ANGLICAN DIOCESE OF OTTAWA
Policy on Allowing Parishes to Withhold Monies from the Consolidated Trust Fund in the Short Term

INTRODUCTION

The Diocese of Ottawa bylaws state that:

> Subject to any provision to the contrary in the instrument creating the trust, all personal property, securities and monies received in trust by a congregation or parish on or after the first day of January, 1970, by the way of gift, bequest or in any other way, shall be remitted to the Synod for administration as part of the Consolidated Trust Fund, provided that the Executive Committee may exempt any congregation or parish or any portion of the property referred to herein from the provisions of this section. (CBRs, sec. B.3.21(4)

The Consolidated Trust Fund (CTF) was established in 1970 under the same bylaw, in order to assist parishes in the task of managing and investing monies left to the parishes by way of trust, bequests, etc. or through the sale of rectories. The CTF ensures that monies and investments are dealt with in a safe and prudent way,. All investments are managed within a balanced portfolio, by professional fund managers under the general direction of the diocesan Investment Committee.

The portfolio is invested to provide income as well as to preserve the capital for the long term, taking inflation into consideration. Although a balanced portfolio employs diversification to reduce risk, the unit values of the CTF can fluctuate up and down in the short term depending on market circumstances.

POLICY

When a parish receives funds which would normally be invested in the CTF, and which the parish intends to utilize in the short term i.e., within 18 months, it would generally be prudent not to make an investment in the CTF but to place the funds in a short term vehicle such as a GIC, so that they are sufficiently liquid to meet any needs for cash. In this way, the parish is guaranteed a low rate of return. If the funds are invested in the CTF for a few months, there is a chance that the value could decrease in the short term, depending on the volatility of the investment markets, which naturally affect the performance of the CTF portfolio.

PROCEDURE

Find below the procedure for a parish to follow when it receives a lump sum that would normally be deposited in the CTF per By-law B.3.21 (4), but which the parish decides should be withheld for a period of up to18 months:

1. Obtain approval from Parish Council.

2. Obtain approval from the Financial Affairs Committee, on behalf of Diocesan Council. Application must be made in writing, explaining the situation, and providing evidence of prior Parish Council approval.
3. The withheld funds should be shown on Line 25 of the annual statistical return, and are, therefore, as eligible to be included for the purpose of calculating Parish Fair Share (PFS). If special consideration is sought for this income when calculating PFS, then the appropriate box should be checked on the statistical return, with a letter of explanation for consideration by the Apportionment Review Committee attached.
4. It would be prudent for the parish to set aside a portion of the monies withheld to pay for the PFS that will be assessed on the income.