



University of Wisconsin Oshkosh Foundation, Inc. Policies for Endowed Funds (Non Student-Managed)

Permanently Restricted Balance

The corpus of an endowed fund, or principal balance, will only consist of actual donations from a donor and a portion of the positive temporarily restricted funds upon written instructions from a donor to permanently restrict a specified portion of the positive temporarily restricted fund balance.

Each endowed fund's permanently restricted component will be tracked for:

- 1) Beginning principal balance
- 2) Receipts (donations) received
- 3) Transfers to/from principal (as instructed by donor)

Temporarily Restricted Balance

Each endowed fund's temporarily restricted component will be tracked for:

- 1) Beginning temporarily restricted balance
- 2) *Add/Subtract* earnings/losses on endowment portfolio including interest, gains/losses
- 3) *Less* administrative fee (this covers both investment managers' fees and admin fee)
- 4) *Less* total expenses (scholarships, etc.)

Spending Policy (BOD Approved 7-18-2016)

The Foundation allocates the annual endowment income based on a spending plan rate of 4%. The rate is applied to the funds' average market value for the most recent 3 years. The rate is annually reviewed by the Finance Committee and any recommended adjustments are approved in July by the Board of Directors.

A fund's spending allocation is based on the permanently and temporarily restricted balances.

Allocation of Earnings/Losses Policy

Investment income/losses are allocated to all endowed funds on a quarterly basis. The amount allocated to each fund is calculated as follows:

Fund's Net Value (permanently and temporarily restricted balance less pledges receivable) X
Investment Earnings/Losses

Total of All Endowed Funds (permanently and temporarily restricted balance)

Administrative Fee Policy

A 2.5% annual administrative fee is charged to all endowed funds on a quarterly basis (.625%). The amount is calculated as follows:

Fund's Net Value (permanently and temporarily restricted balance less pledges receivable) X

Admin Fee (.625%)