

**The Missouri United Methodist Foundation**  
**Donor Information: Designated Funds**  
January 1, 2008

The services of the Missouri United Methodist Foundation are available to all individuals who wish to provide charitable gifts in support of the ministries of the United Methodist Church in Missouri. Our mission is to provide expanded opportunities for charitable giving to the church and to serve as a mechanism for perpetual administration of endowment gifts.

For all charitable funds administered by the Foundation, the Foundation will:

- Assure that all grants are distributed in keeping with the charitable wishes of each donor;
- Provide donors with quarterly reports on fund activity, including contributions, investment performance and grants;
- Ensure a diversified and competitive long-term investment program for all assets;
- Assure that the name of the donor or the fund is associated with all grants made from the fund (anonymity will be maintained if desired);
- Conduct an annual audit by independent accounting firm; and
- Provide documentation to each donor to substantiate charitable deductions.

**Creating a Designated Fund**

Creating a designated fund at the Foundation is a wonderful way to ensure long-term support for the specific United Methodist church, agency, institution or ministry of your choice. By establishing a designated fund, you are creating a means to continue your charitable giving beyond your lifetime and to touch the lives of future generations.

A designated fund can help you achieve the following goals:

- Provide a source of financial support for your church or other United Methodist ministries in perpetuity;
- Establish one fund to support several organizations (e.g., designate a percentage of fund earnings to specific organizations);
- Ensure that if a church closes, an agency dissolves, or if a ministry program changes its purpose, the fund will carry out your charitable intentions;
- Make an endowment gift to a new, small or struggling organization;
- Make an endowment gift without concern that the principal may be invaded or used imprudently, or not invested properly.

To create a designated fund, the Foundation encourages a gift of at least \$10,000, either initially or anticipated through total giving over a period of time (e.g., a bequest or the remainder from a charitable trust or gift annuity). Additional contributions of any amount may be made to funds already established.

Simply contact the Foundation office to discuss how you would like your fund set up. We will then prepare a brief Instrument of Transfer for your review and approval. You return the signed agreement with your gift of cash or with the transfer instructions for gifts of other types of property.

## **Investment**

The Foundation maintains a diversified portfolio of investments to provide competitive investment performance results for all managed funds. The Foundation takes seriously its stewardship responsibility as a manager of many different donor funds.

Responsibility for managing the Foundation's investment portfolio is vested in the Board of Directors through its Investment Management Committee. The committee works closely with the Foundation's professional investment advisors to set policy, establish performance benchmarks and continually monitor the performance of the Foundation's portfolio against these policies and benchmarks.

The Foundation's investment philosophy reflects three fiscal objectives:

- Preserve capital
- Earn competitive total returns within risk tolerances established by the Foundation
- Preserve purchasing power by striving for long-term returns which either match or exceed the annual grant distribution requirement, fees and inflation

To achieve these objectives the Foundation maintains three diversified investment pools: the Aggressive Investment Fund, the Balanced Investment Fund and the Conservative Investment Fund. Each of these pools is tailored to meet a particular long-term investment goal. Each pool maintains a strategic allocation among stocks, bonds and short-term investments.

In general, individual funds are placed in the Aggressive Investment Fund. However, donors may recommend one of the other investment funds if that strategy would more appropriately match their fund's grant making objectives.

*Aggressive Fund.* The Aggressive Fund's investment objective is to seek long-term capital appreciation. Under normal market conditions, this fund will be invested substantially in equity securities (including those of foreign issuers and small capitalization companies) and, to a lesser extent, in fixed income securities, cash and other alternative investments.

The Aggressive Fund has the following target allocation of investments: 68% equity securities; 20% fixed income investments (bonds, Treasury Inflation Protected Securities, cash and cash equivalents); 12% alternative investments (hedge funds and real assets including real estate, commodities, and natural resources).

