

**GOVERNING ARTICLES  
FIRST BAPTIST KINGDOM ENDOWMENT  
FIRST BAPTIST CHURCH  
BRUNSWICK, GEORGIA**

**PREAMBLE:**

**WHEREAS**, First Baptist Church, Brunswick, Georgia has been blessed with bountiful gifts over and above the tithes and budget gifts of the membership and these gifts are generally referred to as the "trust funds" of First Baptist Church (FBC). Historically, these gifts have been held and managed separately from regular budget gifts.

These gifts currently include: Beach Trust B (established by an Amended Indenture of Trust executed by Thomas N. Beach, as Grantor, on July 19, 1977) and hereafter referred to as "Beach Trust"; the Carter Trust (established pursuant to a gift from John & Joan B. Carter) and hereafter referred to as "Carter Trust"; the Wilson B. and Jewel Flanders Endowment (established under the Last Will and Testament of Wilson B. Flanders) and hereafter referred to as "Flanders Trust"; the McGlamory Fund; (established by gift from Don McGlamory's children) and hereafter referred to as "McGlamory Trust".

The gifts of the Beach Trust, Carter Trust, Flanders Trust, McGlamory Trust and all future special and planned gifts to FBC have been entrusted to FBC by the donors, and by God, to be faithfully and prudently managed and used for the eternal glory of His Kingdom and are consecrated to the glory of God, and to be used for great kingdom purposes which will bring blessings to others in the name of Jesus Christ until He returns.

**NOW THEREFORE**, The First Baptist Church of Brunswick does hereby ordain and establish **THE FIRST BAPTIST KINGDOM ENDOWMENT**, (Kingdom Endowment) to be held, managed and governed as hereinafter set forth:

**ARTICLE ONE**

**PURPOSE:**

The purpose of the First Baptist Kingdom Endowment is to constitute a fund to be preserved as a permanent endowment to generate a perpetual and enduring stream of income for the work of the Kingdom, and to generate blessings for others in the name of Jesus Christ until He returns, through missions, evangelism and ministering to human needs.

## ARTICLE TWO

### COMPOSITION OF FUND:

The corpus of the Kingdom Endowment fund shall be comprised of:

- (A) The funds comprising Beach Trust B, established under that certain Amended Indenture of Trust executed by Thomas N. Beach, as Grantor, on July 19, 1977, designating First Baptist Church as beneficiary. This fund is managed by Regions Morgan Keegan Trust of Birmingham, Alabama, the successor to the trustee appointed by Thomas N. Beach in said Amended Indenture of Trust.<sup>1</sup>
- (B) The Funds comprising what is generally known as The Carter Trust, which are presently being managed by the Georgia Baptist Foundation.
- (C) The Wilson B. And Jewel Flanders Endowment, established under the Last Will and Testament of Wilson B. Flanders.
- (D) The Donald McGlamory Camp Fund, established by gift from Don McGlamory's children <sup>(2)</sup>.
- (E) All future gifts to the permanent endowment fund established hereby.

## ARTICLE THREE

### ADMINISTRATION OF THE FUND:

(A) The Endowment Committee, in compliance with Biblical principles and wisdom, shall be charged with the administrative oversight and management of the Kingdom Endowment Fund and its approved disbursements. The Endowment Committee shall consist of eight members. The members of the Committee shall serve terms of four (4) years, with the terms to be staggered so that two members of the committee rotate off each year. Initially the Endowment Committee shall be comprised of the same members who are serving on the Trust

---

<sup>1</sup> Although the Beach Trust Funds are under the management and control of an independent trustee, and not subject to the control of First Baptist Church, as income beneficiary, such funds are nevertheless deemed to be a part of the permanent endowment fund for the purpose of subjecting such funds to all the restrictions and limitations on use which are hereby made applicable to all the other assets now or hereafter comprising this permanent endowment fund

<sup>2</sup> **The McGlamory Camp Fund is the only fund included as part of the initial corpus of this endowment fund which, under the express terms of the gift, is specifically and exclusively devoted to a defined and limited purpose; and that purpose will always be honored and will not be superseded by any provisions of these Articles to the contrary. (See Article Nine relative to any future gifts which may be specifically devoted to a defined and limited purpose.)**

Committee as of the effective date of this governing document and the expiration of the terms of those members shall not be altered or affected in any way by virtue of the Trust Committee becoming the Endowment Committee as of such date. Successors will be determined in accordance with the Church by-laws for the Kingdom Endowment Committee.

