

GEORGIA STATE UNIVERSITY FOUNDATION, INC.

Policy number/name: 5.2 Unrestricted Spending Policy and Reserves
Operating Funds

Issuing date: 9/20/2005 Effective date: 9/20/2005

Policy approved by: Board of Trustees

Governance oversight by: Finance Committee

I. Revision history

Adopted 9/20/2005

II. Purpose of the policy/Policy statement

The purpose of this policy is to provide guidance in the use of the unrestricted income and unrestricted balances.

II. Definitions

None stated.

III. Applicability

Applies only to unrestricted net assets.

IV. Exceptions

Does not apply to permanently restricted net assets or temporarily restricted net assets

V. Detailed policy statement

A. Sources

All unrestricted funding revenues may be used as funding sources including but not limited to interest, dividends and realized gains/losses on the operating portfolio, unrestricted gifts, fees (whether from outside entities or charges to the endowment portfolio), other

internal fees (such as campaign fees), rents from properties but excluding investment appreciation and rental income from properties subject to contractual obligations such as lease and note payments and capital reserve requirements.

B. Uses

Unrestricted funds may be used to support the priorities of the foundation including support for scholarships and university-wide activities, support for the president and vice presidents of the university, support for university fund raising, the foundation board and foundation operations and management services, support for the alumni association, and to pay for operating and capital expenses of properties outside of required capital reserves.

C. Reserves

Reserves must be maintained to include investment appreciation at least