*Balanced Fund.* As the name suggests, this fund seeks to balance the objectives of long-term capital appreciation and present income. Therefore, the Balanced Fund is invested, under normal market conditions, in a diversified portfolio of fixed income securities, equity securities (including those of foreign issuers and small capitalization companies), cash and cash-equivalents, and other alternative investments.

The Balanced Fund has the following target allocation of investments: 48% equity securities; 45% fixed income investments (bonds, Treasury Inflation Protected Securities, cash and cash equivalents); 7% alternative investments (hedge funds and real assets including real estate, commodities, and natural resources).

*Conservative Fund.* This fund’s primary investment objective is to maximize present income. Under normal market conditions, this fund’s holdings will consist primarily of fixed income securities. A modest allocation of equity securities is included in the portfolio to allow for some capital appreciation. Rounding out the portfolio is a small allocation to cash and cash-equivalents, and other alternative investments (real estate).

The Conservative Fund has the following target allocation of investments: 70% fixed income investments (domestic government and mortgage backed bonds, domestic corporate bonds, Treasury Inflation Protected Securities, treasury bills and cash or cash equivalents); 25% equity securities (domestic only); 5% alternative investments (real estate).

The Funds may invest directly in securities or through the use of mutual and index funds. Each Fund utilizes a short term money fund to provide Participants with liquidity, but will normally be substantially invested in other securities.

The historic annualized returns for each of the Funds as of December 31, 2007 were as follows:

	<b>1 year</b>	<b>3 year</b>	<b>5 year</b>	<b>10 year</b>	<b>Since Inception</b>
<b>Aggressive Fund</b>	8.6%	11.2%	15.7%	9.5%	11.5% (June 1994)
<b>Balanced Fund</b>	8.4%	8.8%	12.1%	8.5%	9.5% (Dec. 1990)
<b>Conservative Fund</b>	6.7%	5.4%	8.4%	6.2%	6.6% (April 1997)

Past returns do not indicate or predict future performance. These returns are calculated **net** of all investment costs and fees.

The total value of assets under management as of December 31, 2007, was **\$63,957,879**. The Foundation audit and additional investment information is available on request.

**Administrative Fee**

The Foundation assesses an annual administrative fee of 0.65 percent (65 basis points) on the balance of all funds and accounts. The administrative fee is deducted quarterly (1/4 of the annual amount) from each account. The administrative fee partially offsets operating expenses of the Foundation (e.g., auditing, in-house accounting, account reporting and administration).

The administrative fee is subject to modification and may be increased or decreased at the sole discretion of the Foundation’s Board of Directors.

**Spending Policies**

In keeping with the goal of building permanent endowment funds for ministry, fund principal is preserved and grant distributions are made from a portion of fund earnings only. However, donors who would like to pay out some, or all, of the principal of their fund to specific United Methodist



**MISSOURI UNITED METHODIST FOUNDATION  
PROCEDURES FOR ESTABLISHMENT AND OPERATION OF FUNDS**

**PART A ALL FUNDS**

**Section 1. Establishment of Funds**

A Donor may establish with the Foundation one or more of four types of Funds, to be named as the Donor wishes. Each Fund is a component part of the Foundation and, as required by the Internal Revenue Code and Regulations, the Foundation is vested with ultimate authority and control over the principal and income of each Fund. These Funds are:

a. Funds

- (1) Unrestricted Funds, which the Foundation may use for any charitable purpose;
- (2) Field of Interest Funds, which restrict the Fund's charitable purpose but not the grant recipients.
- (3) Designated Funds, which are created exclusively for one or more specific charitable organizations'
- (4) Donor Advised Funds, whereby the Donor may recommend possible grant recipients to the Foundation.

A Donor may establish a Split-Interest Arrangement, including a charitable remainder trust, a charitable lead trust and/or a pooled income fund account, which provides a charitable benefit to the Foundation or to any related institution or agency of the United Methodist Church. The Foundation may serve as trustee of such split-interest charitable trust arrangements. Such arrangements are not component funds of the Foundation.

