

SPHS TIGER BOOSTER CLUB, INC.

Endowment Fund Program Policy

The SPHS Tiger Booster Club has established an Endowment Fund Program to perpetually support Booster Club programs and projects through a designated investment fund. This Fund is invested to earn income each year, and as the value of the endowment grows, so does the income it generates. The income is used to support the Booster Club, but the principal always remains invested in order to perpetuate the fund.

The Booster Club's 2010 \$47,896 investment will serve as the lead gift in an overall Endowment Fund Program. The Endowment Fund will provide long-term support for the Booster Club, as well as an opportunity for donors to support the Booster Club through the establishment of Honorary Endowments, Memorial Endowments, Facility, Coaches, Program and Annual Event Endowments. Contributions to an Endowment Fund also offer donors a valuable income tax deduction.

An initial investment of \$47,896 was approved in 2010 by the Booster Board and was deposited into an Endowment Fund at Wells Fargo Bank. If financially possible, it is the recommendation of the Endowment Sub-Committee that this investment be followed by annual investments made to the Endowment Fund on behalf of the Booster Club. With regard to the Booster Club's Endowment Fund, the Committee recommends the following:

- An annual investment be made into the Endowment Fund by the Booster Club.
- All income generated by the Endowment Fund will be reinvested into the Endowment until the Fund reaches a minimum total of \$100,000 at which time the interest income be used to support the Scholarships and Equipment Grants.**
- It is further recommended that the Booster Club's annual investment continue after reaching the \$100,000 threshold.
- The establishment of a donor advised gift to the Endowment Program must reach a minimum of \$20,000 before interest income can be used to fund a particular purpose. An Endowment may be established with less funding but with the expectation that the minimum will be reached within five years of the receipt of the first gift. (A gift of \$20,000 earning a 3% return would generate \$600.00 in interest per year.)
- The Endowment Fund Program should be marketed to alumni, parents and community members as a vehicle for memorial gifts, gifts to honor coaches, individual sports, facilities and income tax deductions.
- Endowment Funds will be managed by Wells Fargo Bank but distribution of interest income and maintenance of individual Endowment Funds will be supervised by the Booster Club Treasurer.

**A spending policy can be established to determine the percentage of the interest earned to be used as a "spendable gift". Any additional interest would be returned to the principal. For example, if the spending policy calls for 3 percent and the Fund earns 5 percent, the remaining 2 percent would be reinvested in the endowment and provide perpetual growth in the Fund's "spendable gift".