

COLLEGE OF MICRONESIA-FSM BOARD POLICY NO. 1450

Endowment Fund

Date Adopted: 20-23 March 2006

Date Revised: 22 March 2014, 27 November 2019; 21-22 November 2022

Date Reviewed: 27 November 2019; 21-22 November 2022

Reference:

Endowment Fund was established in 1993 with the goal of growing in size through a combination of contributions and investment return to ~~twenty~~ fifty million dollars (~~\$20,000,000~~50,000,000). At which time, 50% endowment income can be used to fund ~~operational and~~ special ~~needs~~ projects and needs of the College of Micronesia-FSM while the other 50% is reinvested back into the endowment. However, expenditures may be made from the endowment only for the purposes set forth in Public Law 7-79 and in accordance with such conditions as may be attached to any particular gift, donation, endowment or grant; provided that such expenditures shall be made in accordance with budget approved by the board. The board is to discharge their responsibilities to the endowment solely in the long-term interests of COM-FSM.

- To fund special projects ~~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No funds may be withdrawn from the endowment until such time as a principal value (at market) of ~~twenty~~ fifty million dollars (~~\$20,000,000~~50,000,000) has been attained.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.

At the end of every ten years, the board will review this policy to determine if modification is needed. While the college demonstrates its concern for preservation of the environment and other social causes through its programs and activities, no specific constraint in regards to social causes is placed on its investment portfolio. Constraints may be added in the future as deemed advisable by the board.

[Article V. Statement of Ethical Conduct](#) in the board by-laws governs all decisions concerning investment of the college's endowment fund.