

SAMPLE BOARD RESOLUTION FOR ESTABLISHING AN ENDOWMENT

Note: This document is provided as a sample for reference purposes only. It is important that you work with your Board or Directors to develop a resolution tailored to your organizations particular needs.

Many important topics must be discussed prior to establishing an Endowment Fund. In order for an organization's current Board of Directors to demonstrate its commitment to the endowment effort and in order for future board members to understand this decision, The Richard West Freeman Endowment Challenge requires that the organization develop and pass a Board Resolution authorizing the establishment of the endowment fund. The following topics should be discussed and reflected in the minutes of your meeting and the resolution.

What is our initial endowment goal? What is our ultimate goal for the endowment?

- What is our timeline for meeting our initial goal? Long-term goal?
- What is our strategy for fundraising for the endowment?

Who can access the endowment? How much can they access? What are the executive limitations?

- Who is authorized to access the funds? CEO? Board Chairman? Treasurer?
- Will it take two signatures and/or documentation of an Executive Committee/board vote?
- Do the CEO and board understand the Greater New Orleans Foundation's spending policy for endowments, currently at 4%, and as it relates to suspended grant making due to potential down markets.
- Is there a minimum threshold at which point nothing else may be drawn from the Fund?

For what purpose(s) can they request money from the Endowment Fund?

- Current operating expenses
- Operating shortfall
- Capital expansion
- Capital improvements
- Building maintenance
- Other _____ (be explicit in the resolution)

Example Board Resolution #1

**ORGANIZATION NAME Resolution Authorizing an Endowment Fund
at the Greater New Orleans Foundation**

Authorization of Fund

The ORGANIZATION NAME does hereby authorize the establishment of an Endowment Fund of the Greater New Orleans Foundation. The board will take the recommended annual distribution from the fund.

Purpose of the Designated Fund

The purpose of the fund is to _____.

Signed:

Name / Title / Date Name / Title / Date

Example Board Resolution #2

ORGANIZATION NAME – ENDOWMENT FUND RESOLUTION

WHEREAS:

The ORGANIZATION NAME being desirous of creating an Endowment Fund with the Greater New Orleans Foundation.

IT IS HEREBY RESOLVED:

Section 1.01 Name.

The name of the Endowment Fund is FUND NAME.

Section 1.02 Purpose.

The FUND NAME is a permanent fund managed by the Greater New Orleans Foundation that generates annual income for ORGANIZATION NAME to finance, sustain, and initiate designated programs for ORGANIZATION NAME.

Section 1.03 Funding.

The Endowment Fund is organized and shall be operated to receive money and property to be invested, reinvested and disbursed on behalf of the ORGANIZATION NAME. The Endowment Fund may accept gifts in the form of cash, stocks, bonds, real estate, LLP and LLC shares and other unusual assets. *(The board should specify in the resolution the types of gifts they will accept or will not accept.)* The ORGANIZATION NAME reserves the right to refuse to accept any contributions offered to be made to the Endowment Fund.

Section 1.04 Distributions.

Distributions from the Endowment Fund shall be made as follows

- Annual distributions will be made from the Endowment Fund. No distributions may be made until the full market value of the Endowment Fund exceeds its corpus. Annual distributions from the fund held at the Greater New Orleans Foundation thereafter shall follow the total return spending policy.
- Distributions from the Endowment Fund shall be spent only for the following purposes: headquarters, meetings, training, other operating expenses, capital expenses, community needs, outright donations, or any other projects deemed appropriate by the ORGANIZATION NAME, all of which shall be within the purpose of the ORGANIZATION NAME as set out in its articles of incorporation.

Section 1.05 Procedures for Accessing Endowment Funds.

Income from the Endowment Fund may be spent by ORGANIZATION NAME when:

- (a). Suggestions are made to the Finance Committee and/or the Executive Board by the ORGANIZATION NAME members; or,
 - (b). The ORGANIZATION NAME Executive Board has approved the appropriation of the money by a majority vote; or,
 - (c). The Board of Directors of the ORGANIZATION NAME has ratified the appropriation by a majority vote.
- Any requests for expenditures from the Endowment Fund shall not exceed 4% of the Endowment value, and shall not reduce the then current value of the Endowment Fund below \$VALUE.

Section 2.0 Reports.

The Chairperson of the Endowment Committee (or other designated committee) shall present a semi-annual report of the Endowment Fund to the ORGANIZATION NAME Board of Directors, which shall include but shall not be limited to, a donor update and investment review. Copies of such reports shall be kept at the ORGANIZATION NAME's office and made available there for review by any member of the ORGANIZATION NAME during regular office hours.

Section 3.0 Ratification of Resolution.

These guidelines may be ratified or changed at any time by a majority vote of the Executive Board of the ORGANIZATION NAME.

Section 4.0 Endowment Dissolution.

This Endowment Fund may be dissolved in accordance with the laws of the State of Louisiana. Upon dissolution of this Endowment Fund, and after payment of all liabilities, obligations, costs and expenses incurred by this Endowment Fund, any remaining assets shall be distributed to such entities organized and operated exclusively for one or more purposes described in Section 170(c)(2) and 501(c)(3) of the Internal Revenue Code of 1954 or the corresponding provision of any future United States Internal Revenue Law.

THIS RESOLUTION was hereby submitted to the Executive Board of the ORGANIZATION NAME and was approved by a unanimous vote this ___ day of _____, ____.

Print Name

Title

Signed: _____