

FINANCIAL POLICIES

ENDOWMENT FUND COMMITTEE

Memorial Gifts received by the church, which are not designated for a specific purpose, shall be placed in the church's Endowment Fund.

[8-19-92]

**AMENDED AND RESTATED
STATEMENT OF PURPOSE AND POLICY
OF THE ENDOWMENT FUND**

The following constitutes a Statement of the Purpose and Policy of the Bon Air Baptist Church Endowment Fund, and such Statement shall remain in effect and control the administration of the Endowment Fund until such time as amended by the church in the manner hereinafter set forth.

PURPOSE

The Bon Air Baptist Church Endowment Fund provides a means whereby cash and property may be received, managed, and applied in such manner as will advance the purpose of the church as stated in its by-laws.

An endowment contemplates the setting aside of cash and property for future needs of the church. Inherent in the concept of an endowment is permanency and the services of long-time objectives; the future, as opposed to the present; the present generation, demonstrating in a tangible way its faith that future generations will carry on the mission of the church in a manner pleasing to God. From these considerations flow several characteristics which are hereby impressed upon the Bon Air Baptist Church Endowment Fund:

1. The principal of the Endowment Fund is restricted and may not be expended.
2. The net income of the Endowment Fund shall be reinvested to the greatest possible extent in order to enlarge the principal and hence, the income, which will serve the future. However, the net income may be expended for church related activities, programs and projects, including capital projects, as set forth in Article II, Section 6 hereof.
3. The Endowment Fund shall not be permitted to detract from the Scriptural command of tithes and offerings to which the church is dedicated, or in any manner undermine or compete with the annual budget promotion effort of the church.
4. The Endowment Fund does not supersede or limit the traditional manner by which gifts, whether designated or otherwise, may be made to the church.
5. Gifts to the Endowment Fund which are restricted or designated for specific purposes other than as provided in this Statement are administratively incompatible with the function of the Endowment Fund.

STATEMENT OF PURPOSE AND POLICY
OF THE ENDOWMENT FUND (continued)

Therefore, being mindful of the foregoing stated purpose of the Bon Air Baptist Church Endowment Fund, the Bon Air Baptist Church does hereby adopt the following as its

Policy with respect thereto:

POLICY

ARTICLE I - THE ENDOWMENT FUND COMMITTEE

- Section 1. The Bon Air Baptist Church Endowment Fund Committee shall be a standing committee of the church consisting of nine (9) Trustees, or such other number as may be provided from time to time by the church in its by-laws, nominated by the Nominating Committee and elected by the church.
- Section 2. Each Trustee shall serve for a term of three (3) years, one third of the Trustees to be elected by the church at its business meeting in December of each year. All terms of office shall commence on January 1. Trustees may be reelected for a second three (3) year term without a break in service. No Trustee who serves two consecutive terms may serve again until after a break in service of not less than one (1) year.
- Section 3. The Trustees shall, at the first meeting of the committee each year to be held no later than January 15, elect a Chairman, Vice Chairman and Secretary, and such other officers as the Committee may deem appropriate.
- Section 4. A quorum shall consist of five (5) Trustees. A majority vote of the members shall be sufficient for all decisions of the Committee.
- Section 5. One regular meeting of the Committee shall be held each quarter. Special meetings may be held upon the call of the Chairman, or of three Trustees. Written notice shall be given by the Secretary to each Trustee stating the date, time, place and purpose of the meeting.
- Section 6. Subcommittees may be established by resolution of the Committee to assist the Committee in its work.
- Section 7. The Committee may, as the need arises and on such terms as may be determined by the Committee, engage the services of investment advisors, stock brokers, attorneys, accountants, realtors, or other professional advisors to assist the Committee in the management of the Endowment Fund.

STATEMENT OF PURPOSE AND POLICY
OF THE ENDOWMENT FUND (continued)

- Section 8. The Committee shall be responsible for promoting the Endowment Fund by appropriate publicity and shall provide information regarding the Endowment Fund. In addition to such publicity and educational programs, the Committee may solicit contributions to the Endowment Fund once each year by a special offering to be held on the last Sunday in May. The Committee shall not give legal or tax advice.
- Section 9. The Committee shall submit a written report to the church, at the regular business meeting in March of each year, setting forth in detail the operation of the Endowment Fund for the previous calendar year and to recommend expenditures of net income as set forth in Article II, Section 6.
- Section 10. The Treasurer of Bon Air Baptist Church shall be Treasurer of the Endowment Fund and shall be bonded in such amount as is required by the Endowment Fund Committee.

ARTICLE II - THE ENDOWMENT FUND

The Endowment Fund of Bon Air Baptist Church shall consist of all cash and property, which has been or which may be transferred or otherwise designated or assigned to it, to be held, managed, and applied as hereinafter provided.

