes, Price
Our Lady of Guadalupe, Salt Lake City
Our Lady of Lourdes, Magna
Our Lady of Lourdes, Salt Lake City
Sacred Heart, Salt Lake City
Saint Andrew, Riverton
Saint Ann, Salt Lake City
Saint Martin de Porres, Taylorsville
Saint Patrick, Salt Lake City
San Felipe, Wendover

\$20,000

Our Lady of Perpetual Help, Kearns
Saint Catherine of Siena, Salt Lake City
Saint Francis of Assisi, Orem
Saint Francis Xavier, Kearns
Saint Joseph the Worker, West Jordan
Saint Marguerite, Tooele
Saint Mary, West Haven
Saint Olaf, Bountiful
Saint Therese, Midvale
Saint Thomas Aquinas, Hyde Park
Saints Peter and Paul, West Valley City

\$30,000

Blessed Sacrament, Sandy
Cathedral of the Madeleine, Salt Lake City
Holy Family, South Ogden
Saint Ambrose, Salt Lake City
Saint George, Saint George
Saint James, North Ogden
Saint John the Baptist, Draper
Saint Joseph Ogden
Saint Mary of the Assumption, Park City
Saint Rose of Lima, Layton
Saint Thomas More, Cottonwood Heights
Saint Vincent de Paul, Salt Lake City

Catholic Schools

Elementary and Middle Schools: \$50,000
High Schools: \$75,000