

Diocesan Investment Fund Policy October 2007

Purpose

The primary purpose of the Diocesan Investment Fund (the “Fund”) is to provide an efficient investment vehicle for excess funds. Excess funds are defined as any funds in excess of two months of operational needs for a parish (twelve months for a school).

Eligibility

All Catholic parishes, schools and institutions (“Trustors”), within the Diocese of Stockton, would be able to establish one or more accounts within the Fund

Fund Component Guidelines

Short-term fund: Funds that may be needed within one-three years
Long-term fund: Funds that will not be needed within the next three years

Fund Management

Diocesan Investment Administration – the Investment Subcommittee of the Diocesan Finance Council has the responsibility for monitoring fund investment performance and the development of investment policy. The Investment Subcommittee reports to and brings all significant investment proposals to the Diocesan Finance Council. The Chief Financial Officer of the Diocese is responsible for daily administration of the Fund and implementation of policy.

Diocese of Stockton Revocable Trust – deposits are submitted to the Trustees of the Diocese of Stockton Revocable Trust. These funds are held in trust and are deposited into the appropriate fund (short-term or long-term). The Diocese will maintain separate subtrust accounts to account for the activity of each Trustor. Each subtrust account is for the exclusive use of that Trustor and their funds are not available for use by another Trustor or subject to claims on another Trustor

Investment of Funds

Short-term funds on deposit will be invested by the Trustees in the following:

- Money market accounts
- CD’s
- T-Bills
- Current loans to other parishes and schools
- Other short-term/intermediate investment vehicles as deemed appropriate

Depository Requirements

Deposits to the Fund are encouraged. If an entity chooses to invest excess funds outside of this policy they can only invest in money market accounts, CD's and/or T-Bills. An annual report will be required to be provided to the Bishop with the following:

- Type of investment (Money Market, CD's and T-Bills)
- Dollar amount invested (by type of investment)
- Investment policy (including socially responsible investing)
- Annual return (gross and net of fees by type of investment)

Deposit Procedures

Deposits are held in trust by the Trustees of The Diocese of Stockton Revocable Trust:

- Checks made payable to "The Diocese of Stockton Revocable Trust"
- Mail check with attached form to:

Trustees
The Diocese of Stockton Revocable Trust
212 North San Joaquin Street
Stockton, CA 95202

Withdrawal Procedures

To withdraw funds from the trust:

- Withdrawal request must be in writing using attached form
 - Withdrawals in excess of \$25,000 must be requested in writing by the Pastor with approval of the Parish Finance Council (attach a copy of the Finance Council minutes)
- Mail withdrawal form to:

Trustees
The Diocese of Stockton Revocable Trust
212 North San Joaquin Street
Stockton, CA 95202
- Withdrawals from the Fund may take up to 15 workdays to complete

Return

Each Trustor will accrue earnings on their funds. Earnings are calculated as the net of:

- Earnings for the period:
 - Interest from current outstanding loans
 - Interest earned on CD's, T-Bills, money market accounts, etc
- Fees for the period:
 - Management Fees (.20%)
 - Consulting Fees (sliding scale – averages around .10%)
 - Custodial Fees (.06% + \$250/subaccount)

Loans

Existing loans will continue until paid in full by lenders

- No new loans will be provided from the Fund
- The Diocese will provide resources to aid parishes in obtaining loans from outside lenders

Reporting

Semi-annual statements will be distributed to all Trustors. Earnings will rollover to the Trustors account unless the Trustees receive a request in writing that earnings be distributed semi-annually.