803 Investment Procedures

803 INVESTMENT PROCEDURES

803.1 Deposits and Withdrawals under the IPLF Deposit and Loan Program:

The IPLF Board has made the Division of Fiscal Services responsible for all administrative duties related to the IPLF Deposit and Loan Program, including all deposit and withdrawal requests.

Procedure:

A) All deposits should be sent to the Division of Fiscal Services with appropriate instructions.

B) Withdrawal requests (form available here) should be sent directly to Division of Fiscal Services. Only withdrawals approved by the pastor may be processed by the Division of Fiscal Services.

C) Refer to Facilities Policy 100 for further detail on the IPLF and loan requirements.

803.2 Use of IPLF Investment Program:

The IPLF Board has made PNC Bank responsible for all administrative duties related to the IPLF investment Program.

Procedure:

A) All correspondence should be made directly to PNC Bank utilizing the standard
Investment Program Form, available here.

B) Parishes and schools must have minimum reserves on deposit with the IPLF under the Deposit and Loan Program before any other investment options may be considered.

C) Parishes and schools, with their leadership, boards, and finance councils, must identify and document investment policies and objectives for these funds that are appropriate to the risk profile and financial demands of the location.

D) The IPLF Investment Program may not be used for endowments. All endowments shall be in the Catholic Community Foundation of the Archdiocese of Baltimore, Inc.

E) The standard IPLF Investment Program Form has two sections related to investment choices:

> Option A – Provides fund options which are designed to always have a mixture of fixed income assets and equity assets as part of their portfolio. Investments may be made in one or more of the actively managed balanced funds by indicating the percentage to be invested on the Form that is sent to PNC Bank administrative team.
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> Option B – Provides a listing of funds offered by type of asset category. Asset categories included are Money Markets, Fixed Income, Large Cap Equities and Other Equity Strategies. Investments may be made in one or up to six different funds in this category. However, investment in equity (stock) funds is limited to 70% of the portfolio.

F) Choices may be made from either Option A or Option B but should not be made from both. An exception is the money market fund listed under Option B.

G) After initial selection of investments, selections may be changed, but changes are limited to twice per year.

803.3 Oversight of Investment Options:

803.3.1 Fiduciary Status:

In the performance of its oversight of the investment options offered under the Investment Program, the IPLF is a fiduciary, responsible for acting solely in the interest of the parishes and schools that make investments under the Investment Program.

803.3.2 Annual Reporting:

The IPLF will provide, at least annually, information on the investment options, which information may include prospectuses, historical return information (net of fees), and fees. Changes to investment options offered may be made by the IPLF and the reasons for such changes will be provided.

803.3.3 Social Responsibility:

It is the intent of the IPLF to make available socially responsible investment options, consistent with the USCCB guidelines, where available and appropriate.

803.4 Restrictions on Investments Outside of the IPLF Investment Program:

803.4.1 Individual Stocks and Bonds:

Parish and schools may not invest in individual stocks and bonds. If securities are received from a donor as a gift, the donor should be provided the “Instructions for Gifts of Securities,” available here.

803.4.2 Minimum Investment in IPLF Deposit and Loan Program:

Unless restricted by a donor, Archdiocesan parishes and schools may not participate in the IPLF Investment Program or establish an endowment unless adequate funds are maintained in deposits held as part of the IPLF

Deposit and Loan Program.

803.4.3 Approval of Other Outside Investments:

If a parish, school or other organization desires to have investments in fixed income and equity funds outside of the options provided in the IPLF Investment Program, approval must be requested from the Archbishop of Baltimore.

Procedure:

A) To help ensure diligent oversight and competitive fees, the investment of any funds outside of the IPLF Investment Program should be at a minimum of $5 million before justification can be made to create investments outside of the IPLF Investment Program.

B) If this minimum criterion is met the following information should be provided to the Archbishop along with the request, to aid his decision making process:

- Source of funds
- Donor restrictions, if any, and documentation of such
- Amount of initial investment
- Purpose of the investment
- Period of time before the funds will be used
- Support at the local level (pastor, finance chair, school board etc.)
- Proposed investment vehicle(s)/methods(s)
- Investment Policy Statement of the fund (required if approval is granted).

C) If outside investments are approved, the investments and investment account must be “titled” in the name of the Inter Parish Loan Fund, Inc. for the benefit of the specific parish or school.

D) The IPLF c/o the Division of Fiscal Services should receive quarterly reports from the investment managers showing investment performance

and asset allocations. Socially Responsible Investing guidelines by the USCCB must always be followed for any outside investments.

803.5 Creating an Endowment in the CCF:

Endowments differ from traditional investments because endowments are intended to serve as a permanently restricted asset whereby the organization no longer has any access to the investment corpus. Only the income generated by the investment may be used pursuant to a methodology that ensures the permanent status of the investment. The Catholic Community Foundations of the Archdiocese of Baltimore, Inc. was created specifically to meet these needs. Parishes and schools should take great care before establishing an endowment from excess operating or reserve funds, acknowledging the long term permanently restricted nature of the endowment structure.

Procedure:

A) The CCF Board has outsourced administrative responsibility to Central Services of the Archdiocese of Baltimore. The Department of Development in particular helps establish new funds within CCF.

B) Investments in and distributions from funds established in the CCF are governed by the fund documentation, the CCF Board and its advisory committees.

C) Parishes and schools need to contact CCF directly to establish an organizational fund.

D) If a parishioner would like to create an individual named endowment for a specific purpose(s) they should be directed to the CCF.

E) All annual payments from the fund will be per the spending formula established by the Board of the Catholic Community Foundation. The CCF Board has fiduciary responsibility and ownership over the funds.

F) For further details regarding CCF, see Fiscal Services Policy 700,

available here.