



ENDOWMENT SPENDING POLICY

Adopted February 6, 2014

Ratified May 14, 2015

Reviewed and Approved by the Finance Committee on May 14, 2015

Review and Approved by the Full Board on June 2, 2015

The Cleveland State University Foundation (CSUF) maintains and invests endowment fund accounts created to support Cleveland State University programs, projects and scholarships within each of the University's Colleges and/or Departments.

Each fiscal year, a percentage of the full endowment fund's principal is made available to the College and/or Department for scholarships or program expenses (the spendable amount). The spendable amount for a fiscal year is calculated as 5% of the rolling three-year average of the market value of the endowment's principal. Additionally, each full and potential (see below) endowment is subject to a management fee which helps fund the operating budget of the Foundation. The amount of the management fee is calculated as 1% of the rolling three-year average of the market value of the endowment's principal.

The level at which an endowment is considered to be fully funded is a market value of \$25,000. Below that level, the endowment is considered to be a potential endowment. In the fiscal year that an endowment becomes fully funded, the spendable amount will be authorized in the following fiscal year. If a potential endowment does not reach the level of a full endowment within 5 years from the date of the endowment agreement, the Executive Director, in consultation with the Chair of the Finance Committee, can authorize the fund to be closed and the remaining funds to be transferred to the Foundation's unrestricted account or as otherwise deemed appropriate.



Cleveland State University Foundation

The Executive Director and Assistant Treasurer of the Foundation will monitor these endowment funds to ensure that Colleges and/or Departments utilized the spendable portion in accordance with the endowment agreements. In the case where an endowment has an overspent spendable; or where the total market value of the fund is less than the total contributions made to the endowment (underwater); or where the total value of the endowment fund is a negative value, the Executive Director and Assistant Treasurer, with oversight from the Chair of the Finance Committee, will address each situation separately utilizing the principles of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) to ensure a proper directive is made and conclusion is achieved.