

## **Endowment Fund Guidelines**

Adopted by the Board of Directors March 13, 1987; ratified by the Local Convention May 27, 1987; amended by the Local Convention May 24, 1994, adopted May 1995; amended by the Local Convention May 13, 2014; amended by the membership May 18, 2022; amended by the membership May 24, 2023

The League of Women Voters of Portland Endowment Fund has been established, with separate accounting, and is managed by the Endowment Fund Committee subject to these guidelines.

### **BYLAWS CHARGE**

The League's Bylaws state, in ARTICLE IX, Financial Administration, Section 5. Endowment Fund Committee:

The Endowment Fund Committee shall consist of a chair, a treasurer, and at least two members appointed by the Board. The Chair, the Treasurer and the appointed members will each serve two-year terms. The general membership shall elect the Chair in odd-numbered years, and the Treasurer in even-numbered years. The board-appointed members shall serve for two-year staggered terms. The League Treasurer shall serve ex officio. All committee members shall assume duties at the beginning of the fiscal year.

The Endowment Fund Committee is charged with overseeing the management of the Endowment Fund, which supports the 501(c)(4) League of Women Voters of Portland operating fund ("Regular Fund"). Because of the Committee's expertise, the Education Fund Board of Trustees entrusts the Endowment Fund Committee to also manage investments that support the Education Fund. The Committee is authorized to implement the policies of the Board of Directors, the membership, and the Board of Trustees. The Committee will report on the Funds' status to the Board of Directors and the Trustees on a quarterly basis, and to the Executive Committee if an emergency occurs that requires immediate action. The Committee shall make an annual report to the membership at the Annual Membership Meeting.

The Endowment Fund may receive non-tax-deductible donations in the form of 1) donor-designated contributions and bequests, 2) undesignated bequests, and 3) other contributions designated by the Board. The primary investment objective of the Endowment Fund is to increase the value of the fund, so that a reasonable return for annual distribution can be accomplished. Therefore, the Fund will be invested by the Endowment Fund Committee with long-term growth and total return as the highest priorities. Endowment Fund moneys will not be co-mingled with the League's general operating funds. The Endowment Fund Committee will take whatever actions are necessary to maintain a fund value of at least the amount of principal that was originally contributed. The Committee acknowledges the continuing loss of purchasing value of the Fund and will strive as a secondary objective to sustain and increase purchasing power of the Fund, by adjusting the annual distribution rate percentage set annually in January each year.

The Board of Directors shall set a general guidelines policy for the Endowment Fund. Changes in the Endowment Fund Guidelines shall be ratified at the Annual Membership Meeting. Any

vacancies occurring in the Endowment Fund Committee shall be filled by appointment by the Board of Directors for the unexpired term.

Generally, to the extent practicable and fiscally prudent, all new investments should be directed toward socially, responsible-based funds (those categorized as meeting environmental, social and governance criteria.

## **DISTRIBUTION**

The Endowment Fund Committee will make an annual distribution from the Endowment Fund to support the operating budget of the League. The annual distribution, calculated by the Committee before January 31 of each calendar year for distribution during the following fiscal year, will be the product of the distribution rate and the average endowment balance.

The distribution rate for a given fiscal year will be set by the Endowment Committee in accordance with prudent and current best management practices and Oregon Revised Statutes 128.318 and 128.322 or the current Oregon statutes regulating endowment funds. The average endowment balance is the average of the total endowment balance for the 13 previous quarters ending with the most recent December 31. As determined by the League Treasurer with board consent, the annual distribution may be made in installments during the fiscal year, or a portion of the maximum distribution may be declined if other funds are available.

Under exceptional circumstances the League may borrow from the Endowment Fund, after 1) all other funding options have been exhausted, 2) the Board of Directors approves the borrowing, 3) a plan to repay the borrowing is accepted by the Board, and 4) the action is reported to the membership within 30 days.