



Financial Transparency

WHERE CAN I ACCESS INFORMATION ON HOW THE CHURCH USES THE FUNDS PROVIDED BY PARISHIONERS?

Each year in the December New Earth the Diocese publishes a summary of financial information for the past fiscal year. In addition, full audited financial statements are available on the Diocesan website. Individual parishes are to provide financial reports to parishioners at the local parish level.

THE SHEPHERDS CARE CAMPAIGN ENSURED THE PRIESTS' PENSION PLAN WAS ENTIRELY FUNDED. WHY ARE WE UNDERTAKING ANOTHER CAMPAIGN?

The Living our Faith, Building our Future campaign seeks to build upon the very stable foundation created by the Shepherds Care Campaign and the generosity of the faithful. The pension plan is fully funded to the current benefits level. This campaign will infuse additional funds into that plan, allowing an increase to the base benefits paid.

HOW DO I KNOW THE MONEY GIVEN TO LIVING OUR FAITH, BUILDING OUR FUTURE WILL GO TOWARDS THE SELECTED CASE ITEMS?

Donor intent is taken seriously, and the Diocese is obligated by both canon and civil law to restrict these funds for the stated elements of the campaign. The proceeds of the Living our Faith, Building our Future campaign will be administered by the Diocesan Finance Office, with reports on campaign progress and distributions provided at regular intervals. This will provide transparency and accountability.

CAN LIVING OUR FAITH, BUILDING OUR FUTURE FUNDS BE USED IN CASE OF LAWSUITS OR BANKRUPTCY?

The Living our Faith, Building our Future funds are designated funds and cannot be used for anything outside the campaign case, to include lawsuits or payment of debt.

WHAT IS AN ENDOWMENT FUND AND WHY USE ENDOWMENT FUNDING?

An endowment fund is an investment fund that requires the principal to remain intact, with only earnings to be used for a specific purpose. The Diocese recognizes that some projects are ongoing and will need attention for years to come. Considering this, endowment funds have been established to safeguard the monies that are raised.

WILL I BE ABLE TO TRACK THESE ENDOWMENTS ONCE THEY ARE FULLY FUNDED?

Yes, endowments can be tracked. Endowment information is made available to stakeholders at the end of each quarter. In addition, interested parties can contact Steve Schons in the Stewardship and Development Office for information. Additionally, since the endowments are in the Catholic Development Foundation, there will be a separate audit report and accompanying detail on its website.

WHAT IS THE DEPOSITORY POLICY FOR THE DIOCESE OF FARGO?

The Catholic Development Foundation must be used for funds referred to as permanently restricted, endowment, perpetual care, etc. The use of these monies is not expected or allowed and only the distributed earnings can be used on these funds.

The Catholic Development Foundation is invested in a balanced portfolio of stocks and bonds. Distributions are based upon a "Spending Policy" whereby 5% of the five-year rolling average balance is distributed as "Spendable Earnings" for use at any time. This allows entities to budget earnings, knowing how much is available each year.



WHO OVERSEES INVESTING THE ENDOWMENT MONIES?

The Investment Committee of the Diocesan Finance Council (DFC) is responsible for oversight on all investments, including endowments. The Investment Committee employs a professional investment consultant, and several investment managers. The consultant advises on and monitors the Investment Policy set by the DFC, and provides quarterly reporting on the managers. The consultant makes recommendations for allocations, portfolio balancing, hiring and firing of managers. The managers follow the strict investment guidelines of the DFC adhering to Catholic Socially Responsible Investing guidelines as set by the United States Conference of Catholic Bishops.

HOW MUCH WILL BE TAKEN OUT OF THE ENDOWMENT EACH YEAR?

Distributions are based upon a "Spending Policy" whereby 5% of the five-year rolling average balance is distributed to the beneficiary or beneficial purpose. This allows entities to budget earnings, knowing how much is available each year. The expectation is that over time and through a combination of investments in stocks and bonds, the return on the endowments will be greater than 5% and the additional monies earned above 5% will be used to grow the endowment.

IF THE CAMPAIGN SURPASSES ITS ESTABLISHED GOAL, HOW WILL ADDITIONAL FUNDS BE ALLOCATED?

Should the Living our Faith, Building our Future campaign surpass its \$20,000,000 goal, the endowments for both the Maryvale Retreat Center and the Priests' Retirement Home will be funded above the campaign goal amounts. The parishes will still retain their parish split of all funds (30% up to the parish goal and 70% above the goal).

WHEN WILL MY PARISH RECEIVE ITS PORTION OF FUNDS?

Parishes will receive their share of the money quarterly throughout the redemption of the campaign. These quarterly payments will begin in the quarter following completion of the active portion of the campaign in that parish.

HOW DO OUR CONSULTANTS, GUIDANCE IN GIVING, RECEIVE PAYMENT FOR THE MANAGEMENT OF THE CAMPAIGN?

As a member of the International Catholic Stewardship Council, the firm bases the professional fee on the number of weeks of service provided to the Diocese of Fargo and not a percentage of the amount raised.