

## ENDOWMENT FUND POLICY

The following policies are important for the smooth operation of Endowment Funds (hereafter “Endowment”) by the Arkansas Baptist Foundation (hereafter “Foundation”). It is important for each ministry supporter to understand the policies and procedures so that their gifts may be utilized in the most efficient manner. The Foundation is a non-profit corporation duly incorporated under the non-profit laws of the State of Arkansas, is authorized and empowered to administer funds for entities fostered by, having the official sanction of, or whose Christian, evangelical purposes are not inconsistent with those of the Arkansas Baptist State Convention, and in such capacity is authorized and empowered to accept irrevocable gifts and bequests to such entities and to make contracts of investment, sale and disposition of said funds. The Foundation reserves the right to accept or decline any new Endowment account.

1. Ministry supporters may make irrevocable gifts of cash and other publicly traded securities to their Endowment. Other non-marketable gifts such as real estate, closely held stock, or limited partnership interests may be accepted, but all gifts must be in compliance with the Foundation’s gift acceptance policies. The Foundation will receipt the ministry supporter(s) for the gift.
2. The Foundation is authorized, empowered and directed to administer said Endowment, and any additions that may be added, in keeping with sound investment policies. The Foundation is granted full power and authority, requisite, necessary or advisable for the efficient discharge of its duties hereunder. The Endowment may be invested in the Foundation's Common funds in compliance with federal and state laws and regulations.
3. The net income from the Endowment shall be distributed at least annually based upon the allocation of charitable beneficiaries stated in the Endowment Fund Agreement. Alternatively, the Foundation may choose to utilize a spending plan percentage for distribution from the account.
4. Additional contributions may be made to the Endowment at any time by the original ministry supporters or any other person or entity. Such additional contributions shall be added to the principal of the Endowment at the Foundation. Additional contributions are subject to the Foundation’s gift acceptance policies.
5. The minimum amount for establishing an endowment shall normally be \$25,000. If an account is funded with less than \$25,000 the Foundation will seek to distribute the funds directly to the beneficiary (s) it was established to support.
6. If one or more of the charitable beneficiaries stated in the Endowment Fund Agreement shall cease to exist or cease to have Christian, evangelical purposes that are consistent with those of the Arkansas Baptist State Convention as determined by the staff of the Arkansas Baptist Foundation, in its sole discretion, then the allocated income of such beneficiaries shall be distributed proportionately to the remaining charitable beneficiaries. If there are no existing or qualifying charitable beneficiaries remaining, then the Foundation Board of Directors will continue to use the net income each year in keeping with the original intent and purpose of the original ministry supporters.
7. If an Endowment is not of sufficient size within ten years, the Foundation, in its own discretion, may choose to pay the principal and accumulated earnings over to the charitable beneficiaries, or combine the Endowment with another endowment with the same or similar charitable beneficiary or charitable beneficiaries.
8. These constitute the full and complete policies by and between the parties and all oral agreements and/or discussions are merged herewith and are null and void to the extent that they are in conflict herein, and no changes, alterations, additions, modifications, or qualifications shall be made or had in the terms, conditions or provisions of any paragraph or item of this agreement, except that the Arkansas Baptist Foundation reserves the right to amend these policies in order to ensure efficiency in the operation of such Endowment funds and that the funds

remain eligible for estate, gift, and/or income tax deductions under Internal Revenue Code rules and regulations. In the event of any ambiguity, dispute or question regarding the application of funds or the operation and administration of the Endowment, the Foundation shall have sole discretion and its decision shall be final and binding.