

§2200 THE PARISH AND/OR SCHOOL ENDOWMENT FUND

Several parishes have established endowment funds to provide for the long-term support of their respective parish ministries and/or the Catholic Education of its students through two vehicles established by the Archdiocese for the central custody and investment of such funds. The monies of these participating parishes are deposited in the Parish Endowment Fund (PE) or the Parish School Educational Endowment Fund (PSEE) of the Archdiocese of Chicago, more particularly described below. Money deposited in the PE Fund and/or PSEE Fund is raised from special gifts, bequests, and specific parish appeals, but not from normal parish revenues. The creation of such funds was approved by the Archbishop after consultation with various groups including the Archdiocesan Finance Council and is available for all parishes of the Archdiocese. The Funds do not create separate foundations or juridic persons, but exist within a parish, Archdiocesan high school, or non-parish based elementary school, and remain under the supervision and control of the Catholic Bishop of Chicago.

The PSEE Fund applies to Consolidated and Merged Schools, parish-based elementary schools, Archdiocesan high schools, and non-parish based schools (the "Parish School".)

The Archdiocese of Chicago has adopted the following policies and procedures to govern the PE Fund and PSEE Fund of the Archdiocese of Chicago to be held and administered as follows:

§2201 DEFINITIONS

- a) "Restricted Endowment" is a fund that, subject to the qualifications set forth in these policies and procedures, is maintained in perpetuity and only the income of which is to be used to support the purposes designated herein.
- b) "Administrator of the Fund" is the person appointed by the Archbishop of Chicago to administer the day-to-day operations of the PE and/or PSEE Fund, maintain records of deposits into and withdrawals from the PE and/or PSEE Fund, report at least semi-annually to the Archbishop and the Archdiocesan Finance Council on the financial condition of the PE and/or PSEE Fund, and of the respective interests in each participating parish, and generally perform such administrative functions as shall be necessary or appropriate to effectuate the purposes of the PE and/or PSEE Fund.
- c) "Participating parish" refers to any parish of the Archdiocese of Chicago which elects to make deposits in the PE and/or PSEE Fund of monies generated from special gifts, bequests, or specific parish appeals (but not from normal parish revenues) for the long-term support of parish ministries or a parish school in accordance with the terms and conditions set forth in these policies and procedures.
- d) "Interest in the Fund" refers to the account of each participating parish reflecting its deposits, accrued earnings and withdrawals.

§2201.1. Restricted Endowment

2201.1. Policy The PE and/or PSEE Fund shall be Restricted Endowments and the income derived from the PE and/or PSEE Fund shall be used by participating parishes exclusively for the support of their respective parish ministries and/or schools.

Procedure

Any parish may deposit monies in the PE and/or PSEE Fund to create an interest in the PE and/or PSEE Fund for the support of, respectively, parish ministries or a Parish School.

§2201.2. Funds to be Held Separately

2201.2. Policy All assets of the PE and/or PSEE Fund shall be held separate and distinct from other Archdiocesan assets.

Procedures

- a) The investment of the PE and/or PSEE Fund will be under the supervision and direction of the Archdiocesan Finance Council or of a committee of such Council to which appropriate delegation of responsibility shall have been made.

- b) The fiscal year of the PE and/or PSEE Fund will run from July 1 to June 30.

§2201.3. Investment of Monies

2201.3. Policy The investment of monies in the PE and/or PSEE Fund will be made by professional investment money managers, subject to guidelines set by the Archdiocesan Finance Council or by an appropriately designated committee of the Archdiocesan Finance Council.

§2201.4. Monthly Distributions

2201.4. Policy Earnings, Interest, Dividends, and Realized Capital Gains or Losses shall be credited to the parish account on a monthly basis and distributed, if requested by the pastor, on a calendar quarterly basis. Income not distributed, including unrealized capital gains and losses, shall be accumulated in the PE and/or PSEE Fund.

§2201.5. Withdrawals

2201.5. Policy A parish's interest in the corpus of the PE and/or PSEE may be withdrawn only under extraordinary circumstances and only with the express approval of the Archbishop of Chicago or his delegate, since the conservation of the corpus is essential to the long-term support of parish ministries or the parish school system.

Procedure

Any sum authorized to be withdrawn from the PE and/or PSEE account should not exceed twice the amount of income credited to the parish during the preceding twelve-month period.

