



Date Approved: April 21, 2008

Approved By: Bethel Lutheran Foundation

TITLE: POOLED INTEREST CALCULATIONS

PURPOSE: Pooling allows us to invest funds when balances are more readily available since many investment institutions require minimum balances. Commingled funds allow greater investment opportunity. The accounting for individual funds is simplified on a pooled basis and allows more funds to participate in the interest earnings.

Starting with the interest earned and paid after January 1, 2008 interest will be allocated based on previous quarter balances under the following guidelines.

1. Interest is allocated pro rata for the quarter based on the pooled balances at the beginning of the quarter.
2. Only funds specifically designated will share in the allocation. This excludes memorials that have not been designated by the appropriate individuals or responsible party for the ultimate end use.
3. The specific fund balance must be \$5,000 or greater to be included in the quarterly allocation.
4. The balance will be calculated as of the beginning of the quarter but will take into consideration any board action within the first month of the quarter for funds already received and deposited.
5. If the funds have been requested by a specific board and approved by the Foundation Board for a specific purpose no interest allocation will be made for the quarter.
6. All interest earned but unpaid at the beginning of the policy (January 1, 2008) will be allocated based on the actual accrual at December 31, 2007. This interest will be credited to the specific fund at the time of payment.

If the above does not clearly detail the circumstances then the philosophy of the allocation should be considered to handle the transaction appropriately.

