

MODIFICATION TO 403(B)7 PLAN

We have attached a copy of the Barton County Community College 403(b) Plan Participant Loan Program that is modified from the current program. This loan program is a part of our 403(b)7 plan that we have had for our employees for a number of years. The modification is primarily involved with adding item 9 to the agreement. This item relates to suspending loan payments for employees who are participating in military service. Because one of our employees has been called to active duty, this amendment needed to be made. The President has approved the attached document and it is being provided to the Board for informational purposes only.

New

Please sign and return to CPI

✓

Please place in the Plan manual

BARTON COUNTY COMMUNITY COLLEGE 403(B) PLAN
PARTICIPANT LOAN PROGRAM

Barton County Community College 403(b) Plan permits loans to be made to Participants and their beneficiaries. However, before any loan is made, Section 11.11 of the Plan requires that a written loan program be established which sets forth the rules and guidelines for making Participant loans. This document shall serve as the required written loan program. In addition, the Plan Administrator may use this document to serve as, or supplement, any required notice of the loan program to Participants and their beneficiaries. All references to Participants in this loan program shall include Participants and their Beneficiaries.

1. The Plan Administrator is authorized to administer the Participant loan program. All applications for loans shall be made by a Participant to the Plan Administrator on forms which the Plan Administrator will make available for such purpose.
2. A Participant or Beneficiary may apply for a loan provided at least two weeks written notification is given to the Plan Administrator to process the loan. The Participant shall also be required to provide such supporting information deemed necessary by the Plan Administrator. This may include a financial statement, tax returns and such other financial information which the Plan Administrator may consider necessary and appropriate to determine whether a loan should be granted. Furthermore, the Participant shall authorize the Plan Administrator to obtain a credit report on the Participant. In addition, a service fee for processing and maintenance of the loan may be charged to the Participant. Such fee, if applicable, shall be commensurate with fees charged by other lenders and shall be a reasonable reimbursement to the Plan for administrative, legal, actuarial or other costs associated with making the loan.
3. The Plan Administrator shall determine whether a Participant qualifies for a loan, applying such criteria as a commercial lender of funds would apply in like circumstances with respect to the Participant. Such criteria shall include, but need not be limited to, the creditworthiness of the Participant and his general ability to repay the loan, the period of time such Participant has been employed by the Employer, whether adequate security has been provided for the loan, and whether the Participant agrees, as a condition for receiving the loan, to make repayments through direct, after-tax payroll deduction by the Employer or through payroll deduction in the event of a default on the loan. The Plan Administrator may allow for repayment of the loan in a method other than payroll withholding.
4. With regard to any loan made pursuant to this program, the following rule(s) and limitation(s) shall apply, in addition to such other requirements set forth in the Plan:
 - (i) No loan in an amount less than \$1,000 shall be granted to any Participant.
 - (ii) All Loans made pursuant to this program shall be considered as a directed investment from the account of the Participant maintained under the Plan. A loan shall be deemed to

be an investment of a fund or funds of the Participant's choice and shall be made available to the extent there are liquid assets available in the selected fund(s). As such, all payments of principal and interest made by the Participant shall be credited only to the selected account(s) of such Participant and based on current election percentages.

(iii) A Participant shall be entitled to a loan up to one-half (1/2) of the present value of the non-forfeitable accrued benefit of the Participant under the Plan.

(iv) The maximum aggregate dollar amount of loans outstanding to any Participant may not exceed \$50,000 as aggregated with all Participant loans from other employer qualified plans, reduced by the excess of the Participant's highest outstanding Participant loan balance during the 12-month period ending on the date of the loan over the Participant's current outstanding Participant loan balance on the date of the loan.

5. Any loan granted or renewed under this program shall bear a reasonable rate of interest. In determining such rate of interest, the Plan shall require a rate of return commensurate with the prevailing interest rate charged on similar commercial loans under like circumstances by persons in the business of lending money. Such prevailing interest rate standard shall permit the Plan Administrator to consider factors pertaining to the opportunity for gain and risk of loss that a professional lender would consider on a similar arms-length transaction, such as the creditworthiness of the Participant and the security given for the loan. Therefore, in establishing the rate of interest, the Plan Administrator shall conduct a reasonable and prudent inquiry with professional lenders in the same geographic locale where the Participant and Employer reside to determine such prevailing interest rate for loans under like circumstances. The loan shall provide for level amortization with payments to be made not less frequently than quarterly over a period not to exceed five (5) years. If the purpose of the loan is to acquire or construct the primary residence of the Participant, the period of repayment may exceed five years, but in no event shall it exceed the usual repayment period required by commercial lenders for similar loans.

6. The Plan shall require that adequate security be provided by the Participant before a loan is granted. For this purpose, the Plan can consider a Participant's interest under the Plan to be security. However, in no event shall more than 50% of a Participant's vested interest in the Plan (determined immediately after origination of the loan) be used as security for the loan.

