

Lewis Center for Educational Research

BP 9503: BOARD BYLAWS
ENDOWMENT: ESTABLISHMENT/MAINTENANCE

Adopted: November 9, 2006

Revised: December 12, 2016

1. PURPOSE:

An Endowment Fund is created to provide income on an on-going basis to meet a continuing need. Typically, only the income (or a portion thereof) is used for operating purposes to which it is designated and the principle is invested in keeping with the donor's wishes and/or the Lewis Center for Educational Research Board's ("Board") Investment Policy.

The Lewis Center Foundation ("Foundation") maintains endowment funds for the benefit of the Foundation. This policy is designed to provide guidance in the establishment and maintenance of these funds.

2. POLICY/PROCEDURE:

Establishing an Endowment: As the purpose of an endowed fund is to provide regular benefit in perpetuity, this requires preservation of the principle (corpus). Income from the fund is available for support of the endowment's designated purpose., The Foundation requires a minimum of \$10,000 and acceptance by the Foundation for a fund to be endowed.

Types of Endowed Funds: Endowments may originate from a donor's request or be established at the direction of the Foundation.

Donor Designated Endowment Funds: The Foundation is required by law to follow restrictions placed on gifts by donors. Those donors who, during their lifetimes, wish to create an endowment fund will be asked to review this policy and acknowledge acceptance of its provisions prior to Foundation acceptance. In the event the donor's wishes do not coincide with this policy, the Foundation may at its discretion still establish the endowed fund. When through a Will or Trust, an endowment fund is created after the death of the donor, if the provisions of the Will contradict this policy, the donor's stated wishes must take precedence if the Foundation agrees to accept the gift.

Board Designated Endowment Funds: These funds are created by an action of the Foundation utilizing otherwise unrestricted assets of the Foundation. This policy will be followed with all Foundation created endowments. The Foundation may create endowment funds for any specific purpose of the Foundation listed in the Foundation's Bylaws. The Foundation may also create an unrestricted endowment fund, the income from which may be used for any purpose the Foundation chooses to designate.

Building to Endowed Status: As a general practice, the Foundation will retain all earnings within the fund until it reaches the minimum principle amount. During this time of "growth

to endowed status” the earnings will be used to build the corpus The Foundation desires that all donors building endowed funds make continuous contributions, at least annually, until the minimum balance is achieved, and requires that the fund reach the minimum \$10,000 threshold within five years. Unrealized endowment funds deposited in an endowment growth program must be used for the benefit of the Foundation and can be disbursed at the discretion of the Foundation in one of the following ways:

1. The fund balance can become part of the Foundation’s general fund for distribution at the discretion of the Foundation to meet emerging needs of the Foundation.
2. The fund balance can become part of another named endowment fund already established within the Foundation.
3. The fund balance can be disbursed for student scholarships in equal amounts over five years. If this option is selected a scholarship criteria form will be completed by the donor at the time the endowment growth program is started.

Invasion of the Corpus: The principle (corpus) of donor created endowment funds may not be invaded for any purpose unless specifically authorized in writing by the donor. Foundation created endowment funds may not be invaded for any purpose unless specifically authorized by the Foundation.

Investment of Endowment Funds: The investment of Endowment Funds will be managed by the Foundation in accordance with the Board’s Investment Policy.

Identification of Investments: The principle (corpus) of endowed funds will be properly invested within 30 days of acceptance. The Foundation will maintain a record of the investments associated with each endowment in order to clearly identify the fund growth.

Unnecessary Endowments: Endowments established for purposes that are no longer needed may be changed only upon one of the following:

1. If the donor grants permission in writing.
2. If the donor is deceased, the Foundation may authorize a change that reflects to the greatest extent possible, the donor’s original intent.
3. Foundation created endowments for which the purpose is not longer needed, may be changed taking into account the wishes of anyone who contributed to the fund, so as to keep the purpose as close to the original as possible while making sure the funds are used to meet a critical need.
4. Should a Foundation created endowment fund become so large as to provide an excess of funds needed for the stated purpose, the Foundation may elect to transfer the unneeded portion to another fund with a purpose as similar as possible to the original.

**Lewis Center Foundation
Agreement to Establish an Endowed Fund**

This agreement between the Lewis Center Foundation (“Foundation”) and _____ (“Donor”) establishes the Endowment Fund (“Fund”) and sets forth the conditions and guidelines that govern it.

- I. The primary purpose of the Fund shall be to _____

If the Fund is for scholarship purposes a Scholarship Criteria Form must be attached.

- II. The corpus of the Fund shall be set at a minimum of \$_____ which shall be deposited in total with the Foundation on or before subsequent deposits to the Fund shall increase the corpus by the amount of the deposit.
- III. The donor agrees with all provisions set forth in the Lewis Center for Educational Research Board’s Endowment Policy.
- IV. Once fully established, the corpus of the Fund shall not be invaded for any purpose unless written notice from the Donor is attached to this agreement. Earnings and growth in the fund shall be expended for the purpose(s) stated above in the best judgment of the Foundation Board of Directors who have been entrusted to administer the Fund. (Initial here if attachment exists _____.)
- V. No disbursements from the Fund shall be made until one full year after the Foundation has received the minimum corpus amount. This will allow one year’s interest to accrue to the Fund.
- VI. The Lewis Center Foundation shall administer and/or invest and distribute earnings from this Fund in the manner that best serves the intent of the trust and shall have the power to modify any restriction or condition on the distribution of the funds, if in the judgment of the Foundation, such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable and educational needs of the Foundation. However, should such a situation ever exist, the Fund shall remain intact.
- VII. All charitable distribution from the Fund shall be identified to the beneficiary as coming from the Fund as named above. The Foundation shall appropriately memorialize the fund in its annual report and/or other similar publications.

Any communication regarding the Fund shall be directed to:

FOR THE DONOR:

NAME: _____

ADDRESS: _____

CITY, STATE, ZIP: _____

PHONE: _____

EMAIL: _____

FOR THE FOUNDATION:

NAME: _____

ADDRESS: _____

CITY, STATE, ZIP: _____

PHONE: _____

EMAIL: _____

Agreed and signed:

For the Donor: _____

Signed: _____ Date: _____

For the Foundation: _____

Signed: _____ Date: _____