

Diocesan Investment Program Management: Identifying Best Practices

HOW ARCHDIOCESE/DIOCESE ARE UNIFYING FAITH AND FINANCE EFFECTIVELY

EXECUTIVE SUMMARY

In its singular role as a Catholic investment manager, CBIS continually works to help investors achieve their goals through responsible money management. As part of this effort, the firm is actively developing a program that will empower **diocesan professionals** and **investment decision-makers** in the pursuit of their distinct missions.

As part of this education initiative, CBIS surveyed Catholic finance and investment professionals across the country to garner insights around their investment programs' design, implementation, monitoring, and evaluation methods, particularly with respect to Juridic Person Organizations (JPs).

In consideration of the survey results, it's clear that Archdiocese/Diocese in the U.S. are very involved in the investment programs of their JP organizations and that Archdiocese/Diocese believe they have strong relationships with JP organizations. One could ask, however, if JPs feel the same?

BACKGROUND

In practice, the finance office of each Archdiocese/Diocese oversees the financial affairs of its parish. The office conducts audits, centrally administers insurance and benefit programs, approves capital improvements, and, most importantly to the efforts of this survey, oversees investment activities. Juridic Persons, meanwhile, have certain rights and responsibilities to the parish under Canon Law.



To that end, the CBIS survey gathered input on **five key areas of Juridic Person Investment Programs**: General Governance, Allocation Guidelines for Long-term Investments, Oversight, Monitoring and Evaluation of Investments, and Monitoring and Evaluation of Investments for Foundations.

Responses to the survey came from an impressive range of diocesan leadership, including CFOs, CIOs, Finance Committee Chairs, Board Members, and Investment Committee Members. The majority of these respondents indicate they have some influence over their investment programs. Most organizations represented in the survey results employed less than three full time staff to administer their investment programs.



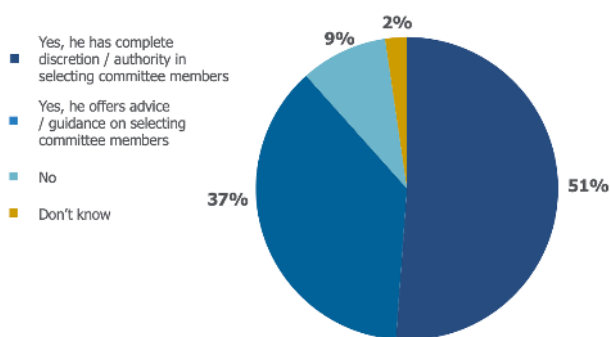
KEY SURVEY RESULTS

GENERAL GOVERNANCE

All respondents indicated their Archdiocese/Diocese has an investment policy statement. Nearly three quarters say an investment consultant/OCIO/local advisor/broker was involved in the design.

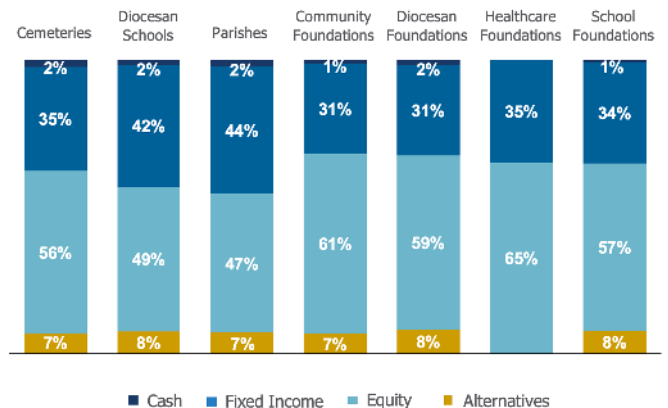
Most respondents say their Archbishop/Bishop plays a role in selecting investment committee members, while less than half say he has a role in creating investment committees for JP organizations.

Does the Archbishop/Bishop play a role in selecting Archdiocesan/Diocesan investment committee members?*



* Only asked of organizations with an investment committee.

Please estimate the target asset allocation for your organization's juridic person investment programs to each of the following asset classes.*



* Percentages are the average asset allocation to each asset class.

ALLOCATION GUIDELINES

A large majority of respondents indicate an investment committee is involved in determining the asset allocation for their investment program.

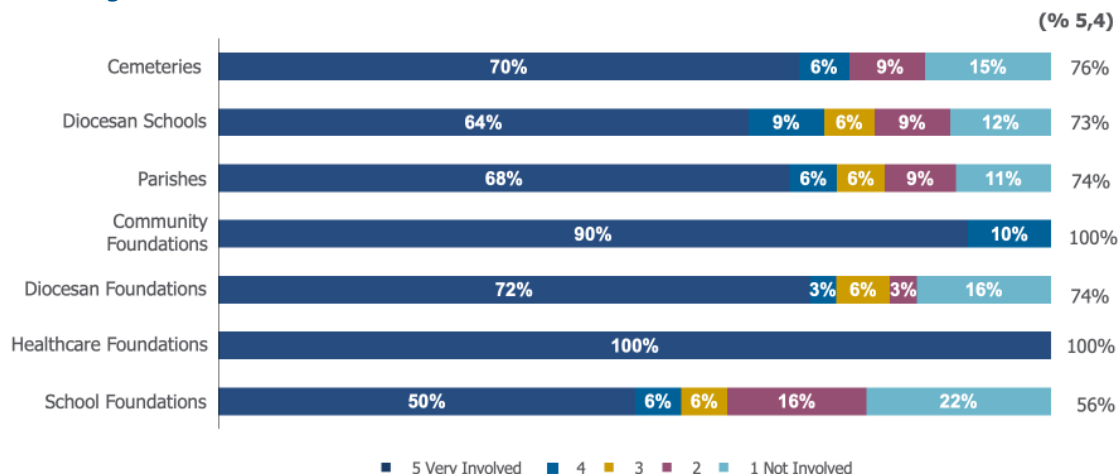
Around half say an investment consultant/OCIO/local advisor/broker is involved, while only a quarter say the Archbishop/Bishop is involved.

OVERSIGHT OF JPS

The majority of respondents require their JP organizations to invest through the Archdiocese/Diocese.

A large majority of respondents “strongly agree” that they are confident the investments for the JP organizations in their Archdiocese/Diocese achieve overall goals.

How involved is the Archdiocese/Diocese in establishing investment guidelines for each of the following juridic person organizations?



INVESTMENTS MONITORING FOR JP ORGANIZATIONS

Most respondents reported that they monitor the performance and transactions for each of the JP organizations in their investment program “very closely”.

Among respondents who indicated signatures are required for movement of assets, around a third of respondents say dual signatures are required for all transfers, a few say they are required for all withdrawals, and very few say the requirement is determined on a request-by-request basis.

Going Forward

The survey also indicates that an important challenge to JP organizations is compliance with USCCB Guidelines. Unsurprisingly, respondents overwhelmingly recommend that investment managers, consultants, advisors, and OCIOs provide more proactive communication and educational resources to more effectively partner with their organizations.

Given CBIS’ commitment to investor education, we believe we are uniquely poised to help Archdiocese/Diocese and their Juridic Person Organizations meet these challenges. Moreover, there is compelling evidence that surveys are a particularly powerful way to help. We hope to gain further insight from future surveys.

If you would like to read the appendix of responses, click [here](#).