- Section 1. The Endowment Fund shall be comprised of a General Endowment Fund, a Missions Endowment Fund, an Education Endowment Fund and a Property Endowment Fund. Additional individual funds which will contribute to the goals and objectives of the church may be established with the approval of the church after recommendation of the Endowment Committee and the Stewardship Committee. The minimum initial principal for any such additional fund shall be \$1,000.00. In the event the church determines that the purpose for which an individual fund was established no longer exists, the principal of such fund shall be transferred to the General Endowment Fund.
- Section 2. Gifts to the Endowment Fund may be designated to any of the individual funds subject to the provisions of this Statement. All gifts to the Endowment Fund which are not designated to an individual fund shall be credited to the General Endowment Fund. The acceptance of non cash gifts shall be subject to the policies of the church in effect from time to time.

STATEMENT OF PURPOSE AND POLICY
OF THE ENDOWMENT FUND (continued)

- Section 3. The Endowment Fund Committee shall hold and manage the principal and income of the Endowment Fund and apply the income in accordance with this Statement of Policy. The Endowment Fund Committee shall invest the principal of the Endowment Fund following a low risk, conservative growth policy designed to provide the most favorable total return consistent with the preservation of capital. Investments may include, but shall not be limited to stock mutual funds, bonds, certificates of deposit and other money market investments.
- Section 4. The principal of the Endowment Fund shall be held in perpetuity.
- Section 5. The Endowment Fund Committee shall collect, recover and receive all rents, income, interest and profits from the principal of the Endowment Fund and pay all proper costs, charges, commissions, taxes, and expenses, incident to the care, management and administration of the Endowment Fund. All costs which are clearly attributable to an individual fund shall be charged to the income for such individual fund. All other costs shall be paid from the gross income of the Endowment Fund and the net income shall be credited to the individual funds based on the relative principal balances as of January 1 of the year in which the income is earned. The Endowment Fund Committee shall reinvest the net income of all individual funds as principal unless expended in accordance with these policies; provided, however, no portion of the net income of the General Endowment Fund may be expended until the combined principal balances of all individual funds exceed \$100,000.00.
- Section 6. As part of the report required by Article I, Section 9, the Endowment Committee shall submit recommendations for the expenditure of the net income identified in such report. The Endowment Committee shall make recommendations as to the income from the General Endowment Fund and shall receive and include in its report recommendations from each of the committees or groups having responsibility for the expenditure of income from other individual funds (the "Responsible Committees") as follows: the Missions Committee, as to the income from the Missions Endowment Fund, the Education and Outreach Council as to the Education Endowment Fund, the Property/Grounds Committee, as to the income from the Property Endowment Fund, and any other committee as may be designated by the church in connection with the establishment of individual funds, as to the income from such funds. The recommendations for the expenditure of net income shall be submitted to the Stewardship Committee for its recommendation and then to the church for approval. If, upon the initial presentation of such recommendations to the church for approval, any proposals for expenditure of income other than as recommended by the Endowment Committee, the Responsible Committees

STATEMENT OF PURPOSE AND POLICY
OF THE ENDOWMENT FUND (continued)

or the Stewardship Committee are made and accepted for consideration, action on the conflicting recommendations and proposals shall be automatically suspended, such proposals shall be referred to the Endowment Committee, the applicable Responsible Committee and the Stewardship Committee for review and comment and the recommendations and proposals shall be considered by the church at its next business meeting upon the further recommendation of such committees. With the approval of the church in accordance with this Statement of Policy, the Endowment Committee or the applicable Responsible Committee shall pay or apply the net income or any part thereof for the following purposes and subject to the following restrictions:

1.
 - (a). General Endowment Fund. To or for such activities sponsored by the church and to such organizations of the church now or hereafter existing.
 - (b). Missions Endowment Fund. To or for any foreign, home, state or community mission projects, activities or purposes, including, but not limited to, partnership mission projects.
 - (c). Education Endowment Fund. To or for educational programs which promote the work of the church, including, but not limited to, scholarships for students at seminaries or other schools with Baptist affiliations.
 - (d). Property Endowment Fund. To or for the maintenance, improvement or expansion of the church buildings and grounds, including, but not limited to, acquisition of additional land and construction of additional buildings.
 - (e). Other Designated Funds. To or for such activities and purposes for which any individual endowment fund has been established.
2. To the principal of the fund to which the unexpended income is allocated.
3. The Endowment Fund shall be kept separate and apart from other funds and accounts of the church using appropriate accounting procedures to be established and strictly adhered to by the Endowment Fund Committee. Accounting records shall be maintained for each of the individual funds which make up the Endowment Fund but this requirement shall not require separate investment of the principal of the individual funds. The Endowment Fund accounts and procedures shall be reviewed by the Audit Committee not less frequently than once each year.

STATEMENT OF PURPOSE AND POLICY
OF THE ENDOWMENT FUND (continued)

ARTICLE III - AMENDMENTS

- Section 1. Any provisions of Article I hereof may be amended by resolution of the church at any regular business meeting thereof, provided that notice of the date, time and place the proposed amendment will be voted upon, and the language of the proposed amendment have been published in the Bon Air Baptist News at least thirty (30) days in advance of said business meeting.
- Section 2. Any provision of Article II hereof may be amended by resolution of the church at any business meeting thereof, at which there is in attendance at least 1/3 of the resident membership, such resolution being approved by a 2/3 vote of those present, provided that notice of the date, time, and place the proposed amendment will be voted upon, and the language of the proposed amendment have been published in the Bon Air Baptist News at least thirty (30) days in advance of said business meeting.
- Section 3. Section 2 of Article III may be amended in accordance with the procedure set forth in Article III, Section 2 of this Statement of Policy.

