



Diocese of Salt Lake City

27 C STREET
SALT LAKE CITY, UTAH 84103-2397

OFFICE OF THE
VICAR GENERAL

801-363-4018
801-328-8641

fr.john.evans@dioslc.org

D&L Emergency Funds Moving to CFU

Retroactively effective July 1, 2025

These are the new catastrophic emergency funds that are very difficult to withdraw. These funds are not intended for maintenance and repairs; they are intended for use when the parish or mission is at risk of insolvency.

Why are we doing this?

The CFU allows the money to get a much better rate of return and enjoy the location where other long-term monies are most often held. Both the CFU and the D&L monies are invested, but the Deposit & Loans (D&L) has a cap (a set percentage) on how much can be returned to you, and the Catholic Foundation of Utah (CFU) doesn't cap at all. We'll have enough other monies in the D&L to keep it functioning properly as our internal banking system, and we will be able to continue issuing for loans to the parishes and schools.

Is our D&L Parish Savings the same as our emergency fund?

No. Although some parish's treat their savings as an emergency fund, it doesn't have restrictions on it. Parish savings are used for maintenance, repairs, projects, and future planning of the parish. Sometimes a parish has multiple D&L's to break out some of these interests, sometimes it is lumped altogether.

We actually already have a D&L named/designated as an emergency fund, will this fund be automatically moved to the CFU?

Yes. If your emergency fund does not have restrictions on it you may consider moving it to your Parish Savings D&L. Please make this request promptly, as the Finance Department will start October 2025 moving funds to the CFU. It will take some time to create these funds and move monies, please be patient. However, don't delay in transferring money out of your D&L emergency fund if that is your desire and it is unrestricted. To transfer money, please send and email to finance@dioslc.org and CC: vicar.general@dioslc.org.

Does this affect any of our other D&L accounts?

No. All other D&L accounts remain the same.

What kind of endowment will be used for these emergency funds?

The emergency funds will be held in a temporary endowment. Temporary endowments effectively act as a savings account, meaning if the need arises, monies can be withdrawn, even 100% – with diocesan approval of course. Permanent endowments, in contrast, lock the money in perpetuity and only a portion of it can be withdrawn annually. Emergency funds must be held as a temporary endowment to ensure the liquidity of the monies should they be needed in an emergency.

How much should we be saving in our emergency fund?

Every parish, mission, and school (not stations) should have three to six months of expenditures in their emergency fund at a minimum.

Is income given to these CFU Emergency funds exempt from assessment?

No, but for a limited time it will be. Any monies placed in your emergency fund may be counted as exempt until June 30, 2028. When doing your end-year reports that are turned into the Diocesan Finance Office, qualify any Exemption B items and qualify what monies you deposited to your emergency fund to reduce your assessments. This June 30, 2028 deadline is to help all the parishes and missions get a start. One parish, recently received a very large gift and put hundreds of thousands of dollars into their new emergency fund – all exempt during this start up phase. Another parish received a large gift and did the exact same thing not only for their parish, but for two of their missions as well. Kudos to them! Whether you have money ready to deposit, receive a big gift and designate a portion of it, or be adding a little each month as you go, it all adds up over time.

This looks a lot like what we just did for our school in creating a CFU emergency fund, is this right?

Yes. The financial setup and arrangement is identical. The only practical difference is that the schools are exempt on all income where the parishes are not. So the parishes are being giving a grace period until June 30, 2028 to make it really worth their while to get their emergency fund started and healthy.

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