

DIOCESE OF JOLIET FINANCIAL POLICIES

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DEPOSITS

Surplus funds of a parish (funds in excess of a 90 day operating requirement) are to be placed on deposit with the Parish Deposit and Loan Program provided by the Diocese. Excess funds are not to be deposited into a commercial savings account, certificate of deposit, invested in securities or money market accounts.

The interest rate currently paid is 3% for all deposits. Interest is earned daily and capitalized quarterly. Parishes wishing to receive interest payments may do so quarterly.

Parishes may have multiple accounts if desired. For example, there may be an account for excess operating funds, a renovation savings account, a new organ account, etc. there is no limit to the number of accounts a parish may open.

Opening a deposit account is quite simple. An initial deposit along with instructions is all that is required. For the initial deposit and subsequent deposits an acknowledgment is provided by the Finance Office. Deposits should be accompanied by a Deposit & Loan Transaction slip in order for the funds to be properly applied. Withdrawals from deposit accounts may be made at any time by the issuance of a Deposit & Loan Transaction slip signed by the pastor or someone authorized by the pastor. Facsimile copies of the Deposit & Loan Transaction slip are acceptable.

LOANS

Loans are available to parishes for renovation projects, capital improvements, major repairs or new construction. Loans for parish operations can be made only under special circumstances and by approval of the bishop. Before a loan can be made for a building or repair job the project must be approved by the Diocese.

When a loan is made it will be evidenced by a promissory note signed by the pastor. The promissory note will show the loan amount, term of the loan and the interest rate.

For new construction, loans can be made by the Diocese for up to twenty percent of the cost of the project, including soft costs and furnishings. A borrowing parish must have eighty percent of the project cost on deposit with the Diocese before construction can begin and a loan will be made.

A schedule of payments will be provided at the time the loan is established. When payments are made interest will be paid first, with the balance of the payment being applied to principal. Loan payments should be accompanied by a Deposit & Loan Transaction slip.