



## Endowment Spending Policy

1. The Indiana State University Foundation Board of Directors annually reviews the spending, distribution, and fee policies to maintain balanced investment and distribution strategies. The annual distribution rate, effective July 1, 2022 is 3.25% per year, and the endowment administrative fees, effective July 1, 2021, are 1.75% per year.
2. The annual distribution rate and endowment administrative fees for each fiscal year which begins on July 1 will be determined and approved by Foundation's Executive Committee prior to the start of the fiscal year annually.
3. Distributions for the ensuing fiscal year will be calculated on or before January 31 of each year using a 12-quarter market value rolling average of the 12 most recent quarters.
  - a. Distributions will be shared with the University no later than Feb. 21 for the ensuing academic year's awarding cycle.
4. Under normal circumstances, funds will not be allowed to accumulate in an endowment's spending account.
  - a. No more than the current year's distributed dollars will be allowed to reside in the spending account by June 30 of the current year. After June 30, spendable funds will be placed back in the endowed fund.
  - b. This policy may be waived if requested by June 30 of the current year from the account signatory and approved by Foundation leadership to allow the spending account to exceed one year's distribution for specific projects.
5. The vesting period for pure endowments shall be 12-months. The 12-month vesting period begins when private contributions to the endowment have reached the minimum level to endow a fund, currently \$25,000.00.

Endowment Spending Policy approved 4.22.2022