Requests to establish Funds or split-interest arrangements with the Foundation will be reviewed by the staff, the Board of Directors or a designated committee for consistency with the Foundation's charitable purposes and specific charitable needs. Generally, a minimum contribution of \$10,000 is necessary to establish a named Fund; smaller initial contributions will be added to the Unrestricted Fund. Minimum amounts necessary to establish a Split-Interest Arrangement will be mutually agreed upon by the Board of Directors or its designated committee or designated staff and the Donor(s).

**Section 2. Acceptance of Contributions**

The Officers of the Board have the authority to accept and reject contributions. A Donor to a Fund may not impose any "material restriction" (a term defined in the Treasury Regulations) which prevents the Foundation from freely and effectively employing the contributed assets, or the income derived therefrom, in furtherance of its charitable purposes. Any other restrictions sought to be imposed by a Donor are subject to review and approval by the Board of Directors.

Applicable law provides that a contribution is made at the time delivery of the contribution is made to the Foundation. Delivery is considered made under the following circumstances:

- (a) Unconditional delivery or mailing of a check to the Foundation which subsequently clears in due course will constitute an effective contribution on the date of delivery or, if the check is received in the ordinary course of the mails, on the date of mailing.

- (b) Unconditional delivery or mailing of a properly endorsed stock or bond certificate will constitute an effective contribution on the date of delivery or, if such certificate is received in the ordinary course of the mails, on the date of mailing.
- (c) If a contribution is made subject to compliance with certain conditions, then the contribution is not effective until the Foundation agrees to comply with such conditions.
- (d) Except as provided in paragraph (e), if a donor delivers a stock certificate to his bank, broker, other agent or the issuing corporation for transfer to the Foundation, or instructs his bank, broker, other agent or the issuing corporation to transfer stock to the Foundation, then the gift is effective on the date the stock is transferred on the books of the issuing corporation.
- (e) If stock is registered in a nominee name by a bank, broker or other agent and such bank, broker or other agent agrees to hold the stock in such nominee name on behalf of the Foundation, so that the stock will not be transferred on the books of the issuing corporation, then the gift of such stock is effective on the earlier of the date on which such bank, broker or other agent (i) acknowledges in writing that it holds the stock on behalf of the Foundation, or (ii) make the appropriate entry in its books and records to reflect that it holds the stock on behalf of the Foundation.
- (f) Delivery to the Foundation will be effective upon receipt by an Officer of the Board, employee or agent authorized by the Board to accept contributions.

### **Section 3. Financial Policy Regarding Disposition of Donated Securities and Property**

The general policy of the Foundation is to sell contributed property, including marketable stocks and securities as soon as practical after receipt so as to minimize market risk. Exceptions to this general policy will be made only in unusual circumstances and only with the prior approval of the Investment Management Committee.

### **Section 4. Investment Policies**

Of paramount importance is preserving the principal funds entrusted to the Foundation by its donors and obtaining the highest available return consistent with the security objective. The officers of the Foundation so empowered or the Investment Management Committee shall direct the investments of these funds consistent with this objective. A copy of the Foundation's investment guidelines and policies will be made available to any interested party upon request.

### **Section 5. Charitable Purpose**

For purposes of the Procedures, a "charitable purpose" is an educational, scientific, literary, public, religious or other purpose permitted to be carried on by organizations described in Section 170 (c) (2) of the Internal Revenue Code of 1986, as amended.

### **Section 6. Distributions**

- a. Funds
  - 1. A Donor may not direct the timing of distribution from Foundation Funds other than by a direction in the transfer or gift instrument that some or all of the principal, as opposed to specific assets, may not be distributed for a specified period. If in the transfer instrument a Donor provides that distributions be made from the Fund's annual net income, "net income" shall be annually computed based on the current spending policy of the Foundation (currently, 5.5% of the average past three year-end Fund balances).
  - 2. The ultimate right to direct the timing and amount of all distributions of income or principal

from any component Fund is vested in the Board of Directors.

