

**GUIDELINES**  
**FOR PREPARING**  
**FUNDING AND FINANCING PLANS**

**Assumptions**

1. These guidelines apply to existing parishes only.
2. PRF loans will continue to be limited to 15 years or less.
3. Neighboring School Subsidy (e.g., Rainbow schools) amounts are treated the same as Parish School Subsidy amounts.

**Suggested Guidelines**

1. Total parish debt should not exceed 2.5 times annual Ordinary Income; for school parishes, debt should not exceed 2.5 times Ordinary Income less School Subsidy.
2. If the parish plans to base its repayment plan on Ordinary Income, the annual payment should be less than 25% of parish Ordinary Income (Ordinary Income less School Subsidy for school parishes) with a possible exception to 30% based on a review of the parishes operating history vs. PRF loan criteria (e.g., a history of operating surpluses, no significant deferred maintenance, etc.)