

Gladstone Education Foundation Endowment Policy

I. Statement of Policy

Definition of Endowments:

Endowments are safe income-producing investments created to hold gifts made to the Gladstone Education Foundation (GEF) for general use by the Foundation according to its mission or for specific purposes as agreed upon by the Foundation and the donor.

Purpose of Endowments

1. To create a financial resource in perpetuity which supports the Foundation's goal of ensuring the success of the community's children through educational and organizational opportunities.
2. To provide the Foundation with a stable funding source, so that it can pursue its mission each year in spite of fluctuations in the economy or the marketplace.
3. To provide a vehicle through which parents and friends of the District may make long-term donations and endowment gifts to the Foundation in order to leave a legacy in the community.
4. To provide funds for activities, improvements, and innovations of the educational services and community programs in the area served by the Gladstone School District.

Types of Endowments

A. *General Endowment:* Money is donated to the endowment for the purpose of helping fund the Gladstone Education Foundation.

1. Funds may be donated at any time and in any amount to the general endowment.
2. Undesignated *memorial* gifts of over \$1000 will be placed in the general endowment account.
3. Undesignated *memorial* gifts under \$1000 will be placed in the general GEF operating account.

B. *Designated Endowment:* With the approval of GEF Board of Directors, the donor(s) will designate the purpose of the endowment.

1. Each endowment account must have a specified name, a "statement of purpose," and general guidelines for operation.

2. A minimum of \$5000 will be required to establish a new, designated endowment fund.
3. Additional contributions to *established* endowments may be made in any amount providing the donor(s) does not specifically stipulate otherwise.
4. All endowments (and each part thereof) must be approved by the GEF Board of Directors.
5. All endowment funds must be kept in an account or accounts separate from the GEF account.
6. Endowment money may be co-mingled in a single account but separate record-keeping must be maintained for each endowment.
7. Memorial gifts, where an individual will be recognized through the establishment of an endowment fund, may include naming of a specific fund "in memory of" and / or other remembrances. In such cases, appropriate recognition will be approved by the donor and by the GEF Board of Directors

C. *Scholarship Endowment:* With the approval of GEF Board of Directors, the donor(s) will determine the nature of the scholarship that will go to a Gladstone student.

1. Each endowment account must have a specified name, a "statement of purpose," and general guidelines for operation.
2. A minimum of \$5000 will be required to establish a new, scholarship endowment fund.
3. Additional contributions to *established* endowments may be made in any amount providing the donor(s) do not specifically stipulate otherwise.
4. All endowments (and each part thereof) must be approved by the GEF Board of Directors.
5. All endowment funds must be kept in an account or accounts separate from the GEF account.
6. Endowment money may be co-mingled in a single account but separate record-keeping must be maintained for each endowment.
7. Memorial gifts, where an individual will be recognized through the establishment of an endowment fund, may include naming of a specific fund "in memory of" and / or other remembrances. In such cases, appropriate recognition will be approved by the donor and by the GEF Board of Directors

Management and Distribution of Earnings

General Endowment Fund: On an annual basis, 85% of the general endowment fund earnings (e.g., interest) will be transferred to the GEF operating fund for use as determined by the GEF Board of Directors. The remaining 15% of any earnings will be kept in the general endowment fund to build principal.

Designated and Scholarship Endowment Funds: Up to 85% of the annual earnings of a designated or scholarship endowment fund will support its intended purpose and specified amount. At least 15% of the annual earnings will remain in the designated or scholarship fund to build principal.

If the amount of earnings are not sufficient to support the endowment project, the funds will be retained in the account until such time as there are sufficient earnings to carry out the project.

In the case of scholarship endowments, a minimum of \$500 should be available to make the award.

Disposition of Securities and Properties

Gifts of securities or other property to the Foundation will be liquidated and / or transferred to the endowment fund at a date consistent with the long-term interests of the Foundation, taking into consideration the wishes of the donor.

II. Investment Statement

Sufficient Safety: The investment policy for all endowment gifts held by the GEF shall be to invest funds to provide a reasonable rate of return – earnings on the investment consistent with an understanding that the investments should be of sufficient safety so that the original value of the endowment gift is not subjected to unnecessary risk of depletion. Such investments may include but are not necessarily be limited to interest-bearing accounts.

Investment Discretion: Investments will be made at the discretion of the GEF Board of Directors in a manner that seeks to balance the mutual interest of preserving the original principal and obtaining a reasonable return that can be used to support the purpose of the endowment gift.

Investment Management: Investments shall be made in compliance with the Oregon Uniform Management of Institutional Funds Act. Investment decisions shall be made by a four-person team comprised of the Foundation president and treasurer, the Gladstone School District business manager, and an investment professional who is knowledgeable about the foundation and institutional investing.

III. Endowment Agreement

Practical Use: If circumstances should at some future time cause the purpose of this endowment to be inappropriate or impractical, then the Gladstone Education Foundation shall have the authority to use this endowment for another purpose than the one originally designated. If possible, the donor(s) are to be contacted and their wishes considered by the GEF board.

Dissolution and Transfer: In the event that the Gladstone Education Foundation ceases to function as an entity capable of managing an endowment, the principal of any endowment then held by the Foundation shall be transferred to the Gladstone School District #115 (or its successor entity) to be used in a manner that honors the stated purpose of the endowment in so far as it is possible.

IV. Endowment Policy Revisions

The GEF Board of Directors may change and/or update this endowment policy as necessary.