

The Parish Expansion Fund of the Diocese of Bismarck

CENTER FOR PASTORAL MINISTRY
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NEW - Deposit Rate Policy – Effective July 1, 2016

The Parish Expansion Fund will begin offering one level of deposit account:

A **Demand Deposit** that can be withdrawn upon demand by the depositor, the rate offered from day of deposit (no specific entrance dates) will be a board approved rate corresponding to a **three-year CD rate**. Under this policy there are no penalties for early withdrawal of principal, because all funds will be considered Demand.

The **Demand Deposits** will earn interest based on a variable rate adjusted annually with the effective date of July 1.

The interest rate will be based on an annual comparison of rates being paid by local banks for comparable certificate of deposit terms; at this time using a three year term. The comparison will be as of April 1, with a presentation to the Parish Expansion Fund Board for approval or adjustment prior to July 1 of each year. *(All current maturity dates three years and over will be honored at their current higher rate and at the time of maturity begin conforming to the current effective Parish Expansion Fund Deposit Rate.)*

Interest earned on Demand Deposits will be applied quarterly and added to principal unless directed by the depositor parish to be paid out.

Rate Effective July 1, 2016 - 0.60%

(FYI – the average three - year rate at April 1, 2016 is 0.56%)

Note:

- a. Parishes with excess funds not needed for at least three years will be allowed, but not required, to invest those funds into an agency account with the Catholic Foundation for the People of the Diocese of Bismarck. Doing so will give parishes the opportunity to be fully invested in the market if they so choose, taking on market risk/reward.
- b. Effective July 1, 2016 parishes will not be allowed to redirect new funds to local banks. All current redirected CDs at local banks will be allowed to continue to maturity and should not be allowed to auto-renew.