

**Foundation
For
First Baptist Church of Aiken, SC**

- A. **Establishment of the Plan** – Because the members of First Baptist Church are called to be Stewards of all of the gifts of God, a Foundation for the acceptance and management of funds is hereby established.
- B. **Objective of the Plan** – The objective of the Foundation is to encourage devises, bequests, and gifts to the First Baptist Church of Aiken and to provide a mechanism for the use of such gifts to further the mission of the Church and the work of Jesus Christ.
- C. **Use of Funds** – The First Baptist Church of Aiken hereby creates a Foundation Fund. Principal and/or income as may or may not be designated by the donor shall be used by the Finance Committee for needs beyond the normal operating budget of the Church and shall be held separately from all other Church funds.

The distributable income from the trust assets for the Foundation's first full fiscal year shall be an amount equal to 3% of the monthly weighted average of the fair market value of the trust assets as of the close of the last business day of the trust's fiscal year. The distributable income from the trust assets for the Foundation's second fiscal year shall be an amount equal to 3% of the monthly weighted average of the fair market value of the trust assets as of the close of the last business day of the trust's first two fiscal years. The distributable income from the trust assets for the Foundation's third fiscal year shall be an amount equal to 3% of the monthly weighted average of the fair market value of the trust assets as of the close of the last business day of the trust's first three fiscal years. The distributable income from the trust assets for the Foundation's fiscal years after the third fiscal year shall be an amount equal to 3% of the monthly weighted average of the fair market value of the trust assets as of the close of the last business day of the trust's three previous fiscal years.

All computations of the trust's fair market value shall include accounting income and principal, but no accruals shall be required. If the trust includes assets for which there is not a ready market, the Foundation Committee shall adopt such method of valuation as it deems reasonable in its discretion under the circumstances.

The distribution rate has been set at 3% based upon the expectation that, over long periods of time, this distribution rate can be maintained and still have the distributions increase significantly to offset the effects of inflation. If this goal is achieved, the principal of the trust will also have maintained its value. It is recognized that these goals will not be attainable every year. The distribution rate shall be reviewed by the Foundation Committee annually, and if the Foundation Committee believes that the goals as set forth above cannot be attained as a result of substantial and long term changes in the investment market, the Foundation Committee shall adjust the percentage distribution rate accordingly.

D. Foundation Committee – The Foundation Committee shall be a standing committee of the Church and shall consist of five members. At least one of the five members shall be drawn from the Trustees and at least one member shall be drawn from the Finance Committee. With the exception of members drawn from the Trustees and Finance Committee, members shall be nominated by the Nominating Committee and approved by the Church in conference. The Pastor shall be an ex-officio member of the Foundation Committee.

The purpose of the Foundation Committee shall be as follows:

1. To encourage each church member to have a valid will and estate plan.
2. To continuously inform church members of the opportunity and importance of making gifts and bequests to support the ongoing mission of God's ministries through the Foundation.
3. To prepare or cause to be prepared an annual financial report and present it to the Deacons in accordance with Section F below. This report shall be available to any church member upon request.
4. To assume responsibility for the safekeeping, management, investment, and transfer of all monies and properties comprising the Funds, or to delegate such responsibilities to professional advisors as the committee deems appropriate in accordance with Section G below.
5. The Foundation Committee shall be subdivided into such subcommittees as it serves the purposes of the Foundation Committee.
6. Quorum – A majority of the members of the Foundation Committee or Foundation Subcommittees being present.
7. Advisory Council – the Foundation Committee may, as it deems appropriate, create an Advisory Council of persons who have expertise in investment, legal, tax, and financial matters. An advisory council member shall have no voting rights and shall perform in an advisory capacity to the Foundation Committee and to potential donors as required. Members of the Advisory Council shall be appointed and released at the discretion of the Foundation Committee.
8. Insurance/Bonding – First Baptist Church of Aiken shall provide errors and omissions insurance and bonding for all Foundation Committee members.

E. Assignment of Gifts Received – Two types of gifts shall be received by the Foundation Committee: unrestricted and restricted. A donor may provide reasonable restrictions for the use of his/her gift; however, the Foundation Committee reserves the right to refuse or qualify the terms of the restriction as it deems appropriate.

1. **Unrestricted Gifts** – Each devise, bequest, or gift which has not been restricted by the donor as to Fund or purpose shall be used as described in Section C above. In making their designations, the Foundation Committee may consider the adequacy of restricted gifts to meet a particular need, current needs to be addressed by each Fund, and such other prudent concerns as may be known to the Foundation Committee from time to time.
2. **Restricted Gifts** – A donor may designate the Fund into which such donor's devise, bequest, or gift shall be placed, and may also restrict the uses to which the principal, income, or both shall be applied. The Foundation Committee shall

make every reasonable attempt to comply with the donor's restriction, subject to the Church's existing policies and commitments to further the work of Jesus Christ. The Foundation Committee may counsel with any donor who has indicated an intention to make a restricted gift if the restrictions, conditions, form, or uses of such a gift would not, in the opinion of the Foundation Committee be consistent with the Church's existing policies or missions. The Foundation Committee shall decline a gift if the restrictions, conditions, form, or uses are unacceptable.

