

Humboldt State University Advancement Foundation  
Quasi-endowment Funds Policy  
Approved at Executive Committee Meeting June 27, 2014

## Scope

This policy applies to funds held by the Humboldt State University Advancement Foundation.

## Policy Statement

It is the policy of the Humboldt State University Advancement Foundation to establish Quasi-endowment Funds when appropriate in order to provide the advantages of long-term investment and earnings potential for certain funds. The creation, designation, and dissolution of Quasi-endowment Funds is at the discretion of the Board of Directors with authority delegated to the Finance Committee.

## Guidelines

The following guidelines describe the requirements for establishing and accepting Quasi-endowment Funds and for managing distributions from such funds.

### A. Funds Allowable as Quasi-endowment Funds

Funds which a donor or grantor has not designated as permanent endowment may be designated by the Foundation as a Quasi-endowment Fund.

### B. Restricted Funds

If the source of a Quasi-endowment Fund is a restricted contribution or other restricted fund, the Quasi-endowment Fund must retain the purpose and intent as specified by the donor or source of the original funds and the distributions from the Quasi-endowment Fund may be expended only for those purposes.

### C. Funds Not Allowable as Quasi-endowment Funds

Certain funds cannot be used to establish or add to a Quasi-endowment Fund. These include monies appropriated by the State of California and specifically authorized for other purposes or which are otherwise restricted by law, student fees collected for other purposes or otherwise restricted by law, certain revenues or funds pledged or otherwise legally restricted for other purposes.

### D. Minimum Account Duration

Since the Foundation's endowment investment horizon is perpetual, a Quasi-endowment Fund should not be created for short term or temporary purposes. Therefore, the original Quasi-endowment Fund principal must remain in place for at least five years from the date that the fund is established. Deviations from this requirement may be subject to early withdrawal penalties determined by the Foundation.

E. Minimum Amount Eligible for a Quasi-endowment Account

The minimum dollar amount for establishing a new Quasi-endowment Fund is \$50,000.

F. Approvals

New Quasi-endowment Funds, or additions to existing Quasi-endowment Funds, require the approval of the Finance Committee and are to be reported to the Board of Directors.

G. Regular Distributions

The annual amount available for distribution from a Quasi-endowment Fund will be calculated and made available in the same manner as for permanent endowment accounts.

H. Special Distributions

Special distributions, including distribution of principal, may be made from a Quasi-endowment Fund at the request of the University and subject to recommendation by the Finance Committee and approval by the Board of Directors. In considering special distribution requests, the Foundation will seek to minimize the impact of the timing and amount of the distribution on the endowment portfolio.

I. Investment of Funds

Quasi-endowment Funds are invested along with the permanent endowment portfolio. Like the permanent endowment fund, Quasi-endowment Funds are subject to market risk and can lose principal value. The Foundation will make no promises as to investment return and will not represent that principal value will be available when requested.