



Program Endowment Policy (Board approved: December 2, 2021)

Definitions

Programs are initiatives managed by the ASDF to provide positive educational experiences for students in the Allentown School District.

Program Endowments are programs funded through a gift(s) that is invested and a portion of the income is awarded as the funding to support the program. Because the principal cannot be expended, the program could exist in perpetuity. An Endowed Program may be named by the donor.

ASDF Program Endowment Fund will provide programming dollars for a designated purpose. The following types of monies will be credited to the ASDFEFPF:

- The initial donor's gift;
- Additional gifts sent to the ASDF designated for the program's endowment

ASDF Representative will be named by the ASDF president to meet with anyone expressing interest in establishing an endowed program. The representative will be a board member or the ASDF Executive Director.

Endowment Distribution Rate is the percentage of an endowment fund balance that may be distributed. The ASDF Board will establish this rate each year based on the recommendation of the Investment Committee. The distribution amount may be rounded down to the nearest \$5.00 in the case of funds generating less than \$100 and to the nearest \$10 for funds generating \$100 or more.

Establishing a Program Endowment

When a donor expresses an interest in establishing a program endowment, the ASDF president will appoint a Foundation Representative to contact and work with the donor. The representative will record the program specifics listed below during the meeting with the donor.

A. Description

A written description of the program. For existing programs, the ASDF Executive Director will provide a description. For proposed programs, a description based on the donor's interests and goals will be written. The description will include:

- the name of the program

- the donor
- the purpose of the program, suitable for publication
- the cost of the program
- the amount of the endowment or annual commitment amount and the number of years, and
- who is responsible for administering the program.

Consistent with the management of Endowed Scholarships, donors will not be engaged in running the Endowed Program. The written description shall be specific enough to reflect the donor's wishes, and broad enough to allow for annual implementation.

B. Criteria

The program must support the mission of the ASD Foundation and be valued and approved by the ASD Administration. All three parties will agree to an initial period for the program's implementation.

The donor, an ASDF officer or Executive Director, and an ASD official will sign the description. A copy with original signatures will be kept on file in the Foundation office and an original will be given to the donor. Copies will be provided to ASD and the principal of an indicated school.

All programs will be reviewed at least every 5 years. Should a program no longer be feasible or desirable, the ASDF will contact the Donor for directions.

If a program is not feasible for a given year, funds will remain in the Program Endowment account until the following year.

C. Beginning a Program Endowment

A Program Endowment may be created with a minimum gift of \$10,000 made by one of the following ways:

1. **Outright Gift:** The gift must be held in the endowment for a minimum of one year to fund the first distribution. If a donor wishes to fund the Program before a year passes, they may make an additional cash gift equal to the cost of the program.
2. **Installments:** Program Endowments may be established over a period of time with an annual commitment of at least \$5000 to reach the \$10,000 minimum, plus the Program cost until the Program Endowment grows to the point where the amount generated covers the cost of the program when the Endowment Distribution Rate is applied.

To ensure the timeliness of the program, Donors choosing the Installments option will be asked to make an additional cash gift equal to the cost of the program in year 2.

3. Timing the Gift

Endowed Programs are funded using the same system designed for Endowed Scholarships:

March: Investment Committee reviews the account and recommends the percent draw to the Board.

April: Board votes to approve the draw.

May: Funds are withdrawn from the managed endowment fund. Once the funds are withdrawn from the managed investment account they are held in the Foundation's bank account until needed for the program.

Note: Funds must be in the endowment account for a full year prior to the first disbursement. Therefore, an Endowed Program gift must be in the account by March 31, 202x to generate program funds available in May 202(x+1).

Ending a Program Endowment

If the Program associated with an Program Endowment is no longer feasible or desirable, the ASDF will contact the Donor for directions. Directional options include:

- Convert the program endowment into an endowed scholarship;
- Redirect the program endowment to support a different program;
- Redirect the program endowment to support general ASDF operations;

If a Program Endowment is not large enough to fund the intended program, the ASDF will contact the Donor to invite additional funds for that year or to grow the endowment. If the donor opts not to further support the fund, the ASDF will continue to fund the program through the fund until it is expended, at which point the endowed program would end.

Records

Each Program Endowment will have a hard copy file and an electronic file.

- Hard copy file will include the Program Endowment Description and all subsequent correspondence regarding the fund.
- The electronic file will be kept on the ASDF computer system and will include those data elements determined to be necessary for administrative purposes.

Oversight

The ASDF Planning and Programming Committee will provide oversight of this policy and assist in operational activities. The committee will review this policy every two years.

The same committee will be responsible to insure effective donor recognition and stewardship.



Endowed Program Description

Date: _____

Donor: _____

Address: _____

Phone: _____ Email: _____

Program Name: _____

Purpose of the program, suitable for publication: _____

Cost of the program: _____

The percent draw from the endowment varies. This table shows examples of the amount available for the program based on different endowment sizes and percent draws.

Funding Examples	\$10,000	\$15,000	\$30,000	\$50,000	\$100,000
1%	\$100	\$150	\$300	\$500	\$1000
3%	\$300	\$450	\$900	\$1500	\$3000
5%	\$500	\$750	\$1,500	\$2500	\$5000

The amount of the endowment or annual commitment amount and the number of years:

Who is responsible for administering the program? _____

Donor Signature: _____ Date: _____

ASD Signature: _____ Date: _____

ASD Contact (Printed): _____

ASDF Signature: _____ Date: _____

ASDF Contact (Printed): _____