

Baptist Foundation of Illinois

Church Funds Management Service

Policy

The Church Funds Management Service is a program of the Baptist Foundation of Illinois, approved by its Board of Trustees, and governed by the Investment Committee of the Board of Trustees of the Baptist Foundation of Illinois.

The Baptist Foundation of Illinois expressly prohibits pooled investment funds from being invested in securities of companies whose primary business is, or who profit materially from: the wholesale manufacturing and/or distribution of alcohol, tobacco, or pornography; providing abortion services; or producing and/or distributing forms of entertainment that are in direct conflict with the Christian message and Southern Baptist beliefs.

Because the Baptist Foundation of Illinois is a not-for-profit, religious entity providing this service to other not-for-profit organizations, neither the program, nor the Baptist Foundation of Illinois, is required to register with the Securities and Exchange Commission or the Illinois Department of Securities under any federal or state securities law. Funds placed by churches, associations or institutions affiliated with the Illinois Baptist State Association with the Baptist Foundation of Illinois under this program are not Federally (e.g. FDIC) or otherwise insured.

Although there are rewards to this type of funds management, there are also risks inherent in securities investments. The Baptist Foundation of Illinois does not guarantee that a net profit will be attained or that a loss will not be incurred.

Guidelines

The following statements are the guidelines for churches, associations, and institutions participating in the Church Funds Management Service administered by the Baptist Foundation of Illinois:

- A. Authorized representatives of both entities shall sign a memorandum, setting forth the terms of understanding between the church, association, or institution and the Baptist Foundation of Illinois for the Church Funds Management Service. The church, association, or institution shall be required to give evidence of action approving the memorandum and the authorization of certain individuals to act as representatives of the church, association, or institution.
- B. A minimum deposit of \$2,000 is required to establish a new or separate management account.
- C. A minimum balance of \$2,000 is required to maintain a management account.

- D. Additional funds may be deposited to an existing account(s) in any amount during normal business days and hours of operation of the Baptist Foundation of Illinois.
- E. In establishing a management account with the Baptist Foundation of Illinois, the church, association, or institution shall direct the investment of its account(s) into available investment pools, completely or in part. The available investment pools are the Short-Term Pool, the Income Fund, the Balanced Fund and the Building Loan Fund.
- F. The Baptist Foundation of Illinois will charge each management account with a service fee. The church, association, or institution may direct its service fee to the Baptist Foundation of Illinois to reimburse the Foundation for its overhead, reporting, accounting and other professional services or to an approved Baptist Foundation of Illinois endowment.

	Small Accounts	Medium Accounts	Large Accounts
	Less than \$1 million dollars	More than \$1 million but less than \$3 million	\$3 million dollars or more
Short-Term Pool Building Loan Fund	.0025	.0025	.0012
All Other Pools	.0050	.0025	.0012

- G. The Baptist Foundation of Illinois shall provide to the church, association, or institution a quarterly report on the performance and activity of its account(s). Such reports shall include a listing of additions to and/or withdrawals from the account, earnings, fees and the market value of the account(s) at the end of the quarter.
- H. A church, association, or institution may direct the Baptist Foundation of Illinois to distribute the net earnings of its management account(s) on a monthly, quarterly, semiannual or annual basis; or to reinvest the earning and make distributions of net earnings upon written notification by the church, association, or institution. Distributions of earnings shall occur after the first of a calendar month following the Baptist Foundation of Illinois' receipt of such written notification. Written withdrawal notification must be received by the 28th of the month. Dividends and interest will be reinvested on a monthly basis unless the Baptist Foundation of Illinois is otherwise instructed.
- I. A church, association, or institution may direct the Baptist Foundation of Illinois to move a portion of its account from one investment pool to another investment pool, or transfer all of its account from one investment pool to another investment pool on a monthly basis. The movement/transfer of funds shall occur after the first of the calendar month following the Baptist Foundation of Illinois' receipt of written notification of the desired change. This written notification must be received by the 28th of the month.
- J. A church, association, or institution may withdraw part or all of its funds from its management account(s) and/or discontinue its relationship with the Baptist Foundation of Illinois without penalty. If a withdrawal of part of its funds causes the balance in the account to drop below the minimum balance amount, The Baptist Foundation of Illinois will distribute the total amount in the account of the church, association or institution.