Permanently Restricted Balance
The corpus of an endowed fund, or principal balance, will only consist of actual donations from a donor and a portion of the positive temporarily restricted funds upon written instructions from a donor to permanently restrict a specified portion of the positive temporarily restricted fund balance.

Each endowed fund’s permanently restricted component will be tracked for:
1) Beginning principal balance
2) Receipts (donations) received
3) Transfers to/from principal (as instructed by donor)

Temporarily Restricted Balance
Each endowed fund’s temporarily restricted component will be tracked for:
1) Beginning temporarily restricted balance
2) Add/Subtract earnings/losses on endowment portfolio including interest, gains/losses
3) Less administrative fee (this covers both investment managers’ fees and admin fee)
4) Less total expenses (scholarships, etc.)

Spending Policy (BOD Approved 7-18-2016)
The Foundation allocates the annual endowment income based on a spending plan rate of 4%. The rate is applied to the funds’ average market value for the most recent 3 years. The rate is annually reviewed by the Finance Committee and any recommended adjustments are approved in July by the Board of Directors.

A fund’s spending allocation is based on the permanently and temporarily restricted balances.

Allocation of Earnings/Losses Policy
Investment income/losses are allocated to all endowed funds on a quarterly basis. The amount allocated to each fund is calculated as follows:

\[
\text{Fund’s Net Value (permanently and temporarily restricted balance less pledges receivable)} \times \text{Investment Earnings/Losses} \\
\text{Total of All Endowed Funds (permanently and temporarily restricted balance)}
\]

Administrative Fee Policy
A 2.5% annual administrative fee is charged to all endowed funds on a quarterly basis (.625%). The amount is calculated as follows:

\[
\text{Fund’s Net Value (permanently and temporarily restricted balance less pledges receivable)} \times \text{Admin Fee (.625%)}
\]