

PRICING AND GRANT DISTRIBUTION POLICIES FOR ORGANIZATIONAL FUNDS

Pricing Policies

Administrative Expenses. Each fund of the Lutheran Community Foundation is assessed an annual administration fee to cover the cost of program and administrative expenses. This fee is 1% of the fund's market value as of January 1 of that year. A reduced fee of .5% is assessed for organizational fund assets in excess of \$1,000,000.

While the annual administrative fee is currently deducted from a fund once a year, the Foundation will deduct a .25% fee on a quarterly basis (totaling 1% annually) effective 2006. Fees for new funds and additional gifts to existing funds are prorated as per the number of days in the year they were in the fund.

Investment Expenses. All investment fees and other direct costs, such as brokerage costs and sales commissions, attributable to the activities of a specific fund are passed directly on to that Fund.

Grant Distribution Policies

The following guidelines apply to grant distributions from Organization Advised Funds:

- At the recommendation of the Fund Advisor, distributions from Organization Advised Funds can be granted in amounts of \$300 or more, provided that each Fund retains a value of \$25,000.
- Grants can only be made to IRS-qualified charitable organizations – most church congregations fall under the church body's charitable status (ELCA, LCMS, WELS, etc.). Grants cannot be made to individuals or used for membership, benefit, auction items or instances where charity mixes with personal benefits or to fulfill a fundraising commitment or pledge. Organizational endowment funds for the purpose of scholarships are not permitted unless the organization is an accredited educational institution.
- Each recommendation from a Fund Advisor must be made in writing, and contain certification that the grant distributions being recommended are in compliance with any restrictions placed on the fund by the Organization and have been approved by the appropriate decision-making body within the Organization.
- Any recommendation for a grant of the entire value of a fund shall be accompanied by a statement of the reason for the recommendation, certified as required above by the Fund Advisor and by one other person in a position of responsibility with the Organization, such as the Pastor, Congregation President, Executive Director or Board Chair.

Capital Asset Sale Policy

All gifts of capital assets made to the Lutheran Community Foundation will be sold as soon as feasible. The proceeds from these sales will be invested according to the Foundation's Investment Policy and used to create or add to existing funds of the Foundation. Capital assets include securities and real estate.

Foundation policies and fees are subject to change.