

Sample Simple Endowment Policy Statement

This template is not intended as legal advice. Your organizational goals, purpose, values, and bylaws should drive the creation of this document.

Resolution # _____ - _____

XYZ Corporation

Date

Policy Statement – _____ Endowment Fund

Purpose:

To develop a system of control to ensure that expenditures charged to restricted funds conform with: a) the terms of the Fund or b) the administration of the particular restricted fund or c) internal and IRS audit requirements.

To provide an accurate reflection of the earnings and costs associated with all fundraising activities and proper classification of restricted and non-restricted assets of the corporation.

Procedures:

The board of directors will appoint, in accordance with the bylaws of the corporation and at the direction of the board, a committee of the board that will be responsible for the management of any endowment or restricted funds accepted by the corporation.

The corporation will establish and maintain an “_____ Endowment Fund” account into which restricted funds received by the corporation will be placed and invested for the benefit of the _____.

Gifts accepted by the corporation to be placed in endowments are subject to the Gift Acceptance Policies of the corporation.

The corporation will accept restricted funds and gifts established by individual donors or other contributors for _____ purposes within the mission of the corporation on the terms and conditions contained in this policy.

The corporation will solicit funds for the restricted accounts in their sole discretion.

The income from endowment funds shall be available to be expended annually, or the corporation will accept, as temporarily restricted, such funds when the principal is to be paid over a period of not less than two years.

An advisory committee or committees may be established to make recommendations to the board as to the disbursement of the funds, the board will carefully consider all such recommendations but final discretion as to such disbursement must remain with the board according to the law.

The board will determine from time to time the proper allocation of income to commingled (for investment) restricted funds, any appropriate allocation of expenses to such fund, the investment of such fund and all other accounting and legal matters concerning such restricted funds.

The Treasurer shall cause the Chief Financial Officer to establish accounts on the corporate books into which the financial activity, balances, and value of the endowment funds shall be kept. That account shall properly be labeled as "Restricted" in the accounting records of the corporation in accordance with SFAS #117.

Nothing in this policy shall be interpreted to affect the right and responsibility of the board of directors, in their sole discretion, to decline to accept any such restricted fund or gift, in the best interests of the corporation.

The directors may amend and interpret this policy from time to time by majority vote of the board.

Secretary