7. Generally, a default occurs when any scheduled payment is not paid when due. However, there will be a grace period from the due date of the missed payment through the last day of the calendar quarter following the calendar quarter in which the required payment was due but not made. If the missed payment is made during the grace period then no distribution will be deemed to have occurred. If the missed payment is not made during the grace period then a distribution will be deemed to have occurred as provided in proposed Treasury Regulation 1.72-17A, Q&A 10. The Plan Administrator will take such steps as it deems necessary to preserve plan assets in the event of a default. If a Plan loan is

in default and the Participant's interest in the Plan is security for the loan, the loan will not be offset against the Accrued Benefit until a distributable event occurs in the Plan.

8. Upon satisfaction of the criteria established for granting a loan, the Plan Administrator shall inform the Plan Administrator that the Participant has qualified to receive a loan under the Plan's program. The Plan Administrator shall review the determination made by the Plan Administrator (including the prevailing interest rate which has been set for the loan) and, if it determines that such loan would be a prudent investment for the Plan, applying such fiduciary standards as required by ERISA, the Plan Administrator may grant the loan request. In making such determination, the Plan Administrator may consider the liquidity of the Plan assets available for loans. The Plan Administrator shall then require that the Participant execute all documents necessary to establish the loan, including a promissory note, payroll withholding form and such other documents which will provide the Plan with adequate security and for repayment of the outstanding loan amount.

9. If a Participant separates from service (or takes a leave of absence) from the Employer because of service in the military and does not receive a distribution of his or her account balances, the Plan shall suspend loan repayments until the Participant's completion of military service or until the Participant's fifth anniversary of commencement of military service, if earlier. The Plan Administrator will provide the Participant with a written explanation of the effect of the Participant's military service upon his or her Plan loan.

Added

Adopted this _____ day of _____, _____. This loan program may be amended from time to time.

BARTON COUNTY COMMUNITY COLLEGE

VELDON LAW
PRESIDENT



HEDLUND
CONSULTING, INC.

People • Performance • Systems

RECEIVED

NOV 20 2002

PRESIDENT'S OFFICE
BCCC

November 19, 2002

Veldon Law, PhD
President

Board of Trustees
Barton County Community College
245 NE 30th Road
Great Bend, KS 67530

PLEASE SHARE WITH THE BOARD OF TRUSTEES.

Recently, I had the opportunity to participate in the NCA visit at Barton County Community College. I had been invited to attend the community leaders portion where the NCA team asked us questions about the college's image, interaction, and mission as perceived by the community. I always seem to be present when I make critical recommendations of some aspect of the college; I wanted to pass along good news too.

Overall, the 20 community leaders that were present showered the NCA team with praise for what "their community college" was about. We had city, county, and business leaders attend and not one of them had a negative tone. As we first went around the room to introduce ourselves, I felt an unusual sense of unity form. It was interesting to realize how much we all really worked together when someone from the outside asked about our relationships. The NCA team even asked some pointed "negative" oriented questions and they were answered proactively and to the point.

I thought of our meeting last June as part of the Board Advance when we discussed how well we communicated with our communities. This was a positive affirmation that we have good relationships and are improving. As I listened to everyone share their experience with the college, I was pleased to hear each person site specific successes that they had with this institution.

For example, Ron Straub spoke of their partnership with CASE, Straub International, and Community Education. He spoke of how his company was a better place because of this relationship. Clay Guthmiller represented all of the partnerships formed with USD 428. One after another, each participant did not generalize. They were specific and to the point. The team had no room for interpretation.

Dan Bonine spoke about a positive hope of our economy as lead by his bank. The partnership of Kansas State University in economic development was visited several

different times by each participant's perspective. But overall, there was feeling that the college played an integral part in the local economic development process.

Several of your employees were heralded for their personal sacrifices in making their children's education an exceptional experience. Each of the participants' feelings were genuine and heartfelt. The NCA team kept us over 30 minutes as they kept asking more questions.

Overall, I thought of your mission:

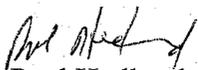
Barton County Community College, as a learning college and as a learning organization, advances learning that improves not only the economic, social, and personal lives of individuals, but also their contributions to society."

The dialog touched on ALL parts of that mission. It affirmed the above statement.

People do not say this much but...

WELL DONE, AS A BOARD OF TRUSTEES... YOU ARE THE BEST!

Sincerely,



Paul Hedlund, EdD
Consultant

**BARTON COUNTY COMMUNITY COLLEGE
GRANT APPLICATION REQUEST
(Funding range under \$10,000)**

Grant	RSVP
Funding Agency	Central Kansas Medical Center CHI grant
Summary	Funding will pay salary for Interfaith Volunteer Caregiver for 8 hours a week to help elderly apply for free medication from pharmaceutical companies and assist with Medicare transportation reimbursement.
Possible Services	Down load applications and direction forms for doctors to sign and send in order for low income elderly may receive free medication. Help volunteers receive medicade funds for transportation they provide
Target Population	<ul style="list-style-type: none"> • Volunteers and other elderly who are low income
Funding Range (Approximate)	\$4,500
Indirect Cost Reimbursement	
Funding Period	1 year
Institutional Obligation	None
Cash	
In-Kind	Existing office, paper and copies.
Personnel Required	1
Existing	1
New	
Application Deadline	December 15, 2002

Presidential Review

I have reviewed this request and it is in concert with the mission and vision of Barton County Community College. I support the request and authorize the College to proceed with the preparation of the grant application, as authorized by the Board of Trustees.

President's Signature

Date