

## **POLICY 3.1.2 Pooled Investment Fund**

For the mutual benefit of the Archdiocese of Grouard-McLennan and its parishes, we encourage all parishes to invest their excess funds in a pooled investment fund. This fund is principally for the benefit of parishes, although funds from Catholic organizations may also be accepted. This investment fund is not intended for use by individuals.

The Fund, called the Archdiocese of Grouard-McLennan Pooled Investment Fund, is intended to provide the maximum benefit to both the Archdiocese of Grouard-McLennan and its many parishes. It is the policy of the Archdiocese that, in every calendar year, every parish maintains 3 months' worth of ordinary expenses, based on the financial statement of the previous year, in the parish bank account. Sums in excess of this "ordinary expenses" requirement may be placed on deposit with the Pooled Investment Fund. Each parish will also review this amount at the end of each calendar year and make any further deposits of amounts that exceed the "ordinary expenses" requirement.

The benefits of this policy have been outlined in the past, and are still valid:

1. Local Pastors and Committees are relieved of making decisions with regard to what period of time to invest their funds with the local bank or financial institution that will meet the estimated cash needs of their parish. The Archdiocese of Grouard-McLennan has an investment fund that is professionally managed and monitored by the Archdiocesan Finance Committee.
2. The Pastor in conjunction with the Finance Committee still has access to these funds whenever a legitimate parish expenditure is required. In addition, he has access to these funds without interest penalty.
3. The average annual rate of return paid by the Archdiocese of Grouard-McLennan to the parish will always be higher than what the parish could earn on its own.
4. The operating costs of the Archdiocese of Grouard-McLennan will also be funded by the 40% of the annual returns earned on these funds.

The interest revenue earned by each investor in the Fund each year is calculated solely on the proportion of the investment amount made by each investor. Of the earned interest, the Parish receives 60% and the Archdiocese receives the remaining 40%. The Parish can request to receive their amount as income for the current year, or have it rolled over into their investment.

In the event of a market correction or other such adjustment that would negatively impact parishes' holdings in the investment fund, the Archdiocesan Finance Committee will determine a return to the parishes that is just and fair.

Effective 1 July 2008

Amended by the College of Consultors on 18 September 2009

Amended by the College of Consultors on 16 February 2011

Amended by the College of Consultors on 21 November 2013