

**INVESTMENT ACCOUNT APPLICATION
FOR DAKOTAS CHURCHES/ORGANIZATIONS**

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

Church/Organization name: _____

(Street Address)

(Mailing Address if different)

(City)

(State)

(Zip Code)

PRIMARY CONTACT authorized to receive account statements and correspondence regarding the account:

Name: _____

Telephone: _____

Title: _____

Email: _____

Mailing Address: _____

NOTE: Mail check to the Dakotas Methodist Foundation, PO Box 460, Mitchell, SD 57301. Contact the Foundation to wire funds.

Amount of Initial Deposit: \$ _____

Requested Name of Account: _____

Account statements will be provided quarterly.

INVESTMENT FUND: Please choose option 1, 2, 3, or 4

- Option 1 **Growth Fund** (65% equities and 35% fixed income)
- Option 2 **Balanced Fund** (50% equities and 50% fixed income)
- Option 3 **Fixed Income** (70% fixed income and 30% Inflation Protection Fund)
- Option 4 **Short Term Investment** (100% invested in Short Term Instruments)

Specific instructions on how fund is designated and/or managed (attach additional document if necessary):

DISTRIBUTIONS will be made upon request by submitting an Investment Withdrawal form to the address on the form.

RESTRICTIONS ON DISBURSEMENTS Please indicate all applicable restrictions that apply to this account.

- Principal of \$ _____ may not be distributed
- Only net income may be distributed
- Account cannot go below _____
- Other notes or restrictions _____

INVESTMENT ACCOUNT 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 from Investment Funds (the "Funds") managed by the Dakotas 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 Dakotas Methodist Foundation, Inc., a Dakotas not for profit corporation, located at 1331 W University Avenue Mitchell, SD 57301. The Foundation serves Dakotas Methodist churches, institutions and organizations along with other churches and organizations holding Wesleyan traditions and beliefs. The Foundation offers a variety of investment, loan, planned giving and stewardship services. Both the Foundation and the Investor are components of, or closely affiliated with, The 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 Dakotas Methodist Churches and congregations, other churches and organizations holding Wesleyan traditions and beliefs, and other qualified organizations affiliated with the Dakotas Annual 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., by laws, endowment program charter, *The Book of Discipline*) and to relevant South Dakota and North Dakota 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 submitted with a Dakotas & Minnesota Methodist Foundation Deposit Ticket indicating 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. Allowable distributions may be made upon request by submitting a Dakotas & Minnesota Methodist Foundation Withdrawal Form. **The Investor reserves all rights and responsibilities to direct the distribution of earnings and principal from the Investor's account.** All undisbursed income will be reinvested in the account. Notice of requests for withdrawal of funds shall be submitted to the Foundation by duly authorized officer(s) of the Investor, as specified in the Signature Authorization 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. In 2020 the Foundation partnered with Wespath as their investment manager. The Foundation offers three asset allocations: Growth, Balanced and Fixed.
 - Growth Fund*: The Growth Fund has a pre-specified allocation of units with a target mix of 35% U.S. Equity, 30% International Equity, 25% Fixed Income, and 10% Inflation Protection.
 - Balanced Fund*: The Balanced Fund has a pre-specified allocation of units with a target mix of 35% U.S. Equity, 15% International Equity, 35% Fixed Income, and 15% Inflation Protection.
 - Fixed Fund*: The Fixed Fund has a pre-specified allocation of units with a target mix of 70% Income and 30% Inflation Protection.
 - Short Term Fund*: The Short Term Investment Fund has a pre-specified allocation of units including U.S. Treasuries, U.S. Government Notes, U. S. Corporate Bonds, and Short-Term Debt (primarily cash, repurchase agreements and CD's.)
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, donor consultations, and all administrative overhead*).
 - (b) The Investor agrees to pay and authorizes the Foundation to automatically withdraw fees and expenses from the Investor's account when they are due and payable. As of April 2020, the current administrative fee is 75bps of the account's fair market value for the Growth, Balanced and Fixed Funds and 15bps of the Short Term Investment Fund account's fair market value.
 - (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 by the Foundation's investment managers. This fee is 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.
 - (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 quarterly to the Investor regarding contributions, withdrawals, market value, and appreciation on this account. These reports or account statements shall be delivered via the Statement Portal. Statements can be mailed upon request. Statement portal contacts may be changed by the Investor at any time by a written notice including an updated Statement Portal Authorization Form (available in the portal and on the Foundation website).

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 by two authorized officers, include account name and number, and be sent by first class US Mail to the attention of "Director of Foundation Relations" at PO Box 460, Mitchell, SD 57301. Notices from the Foundation shall be sent to the Investor in 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 those persons 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 month 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 Dakotas 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.

Signature: _____	Signature: _____
Print Name: _____	Print Name: _____
Title: _____	Title: _____
Home Address: _____	Home Address: _____
City, St, Zip _____	City, St, Zip _____
Email: _____	Email: _____
Phone: _____	Phone: _____
Date: _____	Date: _____

Acceptance: The Foundation hereby accepts and agrees to administer the funds deposited by the Investor pursuant to the terms expressed herein.

THE DAKOTAS METHODIST FOUNDATION, INC.

By: _____ Date: __ / __ / ____

Dakotas Methodist Foundation, Inc.