



OFFICER AUTHORIZATION SIGNATURE FORM

Office Use Only: **Account Number:** _____ **Name of Account:** _____

Date: _____ **Investor:** _____

Choose **ONE** of the following:

The following persons are authorized for this account only. This is an update for all our existing accounts.

Please list those Trustees or Officers authorized by the Investor to request withdrawals from or prescribe other changes to the account. At **least** two persons must be listed. Include **home** address and **original** signatures (blue ink – preferred).

1. **Signature:** _____
Print Name: _____
Title: _____
Address: _____

Phone: _____
Email: _____

4. **Signature:** _____
Print Name: _____
Title: _____
Address: _____

Phone: _____
Email: _____

2. **Signature:** _____
Print Name: _____
Title: _____
Address: _____

Phone: _____
Email: _____

5. **Signature:** _____
Print Name: _____
Title: _____
Address: _____

Phone: _____
Email: _____

3. **Signature:** _____
Print Name: _____
Title: _____
Address: _____

Phone: _____
Email: _____

6. **Signature:** _____
Print Name: _____
Title: _____
Address: _____

Phone: _____
Email: _____

**** To update this form send a letter signed by two of the persons listed above and accompanied by a new Officer Authorization Signature Form (available from the Foundation Office) delivered to the Foundation Office at the following address:
Kansas Area United Methodist Foundation • P.O. Box 605 • Hutchinson, KS 67504-0605**

ACCOUNT INVESTMENT AGREEMENT

Office Use Only: **Account Number:**

Name of Account:

The above-named Investor, by and through its undersigned representatives, submits this Account Investment Application and Agreement for the purpose of creating an investment account through which the Investor can participate in mix of Investment Funds (the "Funds") managed by the Kansas Area United Methodist Foundation, Inc., (the "Foundation"). The Investor agrees to the following terms:

1. **Parties.** The parties to this agreement are the Investor named above and the Kansas Area United Methodist Foundation, Inc., a Kansas not for profit corporation, located at 100 East First Avenue, P.O. Box 605, Hutchinson, Kansas 67504-0605. The Foundation serves the Kansas United Methodist churches, institutions and organizations within the Great Plains Conference of the United Methodist Church with a variety of investments, loans, planned giving and stewardship services. Both the Foundation and the Investor are components of, or closely affiliated with, The United Methodist Church.
2. **Representations and Warranties.** The Investor represents and warrants as follows:
 - (a) Prior to investing in the Funds, the Investor has carefully reviewed this *Agreement* describing the Foundation and the Funds. The Investor agrees to be bound by the Foundation policies and procedures described in this *Agreement*.
 - (b) The Investor has such knowledge and experience in financial and business matters that Investor is capable of evaluating the merits and risks of an investment in the Funds, and Investor is capable of making an informed decision with respect to an investment in the Funds.
 - (c) The Investor is currently, and will be for so long as it remains an investor in the Funds, a charitable nonprofit organization exempt from federal income taxation under section 501(c)(3) or other applicable sections of the Internal Revenue Code of 1986, as amended.
 - (d) The Investor owns all funds which may be deposited in fee simple, free and clear of all liens, encumbrances and other impediments to transfer.
3. **Acknowledgments.** The Investor acknowledges awareness of and agrees to the following:
 - (a) Neither the Foundation nor any of the Funds is registered as an investment company, an investment adviser, or a broker-dealer under either federal or state securities laws, in reliance upon exclusions or exemptions from these laws.
 - (b) The Funds are organized and operated, at all times, exclusively for investment by Kansas United Methodist Churches and congregations, and other qualified organizations affiliated with the Great Plains Conference of the United Methodist Church. Net earnings of the Funds may not invest to the benefit of any private shareholder or individual. All financial benefits of the Funds shall be distributed exclusively to its eligible investors to be used solely for their tax-exempt purposes.
 - (c) The Foundation has made no recommendation whether the Investor should invest in the Funds.
 - (d) The Investor will retain title to all assets it invests. The Foundation will not have title to, or any ownership interest in, the assets invested by the Investor in the Funds.
 - (e) The Investor has read and understands the risks associated with investment in the Funds as described in this *Agreement*.
 - (f) The Foundation will not make an independent determination and assumes no responsibility as to whether funds received from the Investor are endowment funds of the Investor or otherwise appropriate for investment by the Investor in the Funds. The Foundation will follow the instructions provided by the Investor in this Investment Application and Agreement regarding distributions and investments. If applicable, the Investor should refer to the gift instrument (e.g., will, letter of instruction), institutional documents (e.g., bylaws, endowment program charter, *The Book of Discipline*) and to relevant Kansas Statutes for guidance regarding the Investor's duties and responsibilities regarding the investment and use of charitable endowment funds and other financial assets administered for charitable purposes.
4. **Deposits.** The Investor may deposit cash or other property acceptable to the Foundation in the account at any time, in keeping with the policies stated in this *Agreement*. Deposits should be made payable to the Foundation and include the account name and number.
5. **Rate of Return.** In accepting and handling the funds covered by this *Agreement*, the Foundation is acting as custodian and agent for the Investor and does not guarantee the principal amount, the amount of return from the investment thereof, or the payment of interest or dividends on any security or other investment in which the principal sum, or its earnings, may from time to time be invested.
6. **Distributions.** Distributions from the account shall be of the type and made with the frequency indicated above. If distributions are made upon request, the request shall be in writing on the Investor's letterhead and signed in blue ink by two authorized officers of the Investor. **The Investor reserves all rights and responsibilities to direct the distribution of earnings and principal from the Investor's account.** Only by Investor's request shall all undisbursed income be credited to the account and reinvested by the