§2202 CLOSURES AND CONSOLIDATIONS

§2202.1. School Closure

2202.1. Policy If a school sponsored by a parish has an interest in the PSEE Fund and is subsequently closed, the parish's interest in the PSEE Fund will be credited to the general account of the parish on such terms and conditions as the Archbishop may prescribe.

§2202.2. School Consolidation

2202.2. Policy If a Parish School sponsored by a parish has an interest in the PSEE Fund and is subsequently consolidated with another school or schools, the interest of the parish whose school is being consolidated shall continue to be credited to the account of such parish, but any income withdrawn from such account shall be used for the support of the consolidated school.

§2202.3. Closure of Parish or Non-parish School

2202.3. Policy If a parish, Archdiocesan high school, or non-parish elementary school closes, its interest in the PSEE Fund will be disposed of on terms and conditions prescribed by the Archbishop.

§2202.4. Parish Closure

2202.4. Policy If a parish that has an interest in the PE Fund is subsequently closed, the parish's interest in the PE Fund will be credited to the general endowment account of the Archdiocese on such terms and conditions as the Archbishop may prescribe.

§2202.5. Parish Consolidation

2202.5. Policy If a parish that has an interest in the PE Fund is subsequently consolidated with another parish or parishes, the interest of the parish being consolidated with another parish shall continue to be credited to the account of the surviving consolidated parish.

§2203 TERMINATION OF FUND

2203.1. Policy In approving the creation of the PE and/or PSEE Fund, the Archbishop intends that it continue in effect indefinitely. In the event that the PE and/or PSEE Fund can no longer accomplish its intended purposes, the Archbishop reserves the option to terminate the PE and/or PSEE Fund and make such distribution of it (with the advice of the Archdiocesan Finance Council, and after consultation with interested parishes) as appears equitable and appropriate under then existing conditions.

§2204 GUIDELINES FOR ESTABLISHMENT OF PARISH AND/OR SCHOOL ENDOWMENT FUND (PE AND/OR PSEE FUND)

§2204.1. Pastor's approval

2204.1. Policy The Pastor, in consultation with the parish staff, parish council, and parish finance council, shall approve the establishment of a PE and/or PSEE Fund in accord with these policies and procedures.

Procedures

- a) The Pastor will notify the Archdiocesan Director of Finance in writing of the desire to establish a PE and/or PSEE Fund. This notification should include enumeration of any special restrictions or conditions attached to the use of the PE and/or PSEE Funds by the parish.
- b) Upon the approval of the Archdiocesan Director of Finance, the PE and/or PSEE will be established.

§2204.2. Initial Deposit

2204.2 Policy An initial deposit of \$10,000 shall be required to establish either the PE or the PSEE Fund.

Procedures

- a) After the initial \$10,000 deposit for either the PE and/or PSEE Fund is made, additions of a minimum of \$1,000 may be made to the PE and/or PSEE Fund at any time.
- b) Funds donated to the PE and/or PSEE Fund must originate from income sources which, under ordinary circumstances, would not be given to the parish for normal operating purposes. PE and/or PSEE funds include, but are not limited to, special fundraising, activities held specifically for the purposes of the PE and/or PSEE Fund, special gifts designated for the benefit of the PE and/or PSEE Fund, and estate bequests specifically designated for the PE and/or PSEE Fund.

§2204.3. Commingling

2204.3. Policy The principle of the PE and/or PSEE Fund shall be commingled with other similar funds and shall be professionally managed with an investment philosophy oriented towards the long-term growth of the PE and/or PSEE Fund.

Procedure

Monies deposited in the PE and/or PSEE Fund may be commingled for investment purposes. There will be a separate accounting and separate statement for each person's interest in the PE and/or PSEE Fund.

§2204.4. Rate of Earnings

2204.4. Policy The parish rate of earnings shall be equal to that of the overall PE and/or PSEE Fund for any given period.

§2204.5. Withdrawal of Principal

2204.5. Policy Withdrawal of principal shall be permitted only for extraordinary purposes, such as major capital improvements, and only to the extent permitted in the PE and/or PSEE Fund policies and procedures. Prior approval shall be obtained in a manner similar to that of other capital expenditures. (See §700, Book V)

§2204.6. Annual Financial Report

2204.6. Policy An overall financial report of the PE and/or PSEE Fund shall be issued to each parish participating in the PE and/or PSEE Fund on an annual basis.