

FREQUENTLY ASKED QUESTIONS – CASH RESERVE ACCOUNTS FOR MINISTRY

1. Q: **What is a Cash Reserve Account for Ministry?**
A: Cash Reserve Accounts for Ministry funds will be placed in institutional money market accounts with record-keeping provided by the Benefits Board.
2. Q: **Who is eligible to place money in a Cash Reserve Account for Ministry?**
A: Any local church, church denominational department, or church-related institution that is affiliated with the Church of God, Cleveland, Tennessee may place reserve funds into an Account. Individuals are not allowed to participate in the Accounts.
3. Q: **What is the minimum amount needed to open a Cash Reserve Account for Ministry?**
A: The minimum to open an Account is one thousand dollars (\$1,000). Once an Account is opened, additional contributions may be made in increments of at least one thousand dollars (\$1,000) each.
4. Q: **What is the maximum amount that can be placed in an Account by an eligible participant?**
A: There is no maximum amount that an eligible participant can place in a Cash Reserve Account for Ministry.
5. Q: **When is the Benefits Board going to make Cash Reserve Accounts for Ministry available?**
A: It is expected that the Cash Reserve Accounts for Ministry will be available on or before September 1, 2006 and afterwards.
6. Q: **What is the rate of interest that will be paid on Cash Reserve Accounts for Ministry?**
A: The interest rate and net annualized yield for the Accounts will depend upon the applicable rates in money market type funds, and may change frequently. The rate on such Accounts is variable and may be changed at any time as administered by the Board.
7. Q: **How is the rate paid on the Cash Reserve Accounts for Ministry calculated?**
A: The Board will use a daily balance method to calculate the interest on your Account. This method applies a daily periodic rate to the principal in the account each day, using a 365-day year for calculation purposes. Interest/dividends will be declared daily and credited/reinvested monthly to the Cash Reserve Accounts for Ministry. Because of such, interest will be compounded monthly.
8. Q: **Are the Cash Reserve Accounts for Ministry guaranteed by the FDIC?**
A: An investment in a Cash Reserve Account for Ministry is neither insured nor guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other government agency. The yield of the fund will be strictly based upon market conditions and a particular long-term or average rate cannot be guaranteed by the Benefits Board, the Ministers' Retirement Plan, or any fund manager.
9. Q: **Are Cash Reserve Accounts for Ministry what we should use for all our church's investments?**
A: The Cash Reserve Accounts for Ministry were created to deal with short-term cash needs where liquidity is a primary concern. The Accounts are most likely not the best vehicle for long-term funds where a stock market-like return is expected or needed. Instead, the Accounts are projected to be most suitable for the placement of short-term reserve assets, designated funds that will be needed within 12 to 24 months, and excess, or "rainy day," cash funds that may be needed on short notice.
10. Q: **Will check writing privileges be offered with Cash Reserve Accounts for Ministry?**
A: No. The accounts are not for weekly operating cash since there are no check-writing privileges.
11. Q: **If our church places money in an Account for only a few days, will we draw interest during that time?**
A: Yes. The first day of interest will be earned at 5:00 pm EST on the business day following the day the funds were received in the corporate offices of the Benefits Board or at a place so designated by the Board. Accounts withdrawn prior to such will not be credited with any earned interest. Any funds received either by mail or wire transfer after 3:00 pm EST will be treated as received at 8:00 am EST the next business day.

12. Q: **How often will the interest rate on Cash Reserve Accounts for Ministry be set?**
A: The rate is subject to change daily. The daily yield, stated in a net annualized yield format, will be available from the Board upon request.
13. Q: **How will my church make a withdrawal from our Account with the Board?**
A: All requests for withdrawals must be accomplished on a form designated by the Benefits Board and signed by at least two (2) authorized agent representatives of the participating entity.
14. Q: **Can a withdrawal be made in any amount?**
A: A withdrawal from an Account may be accomplished in any amount in excess of one thousand dollars (\$1,000).
15. Q: **When our church makes a withdrawal, how will we get our funds?**
A: All withdrawals in excess of \$25,000 must be made by electronic fund transfer, while withdrawals in lesser amounts can be made by such method upon request. All other withdrawals will be made by check from the Board.
16. Q: **What documents will need to be completed to open a Cash Reserve Account for Ministry with the Board?**
A: A participating institution requesting to make a deposit into an Account must complete an application on a form provided by the Benefits Board. In applying for an account, the participating institution must provide contact information, a representation concerning those that are agents entitled to information on the Account and those that may make transactions regarding the Account, and an employer tax identification number.
17. Q: **Once we complete an application, when can we open a Cash Reserve Account for Ministry?**
A: If the eligible participant provides a completed application and a resolution showing authority to open an Account, funds can be deposited into the Account immediately. There is no wait period or review process.
18. Q: **Is the interest that the church earns on the account paid out or reinvested?**
A: All interest/dividends earned on a Cash Reserve Account for Ministry will be reinvested in the account and not paid out to the participant until such time as the participant makes a withdrawal from the account.
19. Q: **If I want to open a Cash Reserve Account for Ministry, who do I make the check payable to?**
A: Checks for deposit into a Cash Reserve Account for Ministry should be made payable to the Church of God Benefits Board, Inc.

The Cash Reserve Accounts for Ministry provided by the Benefits Board are neither insured nor guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

If you have any additional questions, please contact us as follows:

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