3. Unless otherwise requested by the Donor any distribution shall identify the name of the Fund from which it is made.

b. **Split-Interest Arrangements**

Distributions from a Split-Interest Arrangement are determined by the underlying legal documents which establish the arrangement.

**Section 7. Administrative Expenses**

Each Fund and Split-Interest Arrangement administered by the Foundation will be charged its equitable share of the Foundation's expenses as determined from time to time by the Board of Directors. The Foundation's fee schedules will be made available to any interested party upon request.

**Section 8. Continuity of Foundation Funds**

If the Board of Directors exercises the variance power described in these Procedures to modify a Designated Fund or Field of Interest Fund or if the privilege of a Donor and other persons designated to make recommendations to a Donor Advisory Fund has been terminated, the Board of Directors shall convert the Fund into its choice of either an Unrestricted Fund or a Field of Interest Fund. To the extent practicable or feasible, the Board of Directors shall distribute amounts from the converted Fund for purposes which are consistent with the original Donor's charitable interests. Generally the Fund shall retain the name given by the Donor. If the Fund contains less than \$10,000 at the time it is converted, the Board of Directors may, in its discretion, deposit all the Fund's assets into the Unrestricted Fund. If the balance in any Fund remains below \$5,000 for two consecutive years, the Fund may be terminated and the proceeds deposited into the Unrestricted Fund.

**Section 9. Monitoring Function and Variance Power**

In addition to the Monitoring Functions hereinafter stated, the Board of Directors through the Board Committees and the Staff shall periodically review the effectiveness with which agencies that receive grants from the Funds of the Foundation are performing their responsibilities in the utilization of these grants toward attainment of the Foundation's and the Donor's objectives. Where necessary, the Board shall initiate corrective action.

**PART B. FIELD OF INTEREST FUNDS**

**Section 1. Establishment and Purpose**

A Donor or the Foundation may establish a Field of Interest Fund from which payments are made for a specific charitable purpose. The specified purpose may be broad, such as support of church leadership development, evangelism, or missions, or narrow, such as children's ministries in a particular geographic area.

**Section 2. Monitoring Function and Variance Power**

The Board of Directors shall periodically evaluate all Field of Interest Funds. If the Board determines that continued payments for the specified charitable purpose have become unnecessary, obsolete, incapable of fulfillment, impractical, or inconsistent with the Church's charitable needs, the Board in its discretion may change the field of interest of the Fund or convert it to an Unrestricted Fund.

## **PART C. DESIGNATED FUNDS**

### **Section 1. Establishment and Purpose**

A Donor may establish a Designated Fund for one or more churches, agencies, ministries or institutions that are components of, or closely affiliated with the United Methodist Church. These entities should qualify as public charities described in Sections 509 (a) (1) and (a) (2) of the Internal Revenue Code or supporting organizations described in Sections 509 (a) (3) of the Internal Revenue Code. Examples include a local United Methodist church, or a United Methodist- related retirement home, college, seminary or social service agency.

### **Section 2. Monitoring Function and Variance Power**

The Foundation shall monitor the performance of the designated charitable organization to determine that it is using payments for charitable purposes consistent with the Foundation's purposes and the Donor's intention at the time the contribution was made. If the Board of Directors determines that continued payments for the designated organization have become unnecessary, obsolete, incapable of fulfillment, impractical or inconsistent with the Church's charitable needs the Board may, in its discretion, convert the Designated Fund to an Unrestricted Fund or Field of Interest Fund.

## **PART D. DONOR ADVISED FUNDS**

### **Section 1. Establishment and purpose**

A Donor may establish a Donor Advised Fund whereby the Donor retains a lifetime privilege to recommend charitable grant recipients to the Foundation.

