

Greater Lansing Catholic Education Foundation

Disbursement Policies

Approved September 10, 2008

The Greater Lansing Catholic Education Foundation, in an effort to have the most transparent and donor driven system of supporting Catholic education, abides by the following policies related to disbursement of funds. These disbursement policies are set by the Board of Trustees to guide the work of staff.

I. Disbursement Committee

The Board of Trustees of the Greater Lansing Catholic Education Foundation will annually appoint a Disbursement Committee to ensure proper disbursement of all restricted and other programmatic funds.

II. Definitions of Restricted Funds and Programs

Donor Restricted Funds: These restricted funds were established by donors (either named for them or in honor/memory of another). Some of these were established with estate gifts. All have specific directions from the donor about how expendable amounts, as defined in the Endowment Investment and Expenditure Policies, must be used. These are all true endowments and only the expendable amounts are disbursed each year.

Parish Funds: These restricted funds were set up by what were once considered "member parishes." Although this is a defunct term, as a point of information, member parishes were last defined as parishes in the Lansing Region sending five or more students to Lansing Catholic Central High School that also chose to actively participate in the Foundation activities. At the time these funds were established, each "member parish" contributed a lump sum of money to their named fund that was invested through the Trust and Endowment program at the Michigan Catholic Conference. Each parish fund has a contract that stipulates they will ordinarily take a percentage of the earnings from the fund each year but have the right to request amounts from the principle as needed. These requests must come from the pastor in writing and are accommodated by the Foundation at the earliest opportunity to withdraw the funds.

Religious Education Program: The Foundation provides religious education funding to all parishes in the Lansing Region of the Diocese of Lansing. Funds for religious education are solicited through the Catholic Education Appeal. Each year a fund raising goal and percentage breakdown for the areas covered by the appeal will be set by the Foundation. The amount to expect will be communicated to each parish with the understanding that it is based on a successful appeal.

Special Events Program: A portion of the revenue from special events is returned directly to the schools of parishes for use in Catholic education. Forms this has taken in the past include attendees competing in a game show format to win funds for their selected school/parish or funds resulting from raffle tickets sales.

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Tuition Assistance Grants Program: This program provides need-based scholarships for students attending K-12 Catholic schools in the Lansing Region of the Diocese of Lansing. An annual total amount to be awarded is determined during the annual budgeting process of the Foundation. These funds are raised on an annual basis through general solicitations, a pulpit appeal and other revenue generating activities. On occasion this program has been subsidized using expendable amounts from the Foundation's unrestricted endowment fund.

III. Donor Restricted Funds Disbursement Process

All donor restricted funds will be awarded to schools, parishes or individuals as explicitly directed in the agreement with the donor. When no signed agreement is on file the intentions of the donor, as can best be discerned from any correspondence or documented conversations with the donor, will serve as the agreement and be documented by Foundation staff in the restricted fund file. The Foundation staff shall work diligently to document all donor intentions with the donor themselves or, in the case of an estate gift, family members when a fully executed agreement does not exist.

A. Tuition Assistance

For restricted funds that are specifically designated as need-based tuition assistance or scholarships, funds will be awarded through the Tuition Assistance Grant (TAG) process detailed below. When the fund is for general tuition assistance in the region, the amount available to award that year will be in addition to the annual budget for TAGs. (Example: TAG budget as approved by the GLCEF Board of Trustees for 2009/2010 is \$100,000 plus any restricted funds specifically designated to general tuition assistance in the region.)

In the case of a donor restricted fund specifying that only a student(s) from a particular school or parish is to be the recipient of tuition assistance, the first eligible student(s) from that school or parish that appears on the TAG report will be the recipient of the funds.

B. Other Purposes

There are several restricted funds that serve other purposes than tuition assistance. Disbursement of these funds to schools or parishes will take place after a report is submitted to the Foundation, and accepted by the Disbursement Committee, detailing how funds were used in the previous year and the impact receiving these funds had on the school or parish. A sample of the request for report letter to principals is provided as Attachment A. A similar template for pastors is provided as Attachment B.

