

Endowed Funds Management Policy

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Securing gifts designated for the endowment remains a fund raising priority for Lewis & Clark. The development office works with current and prospective donors to create new endowed funds (in accordance with the board-approved guidelines in the Gift Acceptance Policy) and to secure gifts to bolster the corpus of existing endowed funds.

The policies outlined in this document are intended to govern the internal management of endowed funds at Lewis & Clark and to ensure that we have clear and consistent guidelines for the business and development offices and the three schools to administer and provide appropriate stewardship for these funds.

While these policies are principally internal in nature, it is imperative that prospective donors understand applicable aspects of these policies. Accordingly, language from these policies may be incorporated as appropriate into endowed fund agreements crafted for and with donors.

1. To establish a named endowed fund, the donor must commit to providing the minimum amount required for the endowed fund as detailed in the gift acceptance policy. The donor may fully fund the endowed fund with a gift of cash, stock or through other authorized gift vehicles outlined in the GAP, through a multi-year commitment (not to exceed five years from the date of the gift) or may establish an endowment through a planned or estate gift (or a combination of outright and planned gifts.)
2. Until an endowed fund is fully funded (attained the minimum threshold through gift income), all earnings will be reinvested in the fund. In addition, distributions (for scholarships, faculty salaries, etc.) will not be made from the fund until it has achieved the minimum endowment level and the funds have been invested in the endowment for the time required in the institution's board-

approved spending policy. (As of June, 2009 the spending policy requires that funds reach the minimum endowment level by September 30 in order to be spent out in the following fiscal year. Delays in payouts range from 9 to 20 months, depending on the date the fund hits the minimum threshold. For example, an endowed fund that reaches its \$50,000 threshold on February 1, 2009 would provide funding in the fiscal year starting June, 2010.)

3. If gifts to the fund do not reach the minimum threshold for a named endowed fund within the five-year period, the college will make every attempt to work out a revised timeline with the donor. If the minimum gift threshold cannot be reached within a reasonable time frame the college reserves the right to reallocate the funds to another fund within the endowment for a purpose that is consistent with the original intent of the gift.
4. Distributions from endowed funds shall be governed solely by the college's board-approved spending policy.
5. If it is not possible to meet the fund's restricted purpose in a given year, all earnings for that year will be reinvested in the fund. For example, if a restricted endowed scholarship specifies a student must be from a certain geographical area, and in any year no student enrolls from that area, the earnings from the fund for that year will go back into the fund.
6. On rare occasions, endowed funds established for a specific purpose may no longer be practical for the college. If after five years the college has been unable to meet the original purpose of the restricted fund, the college will make every effort to work with the donor to revise the purpose(s) to be served by the fund. If the donor or their representatives are no longer available, the college retains the right to reallocate the fund to another endowed fund in a way that is as consistent as possible with the original restrictions of the gift.

7. In some cases, the value of an endowment can grow so substantially over time through either earnings or an influx of new funds that the payout amount under the spending policy exceeds the annual cost of the restricted purpose. In this case, the college will make every effort to work with the donor to expand the parameters of the fund so that earnings above and beyond the needs of the original restriction will be put to the best use. If the donor or their representatives are no longer available, the college retains the right to expand the parameters of the fund in a way that is as consistent as possible with the original restrictions of the gift to make best use of these excess funds.
8. Decision making authority for this policy resides with the Gift Acceptance Committee.