

## **ENDOWMENT MANAGEMENT AND DISBURSEMENT (CVGS FOUNDATION)**

### **1. Policy and Purposes**

This Policy represents the policy of the CVGS Foundation (the “organization”) with respect to the management and disbursement of funds from the organization’s endowment(s). Purposes of the Policy include (a) defining the makeup, meeting(s), and purpose of the Foundation Finance Committee; (b) delineating the annual disbursement of funds from the endowment(s); (c) specifying the priorities for the use of the disbursed funds during the year, and (d) noting the use of any funds remaining after June 30 of the disbursement year. Notwithstanding the foregoing, the organization reserves the right to revise or revoke this Policy at any time.

### **2. Foundation Finance Committee**

**2.1 Makeup.** The organization’s President/CEO shall be a member of the Foundation Finance Committee, along with no fewer than two other organization members.

**2.2 Meeting and Purpose.** The Foundation Finance Committee shall meet at least once annually to determine if any changes should be made to the endowment(s) investment portfolio.

**3. Disbursement of Endowment Funds.** As long as the total value of the organization’s endowment(s) exceeds the total value of the “net invested capital” (as noted on the June 30 statement(s)) by five or more percent, then the amount requested by the Foundation President/CEO, up to five percent of the total value of the organization’s endowment(s) as noted on the June 30 statement(s), shall be disbursed to the Central Virginia Governor’s School for Science and Technology (CVGS) school-based “Foundation” account. In the case that the total value does not exceed the net invested capital by five or more percent, the maximum that may be requested and shall be disbursed is the amount in excess of the net invested capital. If that amount is not sufficient to fund the “margin of excellence” activities for the school year, certain activities may be cancelled or restructured accordingly.

**4. Use of Disbursed Funds.** The disbursed funds are to be used at the discretion of the Foundation President/CEO with the following stipulations.

**4.1 First Priority of Expenditure.** Funds for any and all scholarships approved by the organization shall have priority over any other expenditure of funds. The specific scholarships and the amount to be paid for each will be set by the organization annually prior to the spring Recognition Reception where the recipients of the scholarships are announced. The scholarships will be paid in the spring from funds reserved in the school-based Foundation account from the disbursement the same fiscal year.

**4.2 Priority of Expenditure for Remaining Funds.** Disbursed funds in excess of those needed for scholarships shall be expended as follows: 1) required administrative expenses, such as state and federal corporate registration fees, tax preparation and filing, and other required activities, 2) “Margin of excellence” activities, which include, but are not limited to, student research project materials, supplies, and lab visits; any and all expenses for students and staff to participate in research symposia and conferences; the evaluation, purchase, maintenance, and support of technology and equipment, and student recognition programs, and 3) other activities and programs at the discretion of the Foundation President/CEO.

**5. Use of Disbursed Funds Remaining After June 30.** Any funds remaining in the school-based Foundation account after scholarships are paid will be transferred to the school-based “General” account prior to the next fiscal year’s disbursement, and the amount of those funds will be provided by the Foundation President/CEO to the organization members in the fall meeting. Funds in the General account are used for program support activities at the discretion of the CVGS Director. If there is a year in which the Foundation disbursement is less than five percent of the endowment(s) and will not be sufficient to cover the Foundation scholarships and margin of excellence activities, the CVGS Director will spend funds from the General account to pay for these priorities.

Approved on 9/16/15

Revised on 9/18/19