### **Section 2. Distribution from Donor Advised Funds**

Donors may make written recommendations of grants to tax exempt organizations described in Sec. 501 (c) (3) of the Internal Revenue Code, other than private non-operating foundations. The Board, or its designated committees, shall investigate and evaluate the advisory recommendations to determine whether they are consistent with the charitable needs and purposes of the United Methodist Church. No distribution may be used to satisfy a legally enforceable pledge. As provided in the Internal Revenue Code and Regulations, the Board of Directors has the absolute right to direct all distributions of income or principal from Donor Advised Funds.

## **PART E. ADVISORY COMMITTEES TO FUNDS**

### **Section 1. General Rules**

A donor may appoint an advisory committee for a designated, field of interest or donor advised fund. The Committee may make recommendations to the Board of Directors concerning possible grants from the Fund and any other matters it deems of importance. Generally, each committee should select one person who will have the authority to transmit the Committee's recommendation to the Foundation.

## **Section 2. Usually Majority Vote is Required**

Unless contrary instructions have been made by a donor, whenever two persons are designated to make recommendations they shall act by unanimous consent; whenever more than two persons are so designated, then a recommendation by a majority of such persons shall constitute an effective recommendation for consideration by the Foundation. Otherwise, each committee may operate under such procedures as it finds appropriate.

## **Section 3. Eligible Advisors Over a Donor's Lifetime**

Recommendation for distributions shall be subject to the following rules.

- (a) Generally a donor may designate any adult person(s) to have the privilege of making recommendations throughout the lifetime of a donor or his or her spouse, unless earlier terminated by resignation or incapacity.
- (b) A donor other than an individual, such as a corporation, partnership or trust, will not be subject to a time limit for its privilege to make recommendations; it shall have the privilege as long as it legally exists.

## **Section 4. Eligible Successor Advisors**

- (a) A donor may designate any adult(s) (i.e., over age 18) to have the privilege of making recommendations after the death of the donor throughout their lifetimes, unless earlier terminated by resignation or incapacity. However, in order for any grandchild to be named as a successor advisor, the Fund must contain at least \$250,000 at the death of the donor, or be pledged to achieve such balance within a reasonable time frame.
- (b) If more than one successor advisor is named, the advisors shall select one individual who will have the authority to deliver grant recommendations to the Foundation.
- (c) Children and grandchildren under the age of majority (i.e. age 18) (born and unborn) may also be designated as successor advisors but may not serve as advisors until they have reached the age of majority.

Upon termination of the advisory privilege, a Donor Advised Fund will be converted at the discretion of the Foundation to an Unrestricted Fund or a Field of Interest Fund as provided for in Part A, Section 8.

The Board may enumerate specific charitable needs to which distributions from Donor Advised Funds may be made and it may prepare a list of specific organizations that it deems are most deserving of support. The Board of Directors may designate minimum grant amounts.

## **PART F. AMENDMENTS**

These procedures may be amended by a majority vote of the Board of Directors at any regular or special meeting.

(Excerpt from the bylaws of the Missouri United Methodist Foundation.)

**ARTICLE XII**  
**GIFTS TO THE FOUNDATION**

**Section 1. General.** Donors may make gifts to the Foundation by naming or otherwise identifying the Foundation, whether or not a trustee, custodian or agent is designated to receive the property contributed. Gifts shall vest in the Foundation upon receipt and acceptance by it (whether signified by a Foundation officer, employee or agent).

**Section 2. Administration.** A donor may designate one or more trustees, custodians, or agents to have custody of and administer the investment of a gift, and, if more than one, the portions of the gift to be held and administered as to investment by each. All gifts shall be subject to the powers of removal vested in the Board and contained in Subsection 10 of these Bylaws. In the case of failure of a donor to designate a trustee, custodian or agent of such portions, or failure of a designated trustee, custodian or agent to accept custody of a gift, the Board may in each case, so far as necessary, designate one or more of the trustees, custodians or agents to have custody of and administer the investment of the gift, and if more than one, the portions to be so held and administered by each. The Foundation may enter into agreements with trustees, custodians or agents having custody of funds of the Foundation, specifying additional terms of such custody.

