

POLICY TO ALLOW A PARISH TO USE FUNDS FROM ITS CONSOLIDATED TRUST FUND (CTF) TO PAY THE EXTRA PARISH FAIR SHARE RESULTING FROM A CAPITAL PROJECT

At present CTF withdrawals may be made to pay for capital projects and major repairs but not for operating expenses. Two years after a withdrawal the Parish has to pay an additional amount of Parish Fair Share (approximately 12% of the withdrawal). The Parish cannot make a second withdrawal from its CTF to cover this extra parish fair share because Parish Fair Share payments are considered to be an operational expense. This addition to the operating expenses can have a considerable detrimental effect on some parishes' available funds.

This policy is consistent with the efforts of the Apportionment Review Committee (ARC) to have parishes consider parish fair share implications of every project undertaken, bequest received and campaign launched at the planning stage, rather than two years after the money has been spent. The policy allows a Parish to use funds from the CTF to pay parish fair share on a project, rather than having to find the funds from its operating dollars, two years after the fact.

Policy

Parishes withdrawing money from their CTF to pay for an approved capital project, which would not normally be exempt from parish fair share, may at the same time, withdraw an amount from the same CTF in order to cover the additional parish fair share. This extra amount will be calculated using the parish fair share rate at the time of the withdrawal.

The Parish will pay this apportionment on the withdrawal to the Diocese at the time of the withdrawal. The Parish would then list this income on its statistical return for that year as an exempted amount.

EXAMPLE

| | <u>STATUS QUO</u> | <u>POLICY EFFECT</u> |
|---|-------------------|----------------------|
| Year 2008 | | |
| Withdrawal of Capital from CTF | \$200,000 | \$224,000 |
| Payment of Parish Fair Share (say12%) | | (24,000) |
| Year 2010 | | |
| Payment of Parish Fair Share from Operating Funds (say12%) | 24,000 | NIL |