Minnesota State College—Southeast Technical Foundation

Endowment Management & Spending Guidelines

The Minnesota State College—Southeast Technical Foundation’s endowment management and spending guidelines are as follows:

- Southeast Technical Foundation establishes endowment payout levels based on 5% of the endowed fund balance at the end of each calendar year.

- Newly established endowed scholarship funds will be invested for one complete calendar year prior to any funds being distributed from the endowed scholarship fund. For example, a fund established in July 2007 would be invested through December 2008 before scholarship levels would be established and subsequently disbursed.

- The Foundation also reserves the right to take up to a 2% administrative fee of the endowments value on an annual basis.

- To become an established endowed scholarship fund, a benefactor must donate a minimum of $10,000. Pledged endowments do not become established endowments until the pledge has been fulfilled.

The three goals of the endowment management and spending guidelines are:

1. To maximize the endowment’s power to generate scholarships while protecting the purchasing power of the endowment;
2. Provide a consistent formula and process for establishing scholarship levels; and
3. To assure that the growth of the endowment outpaces annual inflation rates.

The endowment management and spending guidelines were created and implemented in 2007. December 31, 2006 was the first time the 5% spending policy and 2% administrative fee was applied to the Foundation’s endowed scholarships. The spending rate was implemented across the board for all of its endowed scholarships except for the Rose Tandeski Memorial Scholarship.

The Foundation reserves the right to change this spending percentage and administrative fees based on returns of our investments. The Foundation will review the endowment management and spending guidelines annually each spring and make adjustments to the guidelines accordingly.

Rev Aug 07