

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 to ensure that their gift has ongoing impact or it can be used as a repository for which certain donated proceeds can be deposited and managed in support of general Food Bank operations. The performance of the Spendowment Fund may 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 factors: the donation is received and specifically designated for the Spendowment Fund. the organization receives undesignated revenue through a bequest or in the case of the sale of an 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 will be deposited into the Spendowment Fund investment account..

Withdrawal of funds from the Spendowment Fund investment account will be 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.

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.

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.

Affirmation of board action adopting/amending this policy



Secretary