VI. Parish Funds Disbursement Process

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These funds belong to the parish. A letter will be sent to each pastor by September 30 of each year with a recommended amount for them to place in their budget for the next fiscal year. This amount will be the same percentage calculated for all restricted funds managed by the Foundation. The letter will be accompanied by a response form on which the pastor can indicate that he will take the recommended amount, take an amount of their choosing (could be more or less than recommendation), or that he wishes the earnings to be reinvested for that year.

Pastors may request additional withdrawals from their restricted fund outside of the normal disbursement schedule. This request must be made in writing. The management policies of the account in which these funds are invested (Trust and Endowment accounts through the Dioceses of Lansing/Michigan Catholic Conference) only allow for withdrawals (and deposits) during the first ten (10) days of each quarter of the fiscal year, without financial penalty. The Foundation staff will work with the pastor to accommodate the request quickly but additional fees may be incurred if the withdrawal must be made other than at the beginning of the quarter.

VII. Religious Education Disbursement Process

The portion of the Catholic Education Appeal set aside for Religious Education will be divided evenly amongst all parishes in the Lansing Region of the Diocese of Lansing. The Catholic Education Appeal typically takes place in the fall through calendar year end. Checks with an accompanying confirmation of receipt letter will be issued to parishes by June 30 each year. Signature from the pastor on the confirmation letter shall suffice as a report.

VIII. Special Events Disbursement Process

Any amounts "earned" by event participants or through raffles that are earmarked by the participant or raffle winner for school or parish support will be paid directly to the school or parish within 30 days of the event. The check will be accompanied by confirmation of receipt letter that will detail how the funds are intended to be used. Signature from the principal and/or pastor on the confirmation letter shall suffice as a report.

I.V. Tuition Assistance Grants Disbursement Process

The Finance Committee, through the annual budget process, sets the dollar amount that will be provided in general tuition assistance for the next school year. This amount is in addition to any restricted funds that support need-based tuition assistance in general or for a particular school. While implementation of the process each year should be reviewed and revised based on current circumstances, in general the following are the guiding policies for this program.

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A. Eligibility

All families with students registering for kindergarten through twelfth grade at a Catholic school in the Lansing Region of the Diocese of Lansing are eligible to apply for TAG. The amount of the awards and number allowed per family per school shall be recommended by the Disbursements Committee for a vote at the November board meeting each year.

B. Application

A standard application will be used by all applicants. Applications and their supporting documents (usually W2 and 1040 forms) will be processed by an independent, outside firm that provides objective data back to the Foundation. The only fee charged to applicants is the actual cost of processing the application and is paid directly to the independent firm.

C. Process and Timeframe

1. The Disbursement Committee recommends a contract with an independent application processor to the Board of Trustees for approval each year at the November meeting.
2. Applications are made available on the Foundation's website and electronically to schools no later than January 31. Announcement of the availability of the applications are also provided to parishes and schools for placement in their bulletins by January 31 with reminders provided at least twice before the final application deadline.
3. Foundation staff requests the tuition rates for the next school year from school administrators and provide the information to the application processor by March 1.
4. Application deadline is set for mid-March and will be adhered to strictly.
5. First run and prioritization of applications is received from the application processor in early April. Foundation staff contacts applicants to request any missing supporting documents. Applicants are given one week in which to provide any outstanding documentation and be considered for a TAG.
6. The final prioritization is provided from the application processor by April 30.
7. Foundation staff prepares letters verifying that those families recommended for a TAG have their students fully enrolled for the next school year. The letter is accompanied by a verification form that must be signed by both the principal and pastor (principal only for the high school).
8. Letters announcing award decisions are sent to all applicants no later than May 31.

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9. A preliminary report of the TAG process is presented by the Disbursements Committee at the July Board of Trustees Meeting. If any major changes to the recommended awards occur between this time and when checks are issued, an updated/revised report is provided to the Board of Trustees at its November meeting.
10. Re-verification letters are sent to principals and their confirmation is needed prior to issuing the TAG checks directly to schools by October 15.