

COLLEGE OF MICRONESIA-FSM
BOARD POLICY No.1450

Endowment Fund

Date Adopted: 20-23 March 2006

Date Revised: 22 March 2014

Date Reviewed:

References:

COLLEGE ENDOWMENT FUND

The Endowment Fund was established in 1993 with the goal of growing in size through a combination of contributions and investment return to twenty million dollars (\$20,000,000). At which time, endowment income can be used to fund operational and special needs of the College of Micronesia-FSM. The board and the Investment Committee are to discharge their responsibilities to the endowment solely in the long-term interests of COM-FSM.

The objectives of the endowment are:

- To defray the operational expenses and other special needs of COM-FSM;
- To maximize return within reasonable and prudent levels of risk in order to minimize the dependency upon contributions;
- To exceed earnings assumptions as set forth in the Investment Policy Statement; and
- To control costs of administering the endowment and managing the investment.

The board is to carry out their duties as fiduciaries with the goal of achieving the established objectives with the realization that the endowment is faced with an uncertain funding stream, which may inhibit or delay the achievement of these objectives.

No funds may be withdrawn from the endowment until such time as a principal value (at market) of twenty million dollars has been attained. The only exceptions to this policy are:

- As needed to pay normal and reasonable costs associated with the management of the endowment; and
- As required by conditions attached to specific gifts, donations or grants.

FRIENDS OF THE COLLEGE OF MICRONESIA-FSM, INC.

To promote and raise funds for the college, an private foundation, *Friends of the College of Micronesia-FSM, Inc.*, was established. The foundation is registered in the District of Columbia with 501(c)3 non-profit corporation status from the U.S. Internal Revenue Service which allows charitable donations to the foundation to be eligible to be claimed as tax deductions on federal tax returns filed in the United States. The Friends Foundation is independent of the College of Micronesia-FSM administered by its own board of directors with its own endowment to benefit the college.