

SAMPLE

BOARD RESOLUTION AND POLICY FOR ESTABLISHING AN AGENCY FUND ENDOWMENT

Note: This document is as a sample for reference purposes only. It is important that the Board of Directors develop a resolution and policy tailored to your organizations particular needs.

Prior to establishing an endowment, many important topics should be discussed. In order for an organization's current Board of Directors to demonstrate its commitment to the endowment effort, the Greater New Orleans Foundation requires that the organization develop and pass a board resolution and policy authorizing the establishment of the endowment fund and its purpose as a requirement to apply for the Freeman Challenges.

It is important that the CEO and Board of Directors understands the Greater New Orleans Foundation's spending policy for endowments, currently at 4%, and as it relates to suspended grant making due to potential down markets.

Developing the resolution and policy:

The following topics should be discussed and reflected in the resolution and policy document.

What is our ultimate goal for the endowment?

- What is our timeline for meeting our long-term goal?
- What is our strategy for fundraising for the endowment?

Who can access the endowment and how?

- Is there a minimum threshold at which point the organization can start drawing on the income?
- Who is authorized to access the income from the endowment?
- What is the process for accessing the investment income from the endowment and what documentation is required?

What purpose will the income be used for?

Be explicit to maintain the integrity of the original intent of the endowment, yet use language that is nimble enough to be relevant in the future.

- Operating expenses
- Operating shortfalls
- Capital maintenance and improvements
- Executive Director Salary
- Other _____

ORGANIZATION NAME – AGENCY ENDOWMENT FUND RESOLUTION AND POLICY

WHEREAS:

The *ORGANIZATION NAME* is establishing an Agency Endowment Fund with the Greater New Orleans Foundation.

IT IS HEREBY RESOLVED:

Name

The name of the Agency Endowment Fund is *FUND NAME*.

Fund Goal

The financial goal for the *FUND NAME* is *(insert amount of the long-term goal)*.

Purpose

The *FUND NAME* is a permanent fund managed by the Greater New Orleans Foundation that generates annual investment income for *ORGANIZATION NAME* to *(insert overarching purpose/use of the endowment income. Example: finance and sustain organizational operations)*.

Funding

Funding for the endowment will come from *(Insert fundraising strategies, example, individual donations solicited for the endowment fund)*. The *FUND NAME* may accept gifts in the form of cash, stocks, bonds, and real estate. *(The board should specify in the resolution the types of gifts they will accept or will not accept.)* The *ORGANIZATION NAME* reserves the right to refuse to accept any contributions offered to the *FUND NAME*.

Distributions

Distributions from the *FUND NAME* shall be used for the following purposes: *(Be explicit to maintain the integrity of the original intent of the endowment, yet use language that is nimble enough to be relevant in the future.)*

Distributions from the *FUND NAME* shall be made annually according the Greater New Orleans Foundation's spending policy. No distributions may be made until the full market value of the *FUND NAME* exceeds its corpus. Annual distributions from the fund held at the Greater New Orleans Foundation thereafter shall follow the total return spending policy.

Procedures for Accessing Funds

Income from the *FUND NAME* may be accessed and allocated by *(insert title or position of the individual and/or individuals, example: Executive Director)* in accordance with this policy and the annual operating budget approved by the Board of Directors.

Reports

The Chairperson of the Finance Committee (*or other designated committee*) shall present a report on the *FUND NAME* to the Board of Directors, which shall include but shall not be limited to, a donor update and investment review. (*It is recommended that you name the specific meeting that this report will be given. Example, at the October board meeting, in conjunction with the approval on the 990 or audit.*)

The Board of Directors may ratify this policy by a majority vote.

The Board of Directors approved this resolution and policy by a majority vote on _____.

Printed Name

Title

Signature

Date