



Endowment Fund Policy

*Board-Approved
October 28, 2010*

Mission

The mission of the Life Skills Endowment Fund is to provide a sustained, long-term annual flow of financial support to Life Skills for the continuation and enhancement of programs and services for people with developmental disabilities.

Result

Provide sustained, long-term financial support for Life Skills' services and programs that support people with developmental disabilities.

Authorization

The Board of Directors has agreed to accept gifts of \$5,000 or more to add to the existing Endowment Fund.

Description of the Endowment Fund

The Endowment Fund consists of permanently restricted contributions and grants dedicated to generating revenue for the purposes designated by the donor, consistent with the mission of the Fund and approved by the Board of Directors. The Endowment Fund is owned and administered by Life Skills Foundation.

Use or Distribution Policy

Distributions from the Endowment Fund is computed on an annual pay out rate of no more than 5% (spending limit) of the Endowment Fund's average assets of the immediately preceding 8 quarters, as of July 1st. The annual spending limit, not to exceed 5%, will be established annually by a majority vote of the Board of Directors.

Invasion Policy

Certain circumstances may require that the principal of the Endowment Fund be used or invaded. Those circumstances occur in the most extreme circumstances or possibly in years where the Endowment income is less than the specified 5% or when financial support is needed to advance the above vision. The Life Skills Board, by vote of 2/3 of the members of the Board, may or their designees may recommend that the Endowment Fund or a portion of the Endowment Fund be used to support Life Skills in these or other circumstances. Donors should be notified of this Board criterion upon acceptance on the part of Life Skills of any endowment gifts.

Governance

The Life Skills Foundation 501C3 organization is governed by the Board of Directors of Life Skills. The Endowment Fund will be the responsibility of the Board. Responsibilities include:

- Providing governance and oversight of Endowment assets, including asset allocation, allowable investment classes, and spending rules.
- Ensuring funds are spent in accordance with donor intent.
- Monitoring and reporting investment performance.
- Appointing, reviewing, and replacing, as necessary, investment managers.

General Guidelines

The operating principles behind the policies and guidelines described in this document are as follows: provide prospective donors with a clear understanding of the various methods of endowment giving, their value, purpose and advantages; and provide adequate guidelines for staff and volunteers in soliciting endowment gifts from prospective donors.

Investment Policy

Already created by Finance Committee and approved by the Board of Directors.

Gift Acceptance Policy

This document has been approved by the Board of Directors and describes what types of gifts Life Skills will accept, who has the authority to accept them, who will draw up contracts with donors about those gifts, and under what circumstances will Life Skills accept or decline a gift.