

## Diocesan Inter-parish Deposit & Loan Fund

The Diocesan Inter-parish Deposit & Loan Fund, Inc. is essentially an internal bank or depository for excess or reserve funds of parishes and institutions within the Diocese. The general recommendation of the Diocese is that funds in excess of three months' operating expenses should be placed on deposit with the Deposit & Loan Fund. The Fund was established so that parishes with excess funds could assist parishes that need money for construction and development needs. The Diocesan Finance Office, under the supervision of the Diocesan Finance Council, administers the Fund.

### Deposits

Funds placed on deposit are guaranteed by the Bishop and earn a risk-free rate of return. The money placed on deposit is made available to parishes for low-interest loans. Interest rates on both deposits and loans may fluctuate according to economic conditions. Effective December 1, 2022, depositors earn a 3% return, while borrowers are charged a 5.5% interest rate. Funds generated by the rate spread are used to cover fluctuating market returns and administrative costs of the fund. The Diocesan Finance Council reviews the rates for possible changes.

### Loans

The Diocese makes loans to parishes through the Diocesan Inter-parish Deposit & Loan Fund. All requests for loans are reviewed by the Diocesan Finance Office and approved by the Bishop or Chancellor. If the loan is for a renovation or new construction project, the parish must first follow guidelines set forth in the Diocese of Owensboro Policy Manual for [Building Projects](#). Additional guidelines pertaining to all loans can be found here: [Deposit and Loan Guidelines](#).

Loans requests for construction and renovation must be made directly to the Chief Financial Officer of the Diocese. Information which must be provided includes:

- Total expected/estimated/anticipated cost of the project
- Statement of cash on hand and pledges received for the project.
- Financial forecast demonstrating parish's ability to sustain ongoing operations.
- Minutes of the Parish Council and Finance Council expressing approval of the project.

Loans for major and new construction must be fully secured by parish savings and/or capital campaign pledges. All loans must fit within the financial ability of the parish to pay. In general, projected operating surpluses will not be considered as security for a loan. Loan repayment periods cannot exceed five years without the approval of the Diocesan Finance Council and the Bishop.

A loan may not be approved for a parish that is not current in its obligations to the Diocese. These obligations include, but are not limited to:

- Filing of Annual Parish Financial Statements
- Payment of Parish Assessments

- Payment of Other Diocesan Obligations
- Payment of Special Collections
- Compliance with Financial Policies
- Compliance with Audit Findings

Parishes may not secure financing from outside commercial lenders without the permission of the Diocesan Finance Council and the Bishop.

To withdraw parish money on deposit with the Diocesan Deposit & Loan fund or draw upon approved loan funds, the parish must complete a [Request to Withdraw Funds](#).