

THE RUMC FOUNDATION, INC.

APPENDIX TO BY-LAWS AND CHARTER OF THE RUMC FOUNDATION, INC.

Adopted 2002

Amended and Restated-November 1, 2015

DISTRIBUTION POLICY

1. Categories of Funds

- The Roswell United Methodist Church (hereinafter called "RUMC") Foundation, Inc. (hereinafter called the "Foundation") shall consist of three general categories of Funds:
 - Endowment Undesignated Funds
 - Endowment Designated Funds
 - Non-Endowment Funds

2. Standing Committees of the Foundation Board of Directors

- Resource Development Committee
 - To encourage gifts to the Foundation.
 - To hold planned giving workshops.
 - To recognize and thank donors.
- Finance and Investment Committee
 - To periodically review the investments of the Foundation to evaluate asset allocation and compare the Foundation's investment performance to investment benchmark performances.
 - To periodically review the Distribution Policy.
- Gift Distribution Committee
 - To ensure all distributions of Foundation funds are consistent with the content of the Foundation's Distribution Policy.
 - To analyze grant applications for gifts to determine if donor's intentions, if known, are being followed and that the long range mission and vision of RUMC are being advanced.
 - To recommend all Foundation Fund distributions for approval by the Foundation Board of Directors.

3. Distributions from the Endowment Undesignated and Designated Funds

The annual distribution amount available from endowment funds will be calculated based on the content of this policy. This policy is intended to maximize distributions and, at the same time, sustain growth in the endowment funds.

The annual distribution rate shall equal five percent of a three-year moving average of the total market value of the endowment fund at the end of the previous calendar year. The annual distribution rate will be adjusted downward in any year necessary to ensure that the corpus or principal, defined as the original funding amount plus additional gifts, is never encroached upon unless specifically authorized and directed by the Donor within the Endowment Agreement with the Foundation.

The rolling average balance is determined after December 31. Therefore, funds in before this date are available for disbursement according to the above formula/directives after January 1 of the next year. The Gift Distribution Committee will determine the timing of distributions.

- A. **Endowment Undesignated Funds:** Distributions from Endowment Undesignated Funds will be used for any ministry and/or mission approved by the Foundation Board of Directors. The annual distribution amount available is calculated based on the content of this Policy.

At the beginning of each year, the RUMC Pastoral staff and lay staff Directors will be notified by the Foundation of the amount available for distribution during the year. The Pastor or staff person in charge of each area of ministry having a grant request will make application on the RUMC Mission/Ministry Grant Application Form to the Gift Distribution Committee of the Foundation. The Gift Distribution Committee will review all applications and submit recommendations to the Foundation Board of Directors. As required by the Foundation By-Laws, the funds are released after the Foundation Board approves the grant request.

- B. **Endowment Designated Funds:** Distributions from Endowment Designated Funds will be used for the ministry and/or mission designated by the donor. The annual distribution amount available is calculated based on the content of this Policy.

At the beginning of each year, the designated area of ministry will be notified by the Foundation of the amount available for distribution during the year. The staff person in charge of the designated area of ministry will make application on the RUMC Mission/Ministry Grant Application Form to the Gift Distribution Committee of the Foundation. The Gift Distribution Committee will review all applications and submit recommendations to the Foundation Board of Directors. As required by the Foundation By-Laws, the funds are released after the Foundation Board approves the grant request.

4. Distributions from the Non-Endowment Undesignated and Designated Funds

Both principal (corpus) and income can be distributed from Non-Endowment Undesignated and Designated Funds.

- A. Non-Endowment Undesignated Funds: Distributions from these funds will be used for any church mission and/or ministry approved by the Foundation Board of Directors. Requests for funds should be submitted on the RUMC Mission/Ministry Grant Application Form to the Gift Distribution Committee of the Foundation. The Gift Distribution Committee will review all applications and submit recommendations to the Foundation Board of Directors. As required by the Foundation By-Laws, the funds are released after the Foundation Board approves the grant request.
- B. Non-Endowment Designated Funds: Distributions from these funds will be used for the ministry and/or mission designated by the donor. The Foundation will notify the designated area of ministry or appropriate contact of the amount available and the intent of the donor. Requests for funds should be submitted on the RUMC Mission/Ministry Grant Application Form to the Gift Distribution Committee of the Foundation. The Gift Distribution Committee will review all applications and submit recommendations to the Foundation Board of Directors. As required by the Foundation By-Laws, the funds are released after the Foundation Board approves the grant request.

Restriction on Distributions from the Non-Endowment Undesignated and Designated Funds for "Community-Based" Grants:

No successive year "Community-based" grant applications for non-endowment funds from the same applicant for the same project or program shall be approved for an amount greater than \$1,000.00; provided, however, that the Board of Directors of the Foundation may unanimously approve an exceptional distribution of non-endowment funds to the same applicant or for the same project or program in any amount it deems appropriate.

5. Distributions to Applications for Small Gifts

Small gifts totaling less than or equal to \$3,000.00 annually may be disbursed without action by the Gift Distribution Committee and the Foundation Board of Directors with the approval of two of the following members of the Foundation Board:

- A. A Director, Foundation Board of Directors
- B. Chairman, Foundation Board of Directors
- C. Business Administrator, RUMC
- D. President-Director, Foundation

The action will be reported at the next meeting of the Foundation Board.