**Section 3. Acceptance of Terms.** Each donor, by making a gift to the Foundation, shall be deemed to have accepted and agreed to all the terms of the Articles of Incorporation and the Bylaws, and shall be further deemed to have agreed that the fund so created shall be subject to the provisions for presumption of donors' intent, for modification of restrictions or conditions, and for amendments and termination, and to all other terms of the Articles of Incorporation and Bylaws of the Foundation and any trust, custodian or agency agreement between the Foundation and trustees, custodians, or agents having custody of the funds of the Foundation, each as from time to time amended.

**Section 4. Separation of Noncharitable Purposes.** If a gift is made to a trustee in trust to make income or other payments to the Foundation, followed by payments to any individuals or for non-charitable purposes, it shall not be treated as a component fund, but rather only the payments to the Foundation shall be regarded as component funds, subject to its Articles of Incorporation and these Bylaws, and then only when the Foundation becomes entitled to their use. If a gift is made to a trustee in trust to make income or other payments for a period of a life or lives or term of years to any individuals or for non-charitable purposes, followed by payment to the Foundation, it shall be treated similarly until such non-charitable interests expire and the fund becomes a component fund of the Foundation. The Board may take such actions as it from time to time deems necessary or desirable to further the Foundation's interest in any such funds, whether components or non-components, or protect its right to receive payments from such funds.

**Section 5. Directions in the Instrument.** Any donor may, with respect to a gift made by such donor to the Foundation and within such limits of policy as the Board from time to time may establish, give directions in the instrument of gift or transfer as to (i) field of charitable purposes or particular charitable organizations or purposes to be supported, (ii) manner of distribution, including amounts, times, and conditions of payments and whether from principal

and/or income, and (iii) a name as a memorial or otherwise for a fund given, or addition to a fund previously held, or anonymity for the gift. Notwithstanding the foregoing, any such directions which at any time would cause, or be a material factor in causing, the Foundation to be deemed a “private foundation” as described in Section 509 of the Internal Revenue Code of 1986, as amended (the “Code”), or any successor provision of the Code or to be deemed not to be a qualified charitable organization described in Section 501(c)(3) or 170(b)(1)(A)(vi) of the Code or any successor provision of the Code, shall be null and void, but in either such event, to the extent permitted by law and approved by the Board of Directors, any such directions shall be deemed to have been modified or supplemented so as not to affect the status of (i) the Foundation, (ii) any fund or trust held or administered by the Foundation as a “component part” as described in Treasury Regulation Section 1.170A-9(e)(11)(ii), or any successor regulation or Code provision, or (iii) any other fund of trust held or administered by the Foundation.

**Section 6. Investments/Memorials.** No gift shall be separately invested or held unless the donor so directs, or it is necessary in order to carry out any other direction by the donor as to purpose, or in order to prevent tax disqualification, or it is required by law. In the absence of contrary instructions from its donors, directions for naming a fund as a memorial or otherwise may be satisfied either by keeping under such name accounts reflecting the interest of such fund in each common investment or by commingling the funds with others but referring in the Foundation’s literature and other commemorative communications to the amount of the gift at the time it was received by the Foundation.

**Section 7. Presumptions.** Each fund of the Foundation shall be presumed to be intended (i) to be used only for charitable purposes, (ii) to be productive of a reasonable return of net income over a reasonable period of time which is to be distributed at least annually or, if accumulated, is to be accumulated only in a reasonable amount and for a reasonable period for a charitable purpose or purposes, and (iii) to be used only for such of those purposes and in such manner as not to disqualify the gift from deduction as a charitable contribution, gift, or bequest in computing any federal income, gift, or estate tax of the donor or his/her estate and not to disqualify the Foundation from exemption from federal income tax as a qualified charitable organization described in either Section 501(c)(3) or Section 509 (a)(1) of the Internal Revenue Code of 1986 and shall not be otherwise applied. If a direction by the donor, however expressed, would, if followed, result in use contrary to the intent so presumed, or if the Board is advised by counsel that there is substantial risk of such result, the direction shall not be followed but shall be modified by the Board so far as necessary to avoid such result, except that if the donor has clearly stated that compliance with the direction is a condition of the gift, then the gift shall not be accepted unless an appropriate judicial or administrative body first determines that the conditions and direction need not be followed. Reasonable charges and expenses of counsel for such advice and proceedings shall be proper expenses.

