

ENDOWMENT POLICY STATEMENT

The mission of the entity is to _____ .

The endowment fund should be used to sustain the entity and to enable it to perform its mission. With that general purpose in mind, the endowment should be subject to the following policies:

1. To maintain a reserve.

The endowment fund should have liquid assets in an amount sufficient to operate the entity for a period of six months in case of a significant decline in the entity's financial resources. For purposes of this endowment policy statement, "operations of the Entity" includes not only support of the Entity's staff and physical plant but also the investment of the Entity's resources, principally its staff and volunteers, in supporting local organizations as well as the other programs of the Entity, including its support to the Parent Organization.

2. To generate earnings in amounts that may be necessary to supplement the Entity's annual operating budget.

Accordingly, the endowment should yield a total return that may be used, if necessary, to sustain the Entity's operations. Any amount that is not needed to fund the Entity's operations should remain in the endowment. For purposes of this Policy Statement, the total return which may be drawn on, if needed, for a calendar year shall be no more than ___% of the value of the assets in the endowment averaged over a rolling twelve (12) quarter period, ending on September 30 of the preceding calendar year. The portion of the endowment that is designated, under paragraph 5 below, for use as a "Special Account" shall not be included in the calculation of total return. By way of example, the total return that may be drawn on for 2003 shall be calculated based on the average of the value of the endowment (excluding the portion that has been designated for use by the Special Account) as of the end of each of the twelve (12) calendar quarters ending on September 30, 2002. The amount that may be withdrawn from the endowment shall not exceed ___% of the total return for the calendar year, calculated according to the preceding sentences. Withdrawals, if any, from the endowment shall be made in equal quarterly installments.

3. All unrestricted gifts in excess of \$_____ shall be added to the endowment.

4. The Special Account shall be included in the endowment and shall be a separate designated fund.

From time to time, the Entity may purchase parcels of real property in strategic areas of the Designated Region for eventual sale to new local organizations to be used for their organizational purposes. In any fiscal year of the Entity, the amount added to the portion of the endowment designated for the Special Account shall not exceed ___% of the amount of the endowment's total return (as defined in paragraph 2 above) that can be withdrawn from the endowment for a calendar year, as set forth in paragraph 2 above. The principal function of the Entity shall be to support existing local organizations; purchases of real property shall be subordinate to the principal function. Accordingly, first priority for expenditure of the Entity's income shall be providing support to existing local organizations.

The proceeds of sale of any real property in the Special Account shall be added to the portion of the endowment that is designated for the Special Account.
