

UNIVERSITY OF LOUISVILLE FOUNDATION, INC.

RESOLUTION OF THE BOARD OF DIRECTORS OF
THE UNIVERSITY OF LOUISVILLE FOUNDATION, INC. REGARDING THE
SPENDING POLICY CALCULATION

MARCH 28, 2017

BACKGROUND:

Internally managed endowment funds are part of a unitized investment pool, housed within the University of Louisville Foundation, Inc. This pool of funds functions much like a mutual fund where each endowment participates in the pool's investment performance as a percentage of the total pool based on the dollar amount invested. The principal, or corpus (book value), of an endowment fund is defined as: the original donation + subsequent donations + reinvestments – liquidations and must be invested for a full calendar year before the endowment participates in the annual spending policy allocation. An annual spending policy calculation, or allocation amount, is calculated individually for each endowment program. The annual spending policy is approved by the Board of Directors of the University of Louisville Foundation, Inc.

RECOMMENDATION:

The Finance Committee recommends that the Board of Directors approve reducing the endowment spending policy to 4.09% in support of the academic units and allocate an additional 1.42% for overall fund-raising efforts of the Foundation as well as strategic priorities identified by the President of the University of Louisville with the understanding that a formal policy exists to reduce or eliminate the unspent carryover over time.

ACTION:

Passed

Action passed

Did not pass

Other

Date

March 28, 2017

[Signature]

