

Food Bank of Northern Nevada Spendowment Fund Policy

The Spendowment Fund is hereby created to establish an ongoing revenue mechanism dedicated to supporting the operational needs of the organization. The Spendowment Fund provides a funding opportunity for donors who wish to focus on long-term funding and sustainability ~~or who want to ensure that their gift has ongoing impact,~~ or it can be used as a repository for which certain donated proceeds unanticipated revenue can be deposited and managed in support of general Food Bank operations. The performance of the Spendowment Fund ~~may will~~ be evaluated annually to estimate the revenue to be budgeted for the next fiscal year.

Contributions into the Spendowment Fund investment account will be based on ~~the following two primary~~ factors: ~~First, if the donation is received and specifically designated for the Spendowment Fund, the contribution will be deposited into the Spendowment Fund investment account, and the funds will be restricted. Second, when the organization receives undesigned revenue through that is not budgeted, an unsolicited contribution, a bequest or in the case of the sale of an asset, some other form of unanticipated revenue or asset,~~ the CEO in consultation with the CFO and the Finance Committee will evaluate the current fiscal year performance and determine how much, if any, of the ~~proceeds from the sale unplanned donation~~ will be deposited into the Spendowment Fund investment account ~~and that amount will be unrestricted.~~

Withdrawal of funds ~~The spending policy of from~~ the Spendowment Fund investment account will be ~~two part:~~ limited to -3% of the account value on a quarterly basis. FBNN staff will have the option of deferring withdrawals if they do not feel the funds are needed for near term activities. It is further acknowledged that the existence of the Spendowment Fund will not replace the Development and Fundraising strategies for meeting budget projections.

Commented [NL1]: Withdrawal percentage deferred for discussion at July meeting

~~Unrestricted funds will be available to support programs or operations at the discretion of the board/finance committee and/or the FBNN staff. It is further acknowledged, that the existence of the Spendowment Fund will not replace the Development and Fundraising strategies for meeting budget projections.~~

- ~~1. Restricted funds will be made available through the withdrawal of up to 3% of the account value on a quarterly basis. FBNN staff will have the option of deferring withdrawals if they do not feel the funds are needed for near term activities.~~

The chosen investment strategy for the Spendowment Fund account will be a moderate risk allocation to balance the desire for growth with risk management in accordance with the FBNN's investment policy.

At inception of the Spendowment Fund, the stated goal will be to fund the account up to a minimum funding level of \$400,000 prior to initiating quarterly withdrawals. Withdrawals will be suspended if the account value falls below \$400,000.

Date of Adoption/Revision 07/23/20
Date of Revision: Ma7 2021

The Board of Directors and the Finance Committee will have the role of oversight of the Spendowment Fund much as they do of the FBNN's other distinct funds. This policy shall be reviewed annually by the Finance Committee and the Board of Directors.