

**ST. AMBROSE  
FINANCIAL SERVICES, INC.**

**DEPOSIT AND LOAN FUND POLICY**

# DEPOSIT AND LOAN FUND POLICY

## I. STATEMENT OF PURPOSE

St. Ambrose Financial Services, Inc. (SAFS) has established a Deposit and Loan Fund (Fund) which provides a depository for surplus funds and a source of capital to facilitate granting loans to the Diocese of La Crosse, parishes, schools, and other institutions affiliated with the Diocese of La Crosse. It is the intent to provide an interest rate competitive with the commercial market, typically paying more on deposits and charging less on loans for participating entities to gain financial rewards in an equitable manner through shared resources.

## II. RESPONSIBILITY AND AUTHORITY

- A. SAFS has the responsibility for administering the Fund as outlined in this policy which includes but is not limited to the following:
  - Investing surplus funds in accordance with the SAFS Investment Policy
  - Receiving, disbursing, and accounting for deposits
  - Granting and collecting loans
- B. The SAFS Board of Directors has the sole loan approval authority.

**Exception:** The Executive Director, in consultation with the Vicar of Clergy for the Diocese of La Crosse may approve loans for the purpose of purchasing a vehicle for international priests with assignments within the Diocese of La Crosse.
- C. The Board of Directors of SAFS has the responsibility to review this policy annually and, if necessary, make recommended changes including the setting of a maximum interest rate on loans and funds on deposit with SAFS.

## III. DEPOSITS

- A. Surplus funds of the Diocese, parishes and other institutions are to be deposited with SAFS to be available for facilitating borrowing needs for the Diocese of La Crosse and parishes, schools and other institutions affiliated with the Diocese of La Crosse.
- B. Withdrawal requests can be made at any time via phone, email, or written request. SAFS will document each request by sending an email to the person initiating the request and include the parish pastor or school president.
- C. Interest will be paid on deposits based on an established Index determined by a floating interest rate of per annum interest rate equal to a floating rate based on the Bond Fund Current Yield of the St. Ambrose Financial Services, Inc. Investment Fund with U.S. Bank Private Wealth Management (US Bank Bond Fund Yield) as published in the quarterly report (January, April, July & October) from U.S. Bank Private Wealth Management Relationship Review.
- D. The interest rate will be adjusted quarterly on the first day of each calendar quarter to reflect changes in the index.
- E. Statements of deposit balance, interest rate and interest earned will be issued monthly.

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### IV. LOANS

- A. Upon approval of SAFS, loans will be made to the Diocese of La Crosse and parishes, schools and other institutions affiliated with the Diocese of La Crosse based on an established Index determined by a at a per annum interest rate equal to a floating rate based on the Bond Fund Current Yield of the St. Ambrose Financial Services, Inc. Investment Fund with U.S. Bank Private Wealth Management (US Bank Bond Fund Yield) as published in the quarterly report (January, April, July & October) from U.S. Bank Private Wealth Management Relationship Review, plus an established margin.
- B. Index plus Margin – Interest will be assessed on loans based on a floating per annum interest rate equal to the Bond Fund Current Yield of the St. Ambrose Financial Services, Inc. Investment Fund with U.S. Bank Private Wealth Management (US Bank Bond Fund Yield) as published in the quarterly report (January, April, July & October) from U.S. Bank Private Wealth Management Relationship Review plus an established margin.
- C. The interest rate will be adjusted quarterly on the first day of each calendar quarter to reflect changes in the index.
- D. Loans will be evidenced by a signed loan agreement.
- E. Interest will be billed monthly via Loan Statement with payment due on the 15<sup>th</sup> day of each month.
- F. All payments made on loans receivable will be applied to interest first, and then to principal after interest has been paid.
- G. All payments made on loans receivable will be applied to interest first, and then to principal after interest has been paid.

### V. SURPLUS FUNDS

- A. Surplus funds will be invested by SAFS in accordance with the published SAFS Investment Policy.
- B. Earnings from investments will be used to offset interest rate spreads that may occur between loans and deposits, and to cover SAFS operating expenses.