

Investment Guidelines - Parishes and Cemeteries

- ⊕ The Pastor, with the assistance of the Parish Finance Council, is the administrator of the financial resources of a Parish. Together they exercise a fiduciary duty in overseeing the prudent financial management of the resources of the Parish.
 - ⊕ All accounts shall have the pastor as an authorized signer on the account. Additional signers may include Trustee(s), Finance Council member(s)
 - No person responsible for writing checks, recording account transactions or reconciling account statements will be a signer on the account.
 - All account statements shall be sent to the Pastor or his delegate for review.
 - All bank and investment accounts must be reconciled monthly
 - ⊕ Parishes shall follow all other Diocesan guidelines related to the handling and depositing of cash receipts.
 - ⊕ Activity in all accounts shall be recorded in the accounting system and their balances must be reported on the Statement of Financial Position
 - ⊕ Parish cash and liquid investments not needed for immediate or near-term operations may be considered for investment in some longer-term investment vehicle.

Investment Guidelines for Parishes and Cemeteries:

- ⊕ Parishes, in conjunction with their finance councils, should evaluate their cash and liquid asset holdings on a regular basis (at least annually) and compare these holdings with their expected cash needs.
- ⊕ The following guideline should be used in determining the appropriate vehicle for holding cash and other liquid assets:

Time Horizon for Use of Funds:	Type of Holding:
Immediate to 3 months	Cash w/daily liquidity
3 months to 3 years	CD, money market fund, short term investment portfolio.
3 years to 7 years	Intermediate term investment portfolio.
Over 7 years	Long term investment portfolio.

⊕ **The following are the cash holding and investment vehicles authorized for use by parishes and cemeteries in the Diocese of Winona:**

- Checking or Savings account at an FDIC-insured bank or an NCUA-member credit union.
- Certificates of Deposit (CDs) issued by an FDIC-insured bank or an NCUA-member credit union.
- Money Market Funds offered through (a) an investment account or (b) the parish's primary depository institution.
- An investment account with the “Catholic Foundation of Southern Minnesota” (CFSM).
 - *Note:* Funds invested with the CFSM should be limited to donor stipulated permanently restricted or temporarily restricted funds.
- An investment account with a qualified investment advisor and containing an appropriately diversified investment portfolio that corresponds to the time horizon for the use of the invested funds (Addendum).
 - Select investments that are consistent with the moral principles, vision, mission, and values of the Catholic Church, adhering to the USCCB Social Responsible Investment Guidelines.
 - Parishes and Cemeteries may work with a local investment Advisor who can provide a “Screened” portfolio
 - Contact the Diocese of Winona Finance Office for a listing of recommended Investment Advisors

⊕ **Prohibited Investment vehicles:**

- Short sales or margin purchases
- Securities lending
- Venture capital
- Private placement or other securities not publicly traded
- Direct placement of mortgages to individuals
- Commodities
- Lending of Cemetery Funds or Cemetery Permanent Care Funds to any entity including a Parish

Investment Guidelines – Cemetery Permanent Care Funds

- ⊕ The Pastor / Canonical Administrator, with the assistance of the Parish Finance Council / Cemetery Board of Directors, is the administrator of the financial resources of a Cemetery. Together they exercise a fiduciary duty in overseeing the prudent financial management of the Permanent Care Funds.
 - ⊕ All accounts shall have the pastor / Canonical Administrator as an authorized signer on the account. Additional signers may include Trustee(s), Parish Finance Council member(s)
 - No person responsible for writing checks, recording account transactions or reconciling account statements will be a signer on the account.
 - All account statements shall be sent to the Pastor / Canonical Administrator or his delegate for review.
 - All bank and investment accounts must be reconciled monthly
 - ⊕ Cemeteries shall follow all other Diocesan guidelines related to the handling and depositing of cash receipts.
 - ⊕ Activity in all accounts shall be recorded in the accounting system and their balances must be reported on the Statement of Financial Position
 - ⊕ Cemetery Permanent Care Funds may be considered for investment in some longer-term investment vehicle.

Investment Guidelines for Cemetery Permanent Care Funds:

- ⊕ Due to the permanently endowed nature of Cemetery Permanent Care Funds, the funds may be invested in a Long-term Investment Portfolio. See “*Addendum*” for a sample long-term portfolio allocation.
 - Permanent Care funds may not be co-mingled with other parish or cemetery cash, savings or investments accounts.
 - Only the earnings: Interest, dividends, realized and unrealized gains may be used for operating expenses of the cemetery.
 - The principal or ‘corpus’ of Permanent Care Funds may never be spent. The principal includes the initial accumulated Permanent Care Funds as well as all additional contributions.

⊕ **Cemetery Permanent care Funds may be invested in the following investment vehicles:**

- Savings account at an FDIC-insured bank or an NCUA-member credit union.
- Certificates of Deposit (CDs) issued by an FDIC-insured bank or an NCUA-member credit union.
- Money Market Funds offered through (a) an investment account or (b) the parish's primary depository institution.
- A Cemetery Permanent Care Fund investment account with the “Catholic Foundation of Southern Minnesota” (CFSM).
- An investment account with a qualified investment advisor and containing an appropriately diversified investment portfolio that corresponds to the time horizon for the use of the invested funds (refer to “*Addendum*” for sample portfolio allocations).
 - Select investments that are consistent with the moral principles, vision, mission, and values of the Catholic Church, adhering to the USCCB Social Responsible Investment Guidelines.
 - Cemetery Permanent Care Funds may be invested with a local investment advisor or Financial Institution that can provide a “Screened” portfolio
 - Contact the Diocese of Winona Finance Office for a listing of recommended Investment Advisors

⊕ **Prohibited Investment vehicles:**

- Short sales or margin purchases
- Securities lending
- Venture capital
- Private placement or other securities not publicly traded
- Direct placement of mortgages to individuals
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Addendum

Asset Allocation on	<u>LongTerm</u> <u>Portfolio</u>	<u>Intermediate</u> <u>Term Portfolio</u>	<u>Cash Account</u>
Cash/Money Market	0.0	0.0	100.0
US Large Cap	20.0	30.0	0.0
US Mid Cap	10.0	5.0	0.0
US Small Cap	12.5	5.0	0.0
International Developed			
Equity	17.5	10.0	0.0
International Small Cap	5.0	0.0	0.0
Emerging Markets	7.5	0.0	0.0
Core Bonds	12.5	45.0	0.0
TIPS	5.0	5.0	0.0
Public Real Estate	5.0	0.0	0.0
Commodities	5.0	0.0	0.0