



DIOCESSE *of* LACROSSE
TEMPORALITIES

PARISH INVESTMENT POLICY

BACKGROUND: Prior to the adoption of this policy, parishes of the Diocese of La Crosse were prohibited from investing parish savings funds in investment accounts, apart from Certificates of Deposit (CDs). Parishes were required to keep their savings funds either in accounts at their local financial institution or at St. Ambrose Financial Services, Inc. Parish endowment trusts, being restricted accounts, are invested according to the endowment trust policies of the diocese. Additionally, diocesan norms require funds for parish projects that are considered extraordinary administration, that is, those that require diocesan review (including all projects over \$20,000), to be on deposit at St. Ambrose Financial Services, Inc. at the time of contract review or improvement authorization.

Under this new policy, parishes may invest a portion of their savings funds in an investment pool managed by the diocesan investment manager, currently TrustPoint. This pool constitutes the only non-endowment investment vehicle permitted for parish use. The Diocesan Finance Council shall provide oversight of the investment pool, similar to its oversight of parish endowment trusts invested with the investment manager. Funds invested in this pool will follow the Diocesan Investment Policy Statement (IPS), which conforms to the most recent United States Conference of Catholic Bishops (USCCB) Socially Responsible Investment Guidelines. The target allocation will be approximately 60% equities and 40% fixed income.

To be eligible to participate, a parish must maintain in its non-invested savings a minimum reserve equal to six months of operating capital. *Operating capital* here refers to the parish's ordinary operating expenses, including but not limited to payroll, benefits, utilities, insurance, maintenance, and parish programs. To determine the six-month operating reserve, parishes should total their ordinary operating expenses for the most recently completed fiscal year and divide that figure by two. The resulting amount represents the minimum reserve that must remain in liquid or readily available accounts before any excess funds may be invested.

After consultation with the parish finance council, the pastor or administrator may invest any funds in excess of this operating reserve in the investment pool through the diocesan investment manager. These invested funds should remain in the investment pool for a minimum period of one year. Funds designated for parish projects that constitute extraordinary administration must continue to be on deposit at St. Ambrose Financial Services, Inc. at the time the project is submitted to the Diocese of La Crosse for contract review or improvement authorization.

Parishes that currently hold non-endowment investment accounts outside of the diocesan investment pool are reminded that such investments are not permitted under diocesan policy. These funds must be transferred into the diocesan investment pool, provided the parish maintains the required six-month operating reserve, or otherwise liquidated and held in a savings account at the parish's bank or at St. Ambrose Financial Services, Inc. until eligible for investment under this policy.

Parishes should be aware that investing involves various types of risk, including market, interest rate, and inflation risk. The value of investments will fluctuate over time, and parishes may lose some or all of their original investment. Past performance is not indicative of future results, and there is no assurance that any investment strategy will meet its goals.

POLICY: After consultation with the parish finance council, pastors or administrators may invest parish savings funds held in excess of six months of operating capital through the diocesan investment pool managed by the diocesan investment manager. These funds should remain invested for at least one year. Funds designated for parish projects constituting extraordinary administration must be maintained on deposit at St. Ambrose Financial Services, Inc. at the time of diocesan review or improvement authorization.