



Oregon State University  
Foundation

### POLICY ON USE OF ENDOWMENT DISTRIBUTIONS

Purpose: To be compliant with fiduciary obligations, OSU Foundation must ensure that distributions from endowed funds are:

1. Spent in accordance with the respective signed donor agreements; and
2. Spent in a timely manner for the educational purposes they are designated to support.

Policy: To encourage spending of donor funded gifts (in the form of endowment distributions), and to preserve the value of funds for future beneficiaries, the Foundation will retain no more than two years of endowment distributions in an associated current use fund. Specifically:

- This policy applies only to funds where the balance in the associated current use account is over \$25,000. However, the person from the University who is the authorized signer on an account with a lower balance may elect to reinvest the earnings at any time.
- For accounts subject to this policy, the amount in excess of two years of distributions will be automatically reinvested on June 30<sup>TH</sup> of each year into the respective endowed fund.
- The person from the University who is an authorized signer on an account may request an exception as a reinvestment deferral if they submit a spending plan to the Foundation CFO by June 15th. The spending plan must outline how the excess distributions will be utilized over a period of up to three years. These exceptions must be approved in writing by the Provost and the Foundation CFO.
- If the balance in excess of two years of distributions is more than \$1M, the University President and Foundation President & CEO must also approve exceptions to the policy.
- This policy is effective beginning with fiscal year 2021-22.