



Purpose: Two endowed funds, designated as the Endowment Fund and the Fund for the Future, have been established to provide permanent sources of funding for the services provided by, and other charitable work of, Achievekids.

The Endowment Fund is dedicated to the general support of Achievekids including, without limitation, its education programs, scholarship programs, faculty/staff development and capital improvement or maintenance.

The Fund for the Future is intended to support general operations and, at the discretion of a supermajority of the Board, to supplement the cash reserve for emergencies.

Designation: Gifts to Achievekids may be designated for allocation to an endowed fund by a donor or by the Board. In the event of any inconsistency between the expressed intent of a donor and the terms of this policy with respect to the designation and allocation of funds, the intent of the donor will prevail.

Gifts designated as annual gifts will be allocated to the general operating fund and gifts designated or restricted for a specific program or purpose will be allocated to such specific program or purpose and will not be designated, allocated, or managed pursuant to this Endowment Fund Policy.

Gifts designated by a donor for the Fund for the Future will be allocated to the Fund for the Future. Additionally, funds derived from the following categories of gifts will be designated and allocated to the Fund for the Future if, and only if, the balance of the Fund for the Future is less than \$500,000:

- (1) Gifts designated for an established Honor or Memorial Fund;
- (2) Unrestricted and non-designated gifts made by bequest, testamentary trust, life insurance beneficiary designation, or charitable remainder trust beneficiary designation;
- (3) Unrestricted and non-designated gifts of income from charitable lead trusts, pooled income funds, or retirement plan beneficiary designations.

If, and whenever, the Fund for the Future exceeds \$500,000, the amount in excess of \$500,000 will be reallocated from the Fund for the Future to the Endowment Fund.

Gifts designated for the Endowment Fund will be allocated to the Endowment Fund. Additionally, funds derived from the following categories will be designated and allocated to the Endowment Fund:

- (1) Any and all unrestricted and non-designated gifts that are not allocated to the Fund for the Future;
- (2) Any and all funds reallocated from the excess balance of the Fund for the Future to the Endowment Fund pursuant to this policy;

Exceptions to the designation and allocation of funds between the Endowment Fund and the Fund for the Future may be made only upon written recommendation of the Endowment Committee and with the approval of the Board.

Funds allocated to the Endowment Fund and the Fund for the Future may be co-mingled for management and investment purposes, with “shares” of the endowed funds being assigned, and revenues and expenses reported on these shares. Each of these endowed funds may include individual, specialized, named funds established by donor designation or Board designation for restricted or unrestricted purposes. Each share shall be accounted for according to the terms of any applicable gift instrument or, in the absence of such terms, as determined by the Board.

Investment Policy: The endowed funds are to be separated from other funds and are to be managed by professional investment advisors wither through local community foundations or financial institutions. The Endowment Committee shall review the performance of the endowed funds at least annually, and will report on such review to the Board. The primary investment objectives are preservation of capital and purchasing power, and long-term growth of assets.

Spending Policy: Until changed by Board action, the annual payout from the Endowment Fund will not exceed an amount equal to the prior year income of the Endowment Fund. The payout on this basis may exceed current income, but in no case will donor-designated gifts to the Endowment Fund be expended (i.e. principal will not be invaded). Over time, it is expected that the annual payout will constitute only a portion of the Endowment Fund’s total return (income and appreciation), thus building up the Endowment Fund over time, offsetting inflation, and preserving the purchasing power of the fund. The Finance Committee shall annually review the Endowment Fund spending policy and may recommend changes to Board.

Generally, and subject to further action of the Board, the annual payout from the Fund for the Future will also not exceed an amount equal to the prior year income of the Fund for the Future. However, by a supermajority vote of 2/3 of the directors at two consecutive regular meetings of the Board, the Board may invade and disburse the principal of the Fund for the Future for any purpose it deems appropriate. The Finance Committee shall annually review the Fund for the Future spending policy and may recommend changes to Board.

Stewardship: A status report will be sent to endowed funds donors on a periodic basis, but at least once a year showing the fund's value, and how the fund was used to further the mission of Achievekids. Donors will be recognized in an appropriate manner, which may include listings in printed materials, at major donor events, and on a designated donor wall as determined by the Board.

Documentation: Written acknowledgment of all gifts to an endowed fund shall be retained along with any communication regarding bequests, testamentary trusts, or other estate planning documents. These items are to be filed in a secure manner to ensure understanding of all parties.

Gift Acceptance: Gifts, other than outright contributions or pledges of cash, check, or publicly traded securities, must be approved in writing by the Endowment Committee with written report to the Board. All prospective donors will be urged to consult their own counsel in matters pertaining to their gift planning, taxes, and estate planning activities. Any arrangements requiring continuing financial management by Achievekids shall be reviewed and approved by the Endowment Committee and approved by the Board before any agreement is executed.

Contingencies: If an endowed fund, or specially designated portions of the fund, can no longer be used as originally intended, the donors shall be notified for appropriate disposition of the fund within Achievekids. If the donors can no longer be reached, the Board will make the determination as to how the funds will be used.



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Approved by the Board of Directors
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