

BOARD POLICY: ANNUAL ENDOWMENT DISTRIBUTIONS

Purpose

The annual endowment distributions policy provides clarification as to the annual percentage of TEF's investment earnings revenue to restricted TEF endowment funds.

Guidelines and Procedures

1. TEF and its investment partner will identify the amount of annual investment income following the end of TEF's fiscal year (June 30).
2. TEF staff will identify the percent of the investment income in comparison to the entire amount invested. Historically, this amount has been between 3% and 8%.
3. Each restricted endowment receives an annual share of the total investment income, based on how large that endowment balance is compared to the investment total. TEF's Finance Committee will decide what percentage to distribute annually, with a goal of keeping it close to 5% whenever possible regardless of how much the market fluctuates in a given year.
4. TEF will contact each endowment fund manager, informing them of the annual percentage and total amount paid out for their fund. At that time, the income will be transferred into each endowment fund's associated cash fund for expendable use.
5. The TEF Finance Committee will also decide how to assign investment income for the General Unrestricted fund. They may choose to give it the same percentage as each endowment fund based on TEF's share of the total investment pool, they may choose to give it a smaller percentage with the rest reinvested, or they may decide not to shift monies from the investment account for the General Unrestricted fund at all.

Key Assumptions

1. Acknowledging the expertise of TEF Finance Committee members, the TEF board empowers the Finance Committee to make and carry out this annual decision.
2. This decision may be discussed and voted on by members of the TEF Finance Committee during an in-person meeting or by email.

END OF POLICY