(B) The Endowment Committee shall have the following duties:

- (1) To exercise oversight with respect to investments made by the Kingdom Endowment fund manager(s), and the investment return produced thereby.
- (2) To make recommendations to the Church concerning grants from Kingdom Endowment fund income.
- (3) To inform and educate the congregation concerning the Kingdom Endowment fund and the benefits and opportunities of planned giving.
- (4) To make a detailed semi-annual report to the congregation concerning the Kingdom Endowment fund's performance and distributions. The periodic reports should include:
  - a. Beginning and ending fund balance.
  - b. Income earned by the fund.
  - c. Total return.
  - d. Amount of distributions for the reporting period
  - e. Amount of any gifts or donations to the fund during the reporting period.
- (5) To develop and execute an on-going planned giving program as described in Article Eleven hereafter.
- (6) To accept or reject gifts.
- (7) To establish and publish grant cycles, which may either be quarterly, semi-annual or annual. This duty shall include the authority to establish the policy for submitting grant applications, as well as the deadlines for submitting such applications for any given cycle.

- (8) The Kingdom Endowment Committee will establish written procedures setting forth how each applicant submitting a request for funds will be notified of the decision of their request. (Normally within seven (7) days of the Committee's decision). The Chairperson of the Endowment Committee will ensure minutes of each meeting are kept reflecting all business presented to the Committee, the Committee's actions, and reasons for such action. The Chairperson will ensure a copy of the approved minutes of each meeting is provided to the Church Office within seven (7) days of approval. These minutes will be available for any member of FBC to review.
- (C) Distribution shall be made from Kingdom Endowment fund principal or income upon the recommendation of the Endowment Committee and the affirmative vote of the membership in Church conference. Prior to a vote of the membership in Church conference, the recommendation of the Endowment Committee will be presented to the Deacon Body.

#### **ARTICLE FOUR**

##### **INVESTMENT MANAGEMENT:**

The assets of the First Baptist Kingdom Endowment shall be placed with a reputable institution (or institutions) whose primary business is the professional management of investment portfolios. The Endowment Committee, subject to the approval of the Church, shall have the authority to select from time to time the institution(s) with which the assets will be placed. The funds of Beach Trust will continue to be managed by Regions Bank as trustee unless this committee decides that a new trustee should be sought.

#### **ARTICLE FIVE**

##### **INVESTMENT OBJECTIVES:**

The investment objectives of First Baptist Kingdom Endowment are:

- (1) Preservation of principal for the effective maintenance of purchasing power;
- (2) Generation of a reliable and perpetual stream of income;
- (3) Growth of income and principal over and above that necessary to offset the cost of living (inflation).
- (4) The Endowment Committee will publish an investment policy statement that will be updated at least annually.

## ARTICLE SIX

### **DEFINITION OF INCOME AND PRINCIPAL:**

The fund manager(s) will manage and invest the funds consistent with the investment objectives of Article 5, and will periodically distribute income to the Church. This will include but will not be limited to interest, dividends and capital gains generated by the fund as well as all funds required to be distributed by the fund manager in order that no income or excise taxes will be incurred. Such distributions by the fund manager(s) shall constitute the **INCOME** from the Kingdom Endowment.

It is the intent of the Endowment Committee that all distributions that are classified as **INCOME** will be designated for distribution within the year that they are received. Any funds not used in the year that they are received will not be classified as principal but will be available for use in future years.

The remainder of the Kingdom Endowment shall constitute the **PRINCIPAL** of the fund. Specifically, the **PRINCIPAL** of the Kingdom Endowment as of the date of this document is made up of the funds currently known as the Beach Trust, Carter Trust, Flanders Trust and McGlamory Trust.

## ARTICLE SEVEN

### **LIMITATION ON USE OF PRINCIPAL:**

Any current or future gifts received and placed in the Kingdom Endowment fund as **PRINCIPAL** shall not be spent except in accordance with the written exception stated below. Withdrawal of principal meeting the exception stated below shall require the same voting rules as apply to the Church By-Laws as specified in Article Seven of the FBC By-Laws. If the church conference at which the vote is taken is a called conference, there must be compliance with the notice requirement of the church by-laws.

