

Greater Lansing Catholic Education Foundation

Endowment Investment and Expenditure Policies

Approved September 10, 2008

The purpose of the Endowment Investment and Expenditure Policies for the Greater Lansing Catholic Education Foundation is to provide clear information to donors, staff members and the Board of Trustees regarding the investment of the Foundation's financial resources and the process it follows in determining expendable amounts from these funds.

I. Investment

Faithful, competent and socially responsible stewardship directs the actions of the Board of Trustees of the Greater Lansing Catholic Education Foundation with dual and inseparable purposes: 1) to achieve a reasonable rate of return of invested financial resources in order to support Catholic education in the Lansing region of the Diocese of Lansing, 2) to employ socially responsible strategies and investments based on Catholic moral principles. To these ends the Board of Trustees entrusts the management of all long-term savings and endowed funds to the Michigan Catholic Conference through the Diocese of Lansing. In doing so, the Trustees can be sure that Foundation funds are invested responsibly following the strict social and moral standards established by the Church.

II. Expenditure

The Foundation will make available for spending 2% less than the average earnings of its endowed funds as calculated over a period of five fiscal years. There is a one year delay between the calculation of the expendable amounts and payment of these amounts. Having this delay allows an expected income amount to be shared with parishes and schools early enough to be factored into their budget process with payment at the beginning of their next fiscal year.

It is the policy of the Greater Lansing Catholic Education Foundation to retain 1% of the expendable amounts from each endowed fund to support the overall operations of the organization. This percentage is inline with industry standards based on research of similar organizations conducted in 2006.

This policy shall be reviewed annually at the first meeting of the Finance Committee of each calendar year such that any revisions or updates can be used in preparing the budget for the next fiscal year.

Example of process using FY09-2010:

- By September 15, 2008 the earnings report for FY07-08 arrive in the GLCEF office.
- Calculation of average earnings for past five fiscal years takes place (fiscal years ending June 30, 2004, 2005, 2006, 2007 and 2008).

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- Expendable Amounts for FY09-2010 are determined by taking the average calculated above and subtracting 2% for reinvestment in principal and 1% going directly to GLCEF to support operations.
- By October 15, 2008 an announcement is sent to parishes and schools informing them the amount they can include in their FY09-2010 budget (which is based on the average over five years minus 3%; 2% is reinvestment in the principal and 1% supports GLCEF).
- GLCEF requests the expendable amounts from the diocese between July 1 and July 10, 2009. Payments are issued to the parishes and schools upon receipt of the funds from the diocese.