



Subject/Title: Endowment Spending Policy

Policy Number: 5.07

Date First Adopted: September 7, 2018

Date Revised: February 27, 2020; May 1, 2020; September 9, 2022

A. PURPOSE:

The purpose of this policy is to set forth the current endowment spending policy for the Foundation. This policy applies to all endowed funds deposited and managed by the Foundation for the University.

B. POLICY:

The spending policy of the Endowment is to allow a portion of the total return to be spent each year for current needs. The remainder of the return is reinvested to keep pace with and exceed inflation.

The spending fund rate includes the Endowment pool to the University. The total spending rate for each fund is determined by the Finance Committee on an annual basis and is approved by the Foundation Board. The goal of such oversight is to ensure that the earnings grow on an inflation-adjusted basis, given the projected long-term rate of return. Funds forming the Endowment in support of the University will be distributed semi-annually in December and June of each fiscal year based on the value of said funds at the end of the previous fiscal year.

If the current market value of an endowment fund is less than the historical value of the gifts or principal used to create the endowment, The Board considers if expenditures from the Endowment in the form of a payout are prudent and consistent with the goal of preserving the purchasing power of the Endowment. The Board considers many factors, including the purposes of the institution, intent of the donors, long-term and short-term needs of the institution in carrying out its purposes, general economic conditions, the possible effect of inflation or deflation, and the other resources of the institution, to ensure the preservation of the Endowment in perpetuity.

POLICY APPROVAL

Policy: 5.07 – Endowment Spending Policy - Revision

E. Blake Paul

E. Blake Paul (Sep 22, 2022 13:31 EDT)

Governance Committee Chair

Celise A Idemut

Foundation Board Chair

Sep 22, 2022

Date

9/22/22

Date