

Sam Houston State University
A Member of The Texas State University System

Finance & Operations Policy FO-66

Endowment Spending Policy

1. Purpose

- 1.1 To set the spending policy for endowments at Sam Houston State University (“SHSU”).

2. Policy

- 2.1 The annual spending distribution will be made as soon as practicable after the last day of August of each fiscal year to endowment funds, as described in Section II of the Texas State University System Endowment Funds Investment Policy.
- 2.2 The spending distribution amount will be calculated by multiplying the spending rate for each year times the fair market balance. For purposes of calculating the fair market balance, SHSU will use a twelve quarter rolling average of the endowment balances.
- 2.3 The spending rate shall be reviewed and recommended by the Investment Committee each year. Final approval shall be made by the President and Vice President for Finance and Operations.
- 2.4 If an endowment’s market value is below the donated gift amount, prudent spending may be permitted if recommended by the Vice President for University Advancement and approved by the President, with the goal of balancing the perpetual nature of endowments and the donor’s intent when making the gift.
- 2.5 New endowments will receive a spending distribution once they have participated in the endowment pool for at least 12 months or are fully endowed, whichever occurs later. Spending distributions for such funds may be pro-rated based on their eligible period of participation in the endowment pool.
- 2.6 Accumulated spending distributions that are not expended may be returned to the endowment pool to maintain efficient allocation of funds.

Approved by: TSUS Legal Counsel – Rhonda Beassie
Vice President for Finance and Operations – Dr. Carlos Hernandez
Date: May 2015

Reviewed by: Treasurer – Dave Verghese
Date: May 2015