3. **Obsolete or Over-fulfilled Needs** – If a donor has designated a gift for a particular purpose, and if that purpose is or becomes contrary to the policies or mission of the Church, or if the amount of the gift is substantially greater than the need of the Church for the particular purpose, the Church shall attempt to use the gift, or so much of it as exceeds the need of the Church, for a purpose as close as possible to that designated by the donor.
 4. **Disposition of Gifts Other Than Cash** – Unless the donor has specified otherwise, real estate, corporate stocks and bonds, or other property may be held or may be sold and the proceeds reinvested as the Foundation Committee determines in its absolute discretion.
 5. **Requirement of the Constitution and By Laws of First Baptist Church** – The Foundation Committee shall comply with the Constitution and By Laws of First Baptist Church of Aiken. If the By Laws impose additional requirements on the acceptance of a gift or the disposition of donated property, then those additional requirements shall take precedence over this document.
- F. **Financial Reports** – The year end for the First Baptist Church Foundation and each fund thereunder shall be December 31st.
1. **Annual Financial Report** – The Foundation Committee shall present an Annual Financial Report to the Finance Committee and the Deacons each year as soon as practicable after the end of the plan year, and may present supplemental reports to the Finance Committee and the Deacons from time to time. Each Annual Financial Report shall provide a complete accounting of the resources of the Funds, the disbursements to the separate Funds, and the balances of the separate Funds.
 2. **Content of Annual Financial Report** – The Annual Financial Report shall consist of the following sections in summary form:
 - i. A statement of assets as of December 31st, including the original contributed value and the market value of each asset.
 - ii. A reconciliation of each Fund for the year ended December 31st, setting forth
 - 1) The market value of the assets at the beginning of the plan year,
 - 2) The original contributed value of gifts received during the plan year,
 - 3) The realized investment income (dividends and interest) earned during the plan year,
 - 4) The realized and unrealized market value gains (or losses) during the plan year,

- 5) Less disbursements from the Fund and their purposes,
- 6) Less disbursements from the Fund for administrative purposes, and
- 7) The market value of assets at the end of the plan year, December 31st.

3. **Presentation to the Congregation** – The Foundation Committee shall present annually to the congregation, in summary form, the financial status of the Foundation. This presentation shall follow the presentation to the Finance Committee and the Deacons under Section F. 1.
4. **Review of Financial Reports** – The biannual review of the Church’s finances by an outside auditing firm shall be expanded to include a review of the Foundation Funds. The review should include operating procedures, due diligence of Foundation Committee members, and Fund investment selection.

G. Investment of the Funds – The Foundation Committee shall establish a long-term investment objective for each Fund created by this Plan. The Foundation Committee shall consider the purpose of each Fund and the plans of the Church for using the funds when implementing an investment program. This planed investment of funds should balance one or more goals for each fund as the Foundation Committee deems appropriate giving due consideration to the following: safety of principal, income, and capital appreciation.

1. **Professional Advice and Counsel** – The Foundation Committee may use the services of registered investment advisors, certified public accountants, attorneys, and other similar professionals in the administration of each Fund.
2. **Investment Policy** – The Foundation Committee shall invest the funds in the following types of assets:
 - i. Deposits insured by the FDIC or FSLIC.
 - ii. Publicly traded corporate equity securities.
 - iii. Publicly traded corporate debt instruments rated Moody’s Baa (or the equivalent) or higher at the time of the acquisition.
 - iv. Annuities managed by insurance companies rated Moody’s Aa (or the equivalent) or higher at the time of the acquisition.
 - v. Obligations of the U. S. Government including U. S. Treasury bills, notes, and bonds.
 - vi. Common trust funds, mutual funds, collective trust funds, and pooled funds in any of the above securities.
 - vii. Loans to First Baptist Church of Aiken for emergency or special needs with adequate security and repayment to be on a prudent time schedule and at reasonable interest rates.
 - viii. At its discretion the Foundation Committee may retain cash balances in any Fund for liquidity in administration of that Fund.
3. **Commingling of Principal** – The Foundation Committee may, but need not, commingle the principal of the separate Funds for the purpose of securing a higher rate of return or lower expense charges, and may allow the income allocated to be commingled and invested with the principal of the various funds; provided, however, that accurate records are kept by the Foundation Committee

of the amounts of principal and accrued income of each of the Funds and provided that the donors' restrictions as to use of gifts are respected.

4. **Ethical Investing** – The Foundation Committee shall be guided by Christian moral and ethical principles in making investment decisions.
- H. **Amendments** – The provisions of this Plan may be amended from time to time in accordance with the provisions below:
1. The proposed amendment must be presented by the Foundation Committee to the Church in conference with concurrence of the Deacons, adequate notice of such meetings, both to the Deacons and the Congregation, being given.
 2. Notwithstanding any amendment, all gifts, devises, and bequests to the Funds shall be administered for the purposes in effect at the time such donation was made.
- I. **Church Consolidation, Merger, or Dissolution** –
1. **Church Consolidation or Merger** – If at any time the First Baptist Church of Aiken is lawfully merged or consolidated with any other church, all of the provisions hereof in respect to the First Baptist Church of Aiken shall be deemed to have been made for and in behalf of such merged or consolidated church, shall be entitled to receive all of the benefits of said Funds, and shall be obligated to administer said funds in all respects in accordance with the terms hereof.
 2. **Dissolution** – In the event of dissolution of First Baptist Church of Aiken, the congregation of the church in conference shall determine the final use of the Funds in consideration of Christian ethical procedures.