### **WITHDRAWAL of PRINCIPAL:**

Principal withdrawal of the Kingdom Endowment will only be allowed in extreme and overwhelming circumstances, bordering on the very survival of the Church. Prior to any Principal withdrawal for such circumstances, all the current calendar year Kingdom income, (unless limited by specific Donor instructions) must be used to meet those specific circumstances. **PRINCIPAL** withdrawals are also limited by the following conditions:

Carter Trust- The **PRINCIPAL** of the funds that are in the Carter Trust may not be used for any purpose. This limitation was placed upon the principal by the church at the time these funds were received.

McGlamory Trust- The PRINCIPAL of the funds that are in the McGlamory Trust may not be used for any purpose. This limitation was placed upon the principal by the Donor.

**BEACH TRUST WITHDRAWAL GUIDELINES:**

Beach Trust- The Principal of the funds that are in the Beach Trust may only be used for a permanent addition or additions to its facilities which will aid the First Baptist Church of Brunswick, Georgia in its purpose or purposes as a charitable organization. The trustee (Regions Bank) shall have full authority to determine what is a permanent addition. By way of illustration and not of limitation, a permanent addition shall consist of a new building, a new addition to an existing building, or the restoration of an existing building. This limitation was placed upon the principal by the Donor.

Any withdrawal of Beach Trust PRINCIPAL, consistent with the Beach Trust Limitations, shall also be limited to an annual amount designated as the "Withdrawal Limit". The "Withdrawal Limit" is a specific amount which is set by the following formula:

**"WITHDRAWAL LIMIT FORMULA"**

The amount of principal which may be withdrawn on an annual basis may not exceed 5% of the previous five year average of the ending market value of the trust as measured on December 31 of each year. At no time may an annual withdrawal cause the principal to fall below \$2,750,000.00 (2.75million).

**ARTICLE EIGHT**

**GUIDELINES FOR EXPENDITURES OF ENDOWMENT FUND INCOME:**

A. The focus of FBC in distributing the income from the Kingdom endowment fund shall be to look beyond ourselves and to minister to others in the name of Jesus Christ until He returns. Distributions shall be devoted exclusively to the following areas:

**1. Missions and Evangelism:**

Undertaking or supporting projects or programs whose focus is spreading the gospel of Jesus Christ, and providing a strong and effective witness for the Kingdom. The missions and evangelism focus might include projects and programs of the various agencies of the Georgia Baptist Convention and the Southern Baptist Convention; missions trips initiated by First Baptist Church; and other efforts, either within or outside the denominational framework, which are devoted to advancing the cause of Christ beyond the local church.

## **2. Ministry to Human Needs:**

Undertaking or supporting projects or programs which minister in an effective and meaningful way across the spectrum of human need, whether the focus is on children, youth, adults, families or the elderly. Our primary purpose will be to target projects or programs whose underlying philosophy and policy are consistent with Christian teaching and principles; and not to support projects or programs whose philosophy and policy are inconsistent with Christian teaching and principles.

## **3. Youth Ministry:**

In recognition of the importance of providing for our youth the necessary foundation for victorious Christian living, and giving an effective witness to future generations, distributions of endowment income may be made to the youth ministry of First Baptist Church; however, such shall be subject to the same procedure for application and approval as are all other distributions.

## **4. Maintenance Fund:**

- (a) A portion of existing trust fund income has historically been allocated to a maintenance fund used to supplement the budget maintenance account. It is the conviction of the congregation of this Church that church maintenance should be a normal operating expense funded by and through the Church budget. In order to implement that goal, there shall be graduated reductions in the trust fund maintenance allocations each year over the next five years. To effectuate this graduated reduction, the percentage of "Beach Trust" income allocable to the church maintenance shall be reduced by 20% in the year 2012, and by 20% for each successive year over a five-year period, after which time all maintenance costs shall be totally funded by the Church budget.
- (b) It shall be the responsibility of the finance committee to plan and implement sufficient graduated budget increases over the corresponding five-year period to off set the reduction of trust income for the foregoing items.
- (c) At such time as the five-year transition is accomplished, funds remaining in the trust maintenance account, if any, shall be transferred to the maintenance church budget account(s), and no further endowment fund principal or income may be expended for church maintenance.

It is recognized that meaningful spending guidelines must include a clear statement of those things for which endowment funds shall not be used. Kingdom Endowment Fund Income shall not be expended for any expense in "B." below except for extreme and overwhelming circumstances, bordering on the very survival of the Church.

Any use of Kingdom Endowment Fund Income under "extreme and overwhelming circumstances" shall require the same voting rules as apply to the Church By-Laws as specified in Article Seven of the FBC By-Laws. If the church conference at which the vote is taken is a called conference, there must be compliance with the notice requirement of the church by-laws.

