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MINNESOTA  
UNITED METHODIST  
**FOUNDATION**



## ACCOUNT INVESTMENT APPLICATION

*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 Minnesota United Methodist Foundation, 122 W Franklin Ave Ste 210, Minneapolis, MN 55404. 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 or 3

- 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)

Specific instructions on how fund is designated and/or managed:

**DISTRIBUTIONS** will be made upon request by submitting an Investment Withdrawal form to the MN UMF office.

**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 Minnesota 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 Minnesota United Methodist Foundation, Inc., a Minnesota not for profit corporation, located at 122 W Franklin Ave Ste 210, Minneapolis, MN 55404. The Foundation serves the Minnesota United Methodist churches, institutions and organizations within the Minnesota Annual 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 Minnesota United Methodist Churches and congregations, and other qualified organizations affiliated with the Minnesota Annual Conference of the United Methodist Church. Net earnings of the Funds may not be distributed 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 Minnesota 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. 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 75% Income and 30% Inflation Protection.
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 the Investor's account when they are due and payable. As of April 2020, the current fee is 67bps of the 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 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 the 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 "Executive Director" at the Foundation office (122 W Franklin Ave Ste 210, Minneapolis, MN 55404). 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 Minnesota 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.**

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 MINNESOTA UNITED METHODIST FOUNDATION, INC.**

By: \_\_\_\_\_ Date: \_\_ / \_\_ / \_\_\_\_  
 Minnesota United Methodist Foundation, Inc.