

POLICY FOR OPERATING QUASI-ENDOWED FUNDS

The Boise State University Foundation (“Foundation”) Operating Quasi-Endowment Funds (“Funds”) were established with a transfer of unrestricted funds from a short-term investment strategy to a longer-term investment strategy at the Foundation to be used for administrative support of the Foundation. This addition and all subsequent additions to the Funds will be deposited into the Foundation endowment portfolio to be administered in accordance with policies established by the Foundation for endowed funds. The Funds’ goal is to generate earnings to support the Foundation as well as to provide for managed growth in the Funds’ principals.

The Board recognizes the need for long-term endowment to fund operations; however, periodically short-term needs may take precedence. Therefore, with the approval of the Board of Directors, principal distributions may be made from this quasi-endowed fund. However, prior to approval of principal distributions, review of current budget obligations payout and effect of distribution of principal must be completed. Funds paid out shall be applied in the manner and to the purposes described herein. In the case of a principal payout, revised budgets incorporating the adjusted distribution must be submitted to the Board in order to quantify budgetary effect of the decreased annual payout resulting from the principal distribution.

Once the principal of the Fund meets the minimum required level established by the Foundation, the payout from the fund shall be expended by the Foundation to support the Foundation. The payout will be calculated annually based on the Spending Rule in the Foundation’s Investment Policy Statement. If unused, funds available for distribution may be carried forward between fiscal years.

The Funds maintained by the Foundation may be assessed an annual fee based on Foundation Fee Policy. Funds are also charged a proportional share of outside investment management fees. Any income earned in excess of the amount paid out shall remain invested in the Fund. In the event, after a period of time, the purpose of this Fund as described in this document is not feasible, then the available annual payout from this Fund may be used for other purposes designated by the Foundation Board of Directors.