B. In keeping with our focus on missions, evangelism and human needs, and ministering to others beyond the local church, Kingdom Endowment fund income **shall not be expended for the following:**

1. Loans to any person or entity, including First Baptist Church of Brunswick.
2. Debt reduction of any kind.
3. Gifts or grants for personal mission endeavors not sponsored by First Baptist Church or agencies of the Georgia Baptist Convention or Southern Baptist Convention.
4. Individual scholarships (except as noted in the McGlamory Trust Document).
5. Meetings and conferences.
6. Church fetes, receptions, celebrations and commemorations.
7. Renovation, repair, and maintenance of Church property (except as noted in the Beach Trust document).
8. Acquisition of real property and new construction of Church buildings or facilities (except as noted in the Beach Trust document).
9. Acquisition or replacement of machinery, equipment, supplies, and publications to be used in support of the on-going operation and ministry of First Baptist Church.
10. Supplementation of any line-item budget category, except for those areas delineated in subparagraphs 1, 2 and 3 of Section A of Article Eight.
11. Salaries and other employment benefits of First Baptist Church staff or personnel.
12. Moving expenses of prospective or departing staff members or employees.



13. Any organization or entity whose philosophy and purposes are incompatible with Christian principles and values.

## **ARTICLE NINE**

Should any of the foregoing provisions of these Articles conflict with the expressed wishes of the donor of existing gift or future gift which is specifically and exclusively devoted to a defined and limited purpose, the wishes of the donor shall be honored and shall not be superseded by those Articles.

## **ARTICLE TEN**

### **ADMINISTRATIVE EXPENSES:**

All necessary and reasonable administrative expenses of the First Baptist Kingdom Endowment shall be paid from the income of the fund, subject to the approval of the congregation. Approval of the congregation shall require a simple majority vote of those present and voting at a regular or called church conference. If the church conference at which the vote is taken is a called conference, there must be compliance with the notice requirement of the church by-laws.

A non-exclusive list of such expenditures would include:

1. Promotional expenses such as brochures and periodic handouts.
2. Reasonable and necessary expenses associated with estate planning seminars, and other such activities.
3. Payment of professional fees for periodic auditing of the fund, or other necessary professional services, if and when the need for same arises.
4. Payment of endowment fund employee salaries, if and when the need for same arises.

## **ARTICLE ELEVEN**

### **PLANNED GIVING PROGRAM:**

- A. To accomplish our purpose to maintain an ever-increasing mission's impact, and to generate ever-increasing blessings for others in the name of Jesus Christ, the First Baptist Kingdom Endowment must not remain stagnant, but must experience vital growth. The growth of the principal of the fund may occur only from re-investment of capital gains and from additions in the form of gifts and bequests to the Fund. Thus, planned giving is an integral part of a growing Kingdom endowment fund, ensuring that there will be an increasing

source of funds available to support the ever-increasing costs of doing missions and meeting human needs for generations to come.

- B. A planned giving program is an organized, on-going program of education and encouragement to keep ever before the congregation an awareness of their options for leaving a lasting legacy for the Kingdom by planning either a lifetime or testamentary gift of a portion of the property or assets of their estates to The First Baptist Kingdom Endowment.
- C. As previously set forth in these Articles, it shall be the duty and responsibility of the Endowment Committee to establish and promote the planned giving program. Promotion efforts may include: periodic mailings to the congregation on a semi-annual or annual basis; informative and appealing brochures; promulgation of information on planned giving and estate planning; occasional articles and testimonials in Church bulletins and newsletters; appropriate recognition of donor gifts; seminars on Christian financial planning and estate planning; Church bulletin one-liners; other efforts and initiatives designed to effectively promote planned giving.

## ARTICLE TWELVE

### AMENDMENTS:

Amendments to these Articles may be effectuated by the same voting rules as apply to the Church By-Laws as specified in Article Seven of the FBC By-Laws, provided that specific notice of the purpose of any amendment is given in accordance with the constitution and by-laws of First Baptist Church.

**THESE GOVERNING ARTICLES ARE HEREBY ADOPTED**, and the **FIRST BAPTIST KINGDOM ENDOWMENT** hereby established, in a duly constituted Church conference of the First Baptist Church of Brunswick on the 20<sup>th</sup> day of March, 2011.

Clint Purser  
Church Moderator

Attest:

Winfield Manor  
Church Clerk

**Revision History:**

1. This document adopted by the church in conference on March 20, 2011