



Date Approved: October 23, 2006

Approved By: Bethel Lutheran Foundation

Title: HARRY M. LAHOOD MEMORIAL SCHOLARSHIP FUND

Purpose: The Bethel Lutheran Foundation is an agency of the Bethel Evangelical Lutheran Church, Morton, Illinois. The purpose of the Foundation is to further the work of the Kingdom of God through Bethel Lutheran Ministries by receiving, managing and disbursing memorials, gifts, grants and bequests. Disbursements from the Harry M. LaHood Memorial Scholarship Fund (LaHood Scholarship Fund) are made only to Bethel Lutheran School, Morton, Illinois.

POLICY

The LaHood Scholarship Fund is to be used exclusively for Bethel Lutheran School scholarships. The Fund principal shall be conservatively invested to minimize risk and optimize return on invested funds. Two (2) \$500 grants from the LaHood Scholarship Fund will be made annually to the Bethel Lutheran School upon request by the School Board, or their designated scholarship committee.

ADMINISTRATION

The Foundation will receive LaHood Scholarship Funds through its normal channels for the current and future time frame. The Foundation will manage the funds in a manner that preserves principal, provides optimum yield, provides needed liquidity, and minimizes risk. Generally, this means that Certificates of Deposits and investment grade Bonds will be the investment vehicles. The Foundation will make available two (2) grants of \$500 annually from the interest and principal to Bethel Lutheran School. The Bethel Lutheran School Board, or their designated representative, will request these funds using the Foundation's standard memorial request form. The Foundation expects to provide these funds at the start of each school year, around mid-August, beginning in August 2007. A separate accounting of the LaHood Scholarship Funds will occur annually to show balance, interest earned and disbursements.

The Bethel Lutheran School Board, or their designated scholarship committee, will determine the students who receive the two \$500 grants each year using their normal selection process. This is confidential information and is not to be shared with the Foundation Board.

The LaHood Scholarship Fund is not a pure endowment. Since interest and principal will be used to fund the annual grants, the Fund has a finite life. (With the initial gift of

\$10,000 and a gift of \$5,000 six months later, and with a 4.5% interest rate, funds will be available to make grants for over 20 years.) If additional contributions are made to the LaHood Scholarship Fund, the period of time that grants can be made will be extended.

GOAL

The LaHood Scholarship Fund was established to provide monetary assistance to Bethel Lutheran School elementary students (both current and prospective) with an identified need. The Foundation will ensure that the funds are invested properly and are available when requested. The School Board will ensure the two grants are made to the appropriate students.

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