



| <b>Administrative</b>       |  |
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| <b>Policy Type:</b>         | Named Endowed Funds                                      |
| <b>Policy Number:</b>       | 1503   |
| <b>Date Adopted:</b>        | 9/14/2011  |
| <b>Version:</b>             | 3.0  |
| <b>Reviewed Cycle:</b>      | Biannual   |
| <b>Date Last Reviewed:</b>  | 7/12/2017  |
| <b>Office Responsible:</b>  | JC Foundation  |
| <b>Reviewing Committee:</b> | Leadership Council                                       |
| <b>Related Policies:</b>    | Jackson College<br>Foundation Investment/Spending Policy |
| <b>Related Laws:</b>        | N/A  |

### **Policy Summary:**

Endowments are funds in which the original principle is invested and only a portion of the earnings are available to be spent. Generally, the principle is never invaded. The percentage of the endowment earnings available for distribution is determined by the Jackson College Foundation's spending policy, which is reviewed annually.

### **Policy Statement:**

Endowment funds are accounted for individually, but invested with the Foundation's overall portfolio. The portfolio's assets are distributed and allocated to specific investment holdings, as delineated in the investment policy guidelines. The endowment portfolio is managed by outside counsel, and governed by Jackson College Foundation Investment Policy, which is under the fiduciary care of the JC Foundation Finance Committee and ultimately, the Foundation Board of Directors.

Endowed funds exist in perpetuity. Donors may choose to make an unrestricted gift to the Foundation's general endowment, or they may contribute to an already existing endowed fund or endowed scholarship fund. Gifts of \$20,000 or more may be used to create a named endowment fund for a specific purpose, or an endowed scholarship fund, with criteria established by the donor in consultation with the Foundation. Such funds may underwrite scholarships; educational programs, equipment, or other materials; and other faculty support. Unless otherwise specified, distributions will not begin until after the minimum \$20,000 threshold is reached.

Endowment funds and endowed scholarship funds may be established through current gifts or deferred gifts, and payments may be spread over a period of years.

Donors will be informed annually about the status of their fund, and for a named fund, about the purposes or recipients it has served during the preceding year.

A memorandum of understanding outlining the donor's restrictions and expectations will be required for the creation of an endowed fund. The memorandum will guide the distribution of funds to eligible recipients.

Each memorandum will include a clause which indicates that in the event that the college discontinues a program, major or athletic team, the Foundation Board of Directors will have



authority to review the criteria and petition the donor to change the restrictions. If the original donor(s) are deceased, the Vice President of Advancement will recommend alternative criteria for the award.

The memorandum will be signed by the donor(s), the College President, and the President of the JC Foundation. The endowment will then be ratified at the next scheduled meeting of the JC Foundation Board of Directors.

If the donor, due to death or unforeseen financial hardship, is unable to satisfy the pledge and the cash received is less than \$20,000, the principle and any income accrued will be transferred from a restricted endowment fund to the Memorial Scholarship endowment fund.

**Change Log:**

| <b><u>Date Of Change</u></b> | <b><u>Description of Change</u></b> | <b><u>Responsible Party</u></b> |
|------------------------------|-------------------------------------|---------------------------------|
| 1/21/2014                    | Policy Update                       | B. Robinson                     |
| 09/29/2014                   | Policy Review                       | J. Valente                      |
| 7/11/2017                    | Policy Update                       | J. Valente                      |