



Policy Holder: GTF	Number:	Revised:
Responsible Party: Coordinator Foundation Finances		Effective Date:

ENDOWMENT ESTABLISHMENT POLICY

Purpose

To provide general guidance for the establishment of endowments.

Scope

This policy applies to all endowments established by the Gwinnett Tech Foundation.

Definition

Endowments are funds for which donors or other external agencies have stipulated under the terms of the gift instrument creating the fund that the corpus of the fund is not expendable—that is, it is to remain inviolate in perpetuity and is to be invested for the purpose of producing present and future income, which may be expended through annual payout or added to principal.

Endowment Types

- A. Donor Restricted Endowments are funds for which the donor specifies how the endowed income will be used.
- B. Unrestricted Endowments are funds for which the donor does not limit the purpose of the endowed income. The recipient is allowed to spend the money for any purpose.
- C. Board Restricted Endowments are those funds that have been turned into endowments at the approval of the Foundation Board of Directors. These endowments are invested and managed with other endowed funds; however, board restricted endowments may spend principal in accordance with the terms of the particular board endowment agreement. In these cases, spending of principal will be permitted only when it is documented in the Foundation’s files that the Board of Directors has discretion over the funds and/or has specifically approved requests to spend principal (see spending policy for General Endowment and

Endowment Minimum

Endowments may be established with a \$25,000 minimum gift, but must be funded at the appropriate level so that annual payout is sufficient to support the intended wish of the donor. Endowments previously approved at lower levels will be grandfathered into the policy, but must have achieved a market value of \$10,000 to receive annual payout.