

## I. Statement of Policy

### Definition of Endowments:

Endowments are safe income-producing investments created to hold gifts made to the Wake Technical Community College Foundation, Inc. (Wake Tech Foundation) for general use by the Foundation according to its mission or for specific purposes as agreed upon by the Foundation and the donor.

### Policy of Endowments:

- Wake Tech Foundation requires a minimum commitment of **\$37,500** to establish a curriculum program endowment and a minimum commitment of **\$15,000** to establish a continuing education program endowment.
- Wake Tech Foundation establishes endowment funds to support donors' purposes in perpetuity. Gifts of cash or cash generated from conversion of non-cash assets are invested in the Foundation Endowment Investment Pool in accordance with Investment Policy.
- It is the goal of the Wake Tech Foundation Endowment Pool to provide a real total return from assets invested that will preserve or increase the purchasing power of the endowment principal, while generating a current income stream to support the activities of the funds held, while assuming a prudent level of investment risk.
- When an endowment is created at the Wake Tech Foundation, two distinct funds are established: an endowment principal fund (permanently restricted account) and an endowment spendable fund (temporarily restricted account).

### Two Types of Endowments:

**Designated Endowment:** With the approval of Wake Tech Foundation Board of Directors, the donor(s) will designate the purpose of the endowment.

**Scholarship Endowment:** Must complete an **Establishing a Scholarship form** to determine scholarship award criteria.

- A minimum commitment of \$37,500 pledged and a minimum good faith donation of \$3,750 is required for curriculum program endowments. A minimum commitment of \$15,000 pledged and a minimum good faith donation of \$1,500 is required for continuing education program endowments. Endowment payments can be made for no longer than ten years.
- Additional contributions to established endowments may be made in any amount provided the donor(s) does not specifically stipulate otherwise.
- All endowment funds must be kept in an account or accounts separate from the Wake Tech Foundation general fund.

- Memorial gifts, where an individual will be recognized through the establishment of an endowment fund, may include naming of a specific fund "in memory of" and/or other remembrances. In such cases, appropriate recognition will be approved by the donor and by the Wake Tech Foundation Board of Directors
- Each endowment account must have a specified name, a statement of purpose, and general guidelines for operation.

## II. Investment Policy and Allocations

### Policy:

**Sufficient Safety:** The investment policy for all endowment gifts held by the Wake Tech Foundation shall be to invest funds to provide a reasonable rate of return – earnings on the investment consistent with an understanding that the investments should be of sufficient safety so that the original value of the endowment gift is not subjected to unnecessary risk of depletion. Such investments may include but will not necessarily be limited to interest-bearing accounts.

**Investment Discretion:** Investments will be made at the discretion of the Wake Tech Foundation Board of Directors in a manner that seeks to balance the mutual interest of preserving the original principal and obtaining a reasonable return that can be used to support the purpose of the endowment gift.

**Investment Management:** Investments shall be made in compliance with the American Institute of Certified Public Accountants and the FASB. Investment decisions are made by the Board of Directors Investment Committee and are approved by the full Board of Directors.

### Allocations:

- In years when there is a positive return on investments, the Foundation shall allocate the same percentage of investment income toward each endowment, transferring that amount to a temporarily restricted account for that endowment.
- In years when there is not a positive return on investment income, each endowment's temporarily restricted account will be reduced based on the percentage loss against the amount endowed, unless that reduction would cause the temporarily restricted account balance to fall below the amount needed to fund the four percent annual allocation for the upcoming year.
- In cases where an endowment has been in existence for a full twelve months of the Foundation's fiscal year, does not have enough interest income to fund the full four percent annual allocation, the Board may authorize up to five percent of the unrestricted account, Wake Tech Fund, to be used to supplement these endowments for the upcoming year.
- The Wake Tech Foundation Board may, at its discretion, allocate additional funds to an endowment's underfunded restricted account.
- Endowments established during the fiscal year that have not been in existence for a full twelve months, may only receive funds toward a temporarily restricted account if there is a positive return on investment income for that year.

- Endowments that are not fully funded, as outlined in the endowment agreement, shall have interest income allocated to the endowment on years with positive returns and shall not be reduced in years with negative returns, until the endowment is fully funded.
- In years when investment income is negative five percent or greater, no allocations will be authorized without a specific vote of the Wake Tech Foundation Board of Directors.

### III. Endowment Agreement

**Practical Use:** If at a future date, circumstances cause the purpose of the endowment to be inappropriate or impractical, the Wake Tech Foundation shall have the authority to use the endowment for a purpose other than the one originally designated. Every effort will be made to contact the donor(s) or his/her representative(s) and their wishes will be considered by the Wake Tech Foundation Board of Directors.

**Dissolution and Transfer:** In the event the Wake Tech Foundation ceases to function as an entity capable of managing endowments, the principal of any endowment then held by the Foundation shall be transferred to Wake Technical Community College to be used in a manner that honors the stated purpose of the endowment in so far as it is possible.

### IV. Endowment Policy Revisions

The Wake Tech Foundation Board of Directors may change and/or update this endowment policy as necessary.

### V. Endowment Information & Purpose

Name of Donor(s): \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone: \_\_\_\_\_ Email: \_\_\_\_\_

Amount of Endowment: \_\_\_\_\_

Name of Endowment: \_\_\_\_\_

Purpose of Fund: \_\_\_\_\_

**Donor Declaration:**

**I/We have read and understand the terms of this Agreement and agree to all of its terms.**

**Note:** This document is not valid unless signed by the Wake Tech Foundation Executive Director.

*If executed online, please accept this/these electronic signature/s.*

_____	_____	_____
Donor Signature	Donor Name (Printed)	Date
_____	_____	_____
Donor Signature	Donor Name (Printed)	Date
_____	_____	
Executive Director Wake Tech Foundation	Date	