Thompson Education Foundation

Approved: 5/19/2020
Board Review DRAFT: 10/13/2026

BOARD POLICY: ~~ESTABLISHMENT OF AN~~ ENDOWMENT FUNDS

Purpose

To establish guidelines for Thompson Education Foundation (TEF) to accept new and manage existing endowment funds for a program, activity or scholarship in Thompson School District (TSD).

Guidelines and Procedures

1. Each established TEF endowment fund will have an associated cash fund for deposit and expenditure of investment earnings.

2. TEF Endowments will follow the guidelines established by the TEF Investment Policy and the Annual Endowment Distribution Policy.

3. TEF will accept new endowment funds in the amount of $50,000 or more. A provisional endowment fund of less than $50,000 can be established if there is a guaranteed commitment to raise the endowment to $50,000 or above in a mutually agreed upon period of time. Ideally, any endowment fund created with under $100,000 will have an identified path to increase to $100,000 or ~~more~~ higher. This policy item is established in ~~direct~~ correlation ~~to~~ with the annual interest average earned by a TEF endowment fund. With a ~~5~~ 4-6% ~~average~~ interest payment, the associated cash funds might not receive enough monies annually to be effective with an endowment below $100,000.

4. If the mutually agreed upon period of time to increase an endowment to $50,000 is not met, TEF's board of directors may elect to dissolve the endowment and transfer the endowment monies to the associated cash fund for the purpose of sustaining the TSD program, activity or scholarship identified as the recipient. If, at a later date, funding ~~is~~ becomes adequate for the establishment of an endowment, the endowment fund may be reinstated. Donor intent will be maintained through the transfer to the associated cash fund.

5. If the purposes and intent of the endowment fund and its associated cash fund are no longer possible or practical in support of the district, the TEF board of directors can determine how the funds should be invested and expended, keeping in mind the original donor intent.

~~6. On isolated occasions, new endowment funds that do not meet the $50,000 threshold in their identified timeline may allow the direction of monies to a different purpose if it is determined the activity, program or scholarship benefiting from the endowment fund cannot be sustained. This policy action can only be applied when the fund has no more than five (5) donors and all donors or donor descendants can be reached to provide written approval of the transfer. An endowment with six (6) or~~

~~more donors or an endowment dissolution where all donors or their descendants cannot be reached for approval will be considered permanent and in perpetuity.~~

Key Assumption~~s~~

1. ~~This policy will not be retroactive and will be in force only for endowment funds established on or after the policy approval date. Endowment funds established before the policy approval date will be guided by the agreements at the time of inception.~~
2. Monies donated to TEF endowment funds become the property of TEF and its board of directors upon acceptance and deposit of monies. Endowment funds held by TEF may, for investment purposes, be commingled with other investment assets of the Foundation. Endowment Funds shall at all times be separately accounted for when entered into TEF records.

END OF POLICY