**Section 8. Charitable Purposes and Organizations.** For purposes of the Bylaws, “charitable purposes” includes religious, educational, scientific, public and other purposes permitted to be carried on by organizations described in Sections 170(c)(1) and 170(c)(2)(b) of the Internal Revenue Code of 1986 and “qualified charitable organization” means an organization which is described in Section 170(c)(1) or (2) of said Code.

**Section 9. Variance Power.** Notwithstanding any provision in these Bylaws or in any instrument of transfer creating or adding to a fund of this Foundation, if, and only if, the Board of Directors determines in its sole discretion that circumstances are such as to render obsolete, inappropriate

or impractical execution of any request, condition or directive of the donors, with respect to property or funds of the Foundation, the Board shall have the power to modify or override such request, condition or directive so as to provide for the distribution of such property or funds in a manner which is appropriate, practical and consistent with the charitable needs of the United Methodist Church in Missouri.

**Section 10. Powers of Removal.** The Foundation shall have the power to replace a trustee, custodian or agent of any component fund of the Foundation under the following circumstances: a) if a trustee, custodian or agent has breached a fiduciary duty under state law; b) if a trustee, custodian or agent has failed to produce a reasonable return of net income over a reasonable period of time. (The determination of what constitutes a reasonable return and a reasonable period of time shall be within the sole discretion of the Foundation Board of Directors.)

**Section 11. Determination and Authorization by Board.** The Board, not less frequently than annually, shall (i) determine all distributions to be made from net income and/or principal of this Foundation (including funds held by trustees, custodians or agents of the Foundation) pursuant to provisions of the Articles of Incorporation, these Bylaws, and the donors' directions if, and to the extent applicable as provided herein, (ii) make, or authorize and direct the respective trustees, custodians or agents having custody of funds of this Foundation, to make payments to organizations or persons to whom payments are to be made, in such amounts and at such time and with such accompanying restrictions, if any, as it deems necessary to assure use for the charitable purposes and in the manner intended, and (iii) determine all disbursements to be made for administrative expenses incurred by the Foundation and direct the respective trustees, custodians or agents having custody of funds of this Foundation as to payment thereof and fund to be charged.

**Section 12. Advance Notice/Adjustment of Directions.** Determinations may be made by the Board to distribute capital from funds given without directions as to principal or income as well as pursuant to directions expressly permitting use of principal, but the Board shall inform the trustee, custodian or agent having custody of the funds of this Foundation, as far in advance as the Board deems practicable, so as to permit such trustee, custodian or agent to adjust its investment policies accordingly, and may, upon advice from such trustee, custodian or agent as to how the desired distribution and any necessary liquidation of investments can most economically be accomplished, adjust its directions for distributions so far as it deems appropriate.

**Section 13. Research and Analysis.** The Board may gather and analyze facts and conduct investigation and research, as from time to time is necessary, in order to determine the most effective means for meeting the needs of the United Methodist Church in Missouri, through application of funds for charitable purposes, and may direct disbursements for such fact gathering and analysis, investigation, and research from funds given for such purposes or from funds given without designation as to purpose. Disbursements for other proper administrative expenses incurred by the Board, including salaries for such professional and other assistance, as it from time to time deems necessary, shall be directed to be paid, so far as possible, first from any funds designated by the donor for such purpose, and any balance out of income of funds of the Foundation or such of its principal as is not specifically restricted against such use.