



Section One: Short Term Fund (STF)

1. **Share Value** – Deposits are managed on a commingled basis with a share value of \$1.

2. Account Additions

(a) Deposits may be made for investment by mail, fax or telephone request. Deposit slip must accompany or follow deposit.

(b) The Louisiana Baptist Foundation (LBF) will provide a receipt to acknowledge all deposits received.

(c) Deposits may be added to an account on any business day. Interest will be earned from the date received based on the average daily balance.

3. Account Withdrawals

(a) Withdrawals may be made by request of authorized persons. Requests for withdrawals may be made in two ways:

1. *Written Withdrawal Request* – Upon receipt of a completed written withdrawal request by letter or withdrawal slip signed by a person(s) authorized to make withdrawals from an account, the LBF will disburse the money.

2. *Telephone Withdrawal Request* – The LBF will honor telephone requests for withdrawals from a STF account. Upon receipt of a telephone withdrawal request, a LBF staff person will document the request and verify that the person making the request is authorized to make such withdrawals. Phone messages left on voice-mail do not constitute a completed withdrawal request. Other person(s) authorized to make withdrawals from the account need to contact the LBF staff to independently confirm the request (unless not required). Upon approval of the telephone withdrawal request by the authorized person(s), the money will be disbursed. The Entity must submit a written withdrawal request form to validate the telephone request.

(b) Withdrawals will be made payable only to the entity named in the agreement.

(c) Withdrawals from an account can be made on any business day. Interest will be earned through the date of withdrawal based on the average daily balance but will not be paid until the end of the month.

(d) Accounts may be closed on any business day. Interest will be earned through the date of closing based on the average daily balance but will not be allocated to the account until the end of the month. If the account is closed prior to the month-end income allocation, the entity



has two options available to receive the interest earned:

1. The interest may be transferred to another account owned by the entity.
2. The interest may be sent directly to the entity. (If this option is chosen, any interest amount under \$1.00 will be forfeited.)

4. **Allocation of Income** – Accrual basis income earned during each month less the applicable fees and Reserve Assessment will be allocated proportionately to the account participating in the STF based on its average daily balance during the month. Average daily balance is determined by summing its daily account balances and dividing by the number of days in the month. STF income allocated to a participating account is reinvested as specified by the AGREEMENT unless the Entity has provided other written instructions.
5. **Fees and Reserve Assessments** – A cost recovery fee will be charged based on the Average Daily Balance of the account as computed by LBF in accordance with its usual and customary practices. The cost recovery fee and reserve assessment will be determined by the Board and may be from time to time modified or amended. A schedule of fees is listed on the Disclosure Statement (available upon request). Any change in Board approved fees will be communicated to all STF participants 30 days prior to implementation.
6. **Statement of Account** – The LBF will provide online access to monthly account statements. For those requesting mailed statements, the LBF will provide an account statement as of the end of each calendar quarter. E-mailed statements will be provided upon request. Additional detailed accounting or explanation of transactions is available upon request.
7. **Share Value of the STF** – Net capital gains/losses realized by the STF are offset to the STF Reserve to help maintain the share value of \$1. An additional monthly assessment (up to .50% annualized) can be taken from income to build the STF reserve to help maintain the share value of \$1.
8. **Short Term Investments** – The STF shall purchase investments in accordance with the Investment Policies adopted by the LBF Board of Trustees.
9. **Discovery of Error** – If an error is discovered in an account, the error will be corrected in the month the error is discovered. The error, along with the results of the correcting entry, will be reported to the account holder and the LBF Board of Trustees in the month the error is discovered. If an error occurs in a buy or sell transaction in a LBF Fund, the transaction in error will be corrected in the month it is discovered.
10. These policies are a guide for the Short Term Fund accounts managed by the Foundation. They may be changed from time to time by our Board of Trustees and/or Investment Committee to better serve our churches and institutions.



Section Two: Market Value Funds

These policies and procedures apply specifically to the LBF Diversified Income Fund, LBF Group Investment Fund, and any entity directed accounts (herein referred to as "ACCOUNTS") administered on a market value basis. An entity directed account requires written approval of the LBF Investment Committee with a minimum investment of \$250,000. The entity also acknowledges and accepts all risks associated with any asset allocation choice.

Allocation of all income and capital gains and revaluation of funds or assets are documented below as being performed at month-end.

1. The identity of individual accounts is maintained. The principal of each account is accounted for separately, and all income applicable to each account is computed and accounted for separately so that all entity instructions concerning it can be followed.
2. The book value of each account is maintained. However, investment in a fund is computed and maintained on the basis of the market value of the fund as a whole, through the use of "shares".
3. Realized capital gains and losses from sale of assets in a fund are distributed pro-rata to the accounts invested in the fund by dividing the total gain or loss by the total number of shares held by all the accounts invested in the fund to determine the amount of gain or loss per share. The gain or loss is distributed at this rate on the basis of the number of shares held by each account.
4. The current market values of the LBF investment funds and Entity Directed assets are determined monthly.
5. Investment in a fund is determined by the number of shares assigned to each account, and a new share value is determined at month-end by dividing the total current market value of the fund by the total number of shares in that fund.
6. Additions to an account received during a month are placed on the books of the Foundation immediately. Deposits in the form of cash are invested in the LBF Short Term Fund until month-end. Additions in a form other than cash are recorded at the market value on the date received by the Foundation.
7. Net deposits to an account are invested in a fund only at the end of a month by purchasing shares at the value determined at the close of the month. The number of new shares purchased is determined by dividing the net deposits by the current share value.



8. Non-cash assets are carried separately. Income received from these assets are distributed to the respective accounts that "own" the assets. Income is paid out at month-end or posted to Income Payable, where it remains until payment is due.

9. The investment income of a fund is distributed at month-end and pro-rata on the basis of the number of shares for each account. Total accrual-basis income earned (as defined in the Uniform Prudent Management Institutional Funds Act) during each month less the LBF, custody and manager fees, and other applicable charges is divided by the total number of shares held by all the accounts invested in the Fund or Accounts to determine the rate of income per share. This rate multiplied by the number of shares an account has is the amount of income distributed to that account.

10. Any withdrawal requests will be paid within 30 days of the last day of the month in which a withdrawal request is received by LBF. Shares are redeemed at the current share value determined on the last day of the month in which a withdrawal request is received. Shares redeemed are determined by dividing the amount of money withdrawn by the current share value. The number of shares remaining in the account is then determined by subtracting the number of shares redeemed from the total number of shares in the account prior to the withdrawal.

11. If an error is discovered in an account, the error will be corrected in the month the error is discovered. The error, along with the results of the correcting entry, will be reported to the account holder and the LBF Board of Trustees in the month the error is discovered. If an error occurs in a buy or sell transaction in an LBF Fund the transaction in error will be corrected in the month it is discovered.

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