ARTICLE IV - EFFECTIVE DATE

The foregoing Amended and Restated Statement of Purpose and Policy of the Bon Air Baptist Church Endowment Fund, initially approved on February 15, 1987, shall be effective upon its adoption by the church in accordance with the requirements of Article III, Sections 1 and 2 of the Statement of Policy as approved on February 15, 1987.

CRANDALL/NORTHEN FAMILY LIFE MINISTRIES FUND

Upon the joint recommendation of the Endowment and Stewardship Committees, a new endowment fund is created which is known as the Crandall/Northen Family Life Ministries Fund. This fund will be a memorial to two former staff members who served Bon Air Baptist Church in the position of Minister of Pastoral Visitation. Earnings from the principal to be available for special needs of Bon Air Baptist families as identified by the Associate Pastor.

[Adopted 3/20/96]

PROCEDURE FOR SECURING PAYMENT OF BILLS

1. This outlines procedures which must be followed before checks are written or petty cash is paid for goods or services. It should be recognized that these procedures not only represent good stewardship of Church funds, but are also good business practice.
2. Any employee or agent (if you are spending Church money you are its agent) of the Church must first satisfy himself that the expenditure is necessary, that it is included in the Church budget, and that the money is available to cover the expenditure.
3. If an expenditure is considered necessary but is not budgeted, a request must be made to the Stewardship Committee prior to its being submitted at a Church business meeting for approval.
4. Any Church Committee Chairman or Staff Member is authorized to make expenditures within the budget line items for which they are responsible.
5. Any employee or member may request reimbursement of small expenditures by submitting a cash register receipt and filling out a "Petty Cash" form with the reason for the expenditure, date, account to be charged and signature of the person receiving the money.
6. Reimbursement of larger expenditures may be obtained by filling out a "Request for Check" form showing the reason for the expenditure, account to be charged, payee, and amount. These must be approved by the Committee Chairman or Staff Member responsible for the budget line item being charged.
7. Companies who furnish goods or services must submit invoices or statements listing the items or services supplied. These documents or an accompanying "Request for Check" form (voucher) must be signed and dated by the party responsible for the order to indicate that the goods or services were received satisfactorily and the billing is as agreed before payment is made. When prepayment is required by a supplier the responsible Committee Chairman or Staff Member must submit a completed and signed "Request for Check" form with a notation that prepayment is required.

[4-22-92; revised 5-17-92]

ISSUING CHECKS

"Normally, all checks shall be issued no more frequently than twice a week. Should there be an unusual circumstance that requires a check to be issued other than the normal check issue policy, written approval by the Church Administrator or designee shall be required."

[Adopted 11/15/95]

INVESTMENT ADVISORY COMMITTEE

(See Other Groups, Committees, and Councils Section of Operations Manual)

ORDINATIONS AND SEMINARY SCHOLARSHIP

The church authorized the ministerial staff to make decisions about members' ordinations or seminary scholarship funds in order to expedite the church's completion of the necessary paperwork. For scholarship requests, the date on the certificate will be the date of the closest business meeting when the decision is made to grant the request. The church shall be informed of all decisions made on ordinations, scholarship requests and such. Information shall be included in the minutes. Any one member of the ministerial staff shall have this authority.

[1-26-94]

PAYMENT FOR SERVICES PROVIDED THE CHURCH BY MEMBERS

Bon Air Baptist Church is dependent upon and is very grateful for members who volunteer their time, talents and gifts to the ongoing ministry of Jesus Christ.

It is the policy of Bon Air Baptist Church that those church members who voluntarily perform services and/or work for the church are not paid for such services and/or work. Specifically, the church confirms its policy that church members who preach as replacements for the pastor on Sunday morning and/or evening, lead in worship on Wednesday evening and other scheduled worship services shall not be paid for such services. In addition, it is established that those church members who volunteer as a substitute for paid positions, e.g., pianist, organist, choir director, child care, etc., shall not be paid.

If no volunteer is available to substitute for a paid position, a church member may be utilized as a substitute and paid for such service; provided, however, the cost of paying for such substitute is included as a specific line item in the ministry's approved budget.

Further, preference may be given to church members who commercially offer services and supplies, provided, such services and/or supplies are competitively priced and are comparable in quality to that which is available in the marketplace. Such services and/or supplies shall be acquired by means of a Purchase Order or Employment Contract, whichever is appropriate. Taxes (sales, income, social security, etc.) required by law shall be paid for the purchase of supplies and/or services. To express the church's appreciation for member volunteers who contribute their time, talents and gifts, the church shall recognize such contributions with a tangible expression, including, but not limited to: certificates of appreciation, announcements in the church's publications, a meal for the substitute preacher and spouse, etc.

[10/18/95]