

Concentration Account

Policy No. 207

Policy Statement: All Archdiocesan bank accounts are to be established in the Concentration Account.

Definition: The Concentration Account is a centralized banking agreement operated by the Archdiocese of Edmonton for the benefit of the Archdiocese, parishes, and other organizations within the Archdiocese. This account permits the Archdiocese and these various entities to operate through one bank account. Each entity owns its own account, receives a bank statement for its own account, and writes cheques against the account. Under the terms of the agreement with the bank, parishes and other entities covered by the Concentration Account are not charged bank service fees for their account transactions.

Intent of the policy: The Concentration Account assists the Archdiocese and parishes in the following:

- obtaining an equitable return on surplus dollars for those parishes that have excess funds, and;
- obtaining financing at controlled interest rates for those parishes that are in a borrowing position. (For example, parishes that have constructed a new building or incurred major renovations or repairs.)

The account enables those parishes having surplus funds to lend to parishes in a borrowing position at interest rates considered mutually satisfactory. The interest rates on surplus dollars and the borrowing rates for loans are set by the Archdiocese. The benefits of this system are:

- Surplus balances which exist when each parish maintains its own account(s) are made available, and;
- There are administrative savings as the pastor, financial chairperson or finance committee do not have to monitor their own bank balance to determine when and for what period any surplus deposits can be invested. Under the program, this function is performed by the Archdiocese on a consolidated basis.

An integral feature of this account is a loan facility to help meet the financial requirements of the parishes. The borrowing parish negotiates to repay the loan(s), including interest, on an instalment basis.

Revenue is distributed to each lender parish by direct bank deposit.

Temporal Goods of the Church

The amount is based on the balance of the lender parish deposits calculated on an average daily basis. The amount distributed is based on the interest earned by the joint accounts less the costs to operate the accounts. The rate of deposit interest and monthly surcharge are contracted with the bank.

To maintain the Archdiocesan policy of the Concentration Account, and for all parishes to work in harmony, the funds are to remain in the Concentration Account.

Exceptions:

In certain geographical areas of the Archdiocese, the primary bank does not have a branch. Arrangements will be made with another bank to facilitate the transfer of funds into an account in the Concentration Account.

Also refer to Policy:

No. 208 Bank Accounts

No. 230 Parish Finance Committee