



Diocese of Scranton Designated Fund Policy

Purpose:

It is recognized that situations arise when it makes financial sense for a parish to create a designated (or special) fund which would then be exempt from Diocesan parish and school assessments. Such designated funds are seen as being most appropriate and beneficial when a parish is devising a debt reduction plan or when a parish is planning the financing of an extraordinary capital expenditure.

Procedure:

- The Pastor is to send a letter to the Office of the Bishop requesting permission to establish a designated fund.
 - The letter is to specify the amount of money the parish intends to deposit into its designated fund, the reason why the fund is being established, confirmation that the Parish Pastoral Council and Parish Finance Council concurs with the establishment of the designated fund and the intended use of the fund. Note: Routine maintenance of parish properties will not qualify as a reason for the establishment of a designated fund.
 - The letter must also describe the type of income that will be deposited into the designated fund. Permissible types of income includes: designated envelopes; designated fundraising; designated gifts, etc. Normal operating income for the parish cannot be made part of the designated fund (i.e., funds raised via the annual parish picnic).
- When reviewing the Pastor's letter, the Bishop and his leadership team will take into consideration the following:
 - The reason(s) for the fund.
 - The financial situation of the parish. For instance, if the parish has money on deposit or if the parish has other resources available, the request to establish a designated fund would probably be denied. Similarly, if the parish has no funds on deposit or if the parish has a large debt or other hardships, the request to establish a designated fund would probably be approved.
 - The stability of the parish. For example, is the parish growing in size or losing parishioners or is the parish able to meet its Annual Appeal goal and pay its bills and assessments.
- When a request is submitted and if there are questions regarding the proposal, the Pastor will be notified in writing so that the parish has the opportunity to provide additional information and proper consideration of the request can be given.
 - When all information is submitted and if permission is granted for the parish to create a designated fund, the Pastor will be notified in writing by the Chancery. The Secretaries of the following Diocesan Offices will be notified of this approval: Finance Office and Development Office, with the Office for Property and Risk Management being notified as appropriate. Each of these Diocesan offices is available as a resource to the Pastor and parish in the planning, implementation and on-going review of their efforts.
 - When all information is submitted and if permission is denied, the Pastor will be notified in writing by the Chancery of the reason for the denial.

Questions regarding the Designated Fund Policy can be addressed to the Diocesan Finance Office at (570) 207-2237.