Foundation. Notice of requests for withdrawal of funds, other than as scheduled in the attached Account Investment Application, shall be given to the Foundation in writing by duly authorized officer(s) of the Investor, as specified in the Officer Authorization Signature Form.

7. Accounting. The fiscal year of all Foundation investment funds is the calendar year. The financial statements of the Foundation are audited annually by certified public accountants. The Foundation will provide a copy of its audited financial statements to the Investor upon request.
8. Investment Funds. The Foundation established in 2009 the Investment Options of Income Funds – *Short-Term Income Fund, Fixed Income Fund, and Equity Fund*. Rather than offer a large number of funds, the Foundation offers a practical, well-defined selection of investments options that are appropriate for investments by churches and related conferences, agencies and institutions. Each of these three diversified investment pools is tailored to meet a particular long-term investment goal, and each pool maintains a strategic allocation among a variety of asset types and markets.
 - (a) *Short-Term Income Fund*. The Short-Term Income Fund objective is to provide current income with no risk to the principal. Assets consist of short-term government securities and jumbo certificates of deposit, with maturities of 36 months or less and managed through The Commerce Trust Co. (*e.g., renovations, capital campaign pledges, etc.*)
 - (b) *Fixed Income Fund*. The objective of the Fixed Income Fund is to provide a high level of current income and continuity of income. The assets purchased for this fund are subject to market fluctuations in value. The assets are allocated 92% to investment grade intermediate fixed-income securities, 5% to emerging markets and 3% to short-term bonds and cash. The fund is managed by The Commerce Trust Co. and Discretionary Management Services, LLC.
 - (c) *Equity Fund*. The objective of this fund is to provide long-term growth of capital. The majority of the portfolio is a 97% allocation target to equity securities, including a 54% allocation target to domestic equities, and a 43% allocation target to international equities. The remaining 3% allocation target of the portfolio includes cash and short-term bonds. The investment allocations are subject to a variance of plus (+) or minus (-) 5 - 10%. The fund is managed by Discretionary Management Services, LLC.

The Investor may select the desired investment portfolio by choosing an allocation percentages (%) in the Equity Fund, the Fixed Income Fund, and the Short-Term Income Fund. The Investor may wish to increase their exposure to the equity markets by increasing their participation in the Equity Fund, or seek to reduce the volatility of their investment portfolio by reducing their exposure to equity investments. *The most common investment allocation for endowment funds is a 65% Equity Fund and 35% Fixed Income Fund.*

9. Fees and Expenses. All accounts held by the Foundation participate in the expenses paid to money managers, investment consultants and custodians on a pro-rata basis. In addition, each account is charged the Foundation's annual administrative fee as described in this *Agreement*.
 - (a) The Foundation is a self-supporting service agency of the United Methodist Church, and the administrative fee partially underwrites all the Foundation services (*e.g., stewardship services, capital campaign services, church loans, planned giving workshops/seminars, estate lawyer, donor consultations, and all administrative overhead*).
 - (b) The Investor agrees to pay and authorizes the Foundation to automatically withdraw fees and expenses from Investor's account when they are due and payable. As of July 2015, the current fee structure is as follows: Equity Fund and Fixed Income Fund, an administrative fee of 75bps per annum of each account's fair market value up to \$1 million. For accounts with a fair market value of more than \$1 million, the administrative fee for the portion of assets of more than \$1 million up to \$2 million in fair market value is 65bps per annum, and the administrative fee for the portion of assets of more than \$2 million and above in fair market value is 50bps per annum. Short-Term Income Fund, an administrative fee of 30bps per annum.
 - (c) All administrative fees are payable monthly, based on one-twelfth (1/12) of the applicable percentage fee times the account's fair market value on the last day of each month.
 - (d) All investment funds incur management fees and expenses by the Foundation's investment managers and brokers, which fees and expenses are in addition to the administrative fees paid to the Foundation.
 - (e) The Foundation is authorized to automatically withdraw the investment management fees and expenses allocated to the Investors account. The costs of any wire transfers requested by the Investor shall be charged to the Investor's account.
 - (f) The administrative fee is subject to change. The Investor will receive written notice of any change in the administrative fee at least sixty (60) days in advance. The Investor pays no transaction fees, charges or expenses to either make deposits in, or withdraw assets from, the Funds.
10. Reporting. The Foundation will report at least annually to the Investor regarding contributions, withdrawals, market value, and appreciation on this account. These reports or account statements shall be delivered to the Primary Contact by email statement or regular mail. The Primary Contact may be changed by the Investor at any time by a written notice including an updated Officer Authorization Signature Form (available from Foundation office).
11. Termination/Closing Account. This agreement may be terminated at any time upon written notice on letterhead signed in blue ink by two authorized officers of the Investor. As soon as possible, but no later than sixty (60) days after the effective date of any such termination/closing account, the Foundation shall pay to the Investor all sums remaining in the account.

12. **Notices.** All notices from the Investor required or permitted by this agreement shall be made in writing, signed in blue ink by two authorized officers, include account name and number, and be sent by first class US Mail to the attention of "President and CEO" at the Foundation office (P.O. Box 605, Hutchinson, Kansas 67504-0605). Notices from the Foundation shall be sent to the Investor care of the Primary Contact, signed by an officer of the Foundation, and sent by first class US Mail.
13. **Confirmation of Account.** Within thirty (30) days of the receipt of this signed agreement, the completed Officer Authorization Signature Form and the accompanying initial deposit, the Foundation will send to the Investor a confirmation letter with the following information: a) account name and number; b) designated investment fund; c) frequency and type of distributions; d) name, title and address of Primary Contact authorized by Investor to receive reports and notices; e) name and title of person authorized by Investor to receive distributions and withdrawals; and f) a fully signed copy of this agreement. The information in the letter will be deemed correct if the Investor does not give written notice of corrections or changes within thirty (30) days of receipt of the letter.
14. **Changes to Account.** If the Investor wishes to change information regarding the account (e.g., instructions regarding frequency or type of distributions, name or address of Primary Contact person, authorized signatories), it will complete the appropriate form to the Foundation of those changes at least 30 days prior to the end of a calendar year quarter. If the changes are acceptable to the Foundation, they will be implemented as soon as possible, but no later than the end of the calendar year quarter following such notice.
15. **Reallocation.** The Investor may reallocate or transfer account assets among the Funds in harmony with the Foundation policies. Reallocations will be processed at the end of the calendar year quarter following written notice received from the Investor at least thirty (30) calendar days prior to the end of the calendar quarter.
16. **Merged or Consolidated.** If at any time the Investor referred to as Investor herein is lawfully merged or consolidated with any other Investor, then the merged or consolidated Investor shall succeed to the rights of the Investor under this Agreement. Any successor of the Kansas Area United Methodist Foundation, Inc., whether through consolidation, merger or otherwise, shall forthwith become the successor Foundation under this Agreement, and shall succeed to the possession of the assets of the Foundation and all powers, rights, discretion, obligations and immunities of the Foundation hereunder, with the same effect as through such successor were named originally as the Foundation.
17. **Miscellaneous.** This agreement constitutes the entire agreement of the parties, and all prior agreements or understandings regarding the subject matter of this agreement, whether written or oral, are of no further force and effect. The parties agree that the Foundation is not a bank, and that no trust is created by this agreement.

The undersigned officers of the above-named Investor do hereby submit this Account Investment Application and Agreement along with the initial deposit, agree to all terms expressed herein and attest that the information provided is accurate to the best of their knowledge.

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| Signature: _____ Print Name: _____ Title: _____ Home Address: _____ City, St, Zip: _____ Email: _____ Phone: _____ Date: _____ | Signature: _____ Print Name: _____ Title: _____ Home Address: _____ City, St, Zip: _____ Email: _____ Phone: _____ Date: _____ |
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Acceptance: The Foundation hereby accepts and agrees to administer the funds deposited by the Investor pursuant to the terms expressed herein.

THE KANSAS AREA UNITED METHODIST FOUNDATION, INC.

By: _____
 Kansas Area United Methodist Foundation, Inc.

Date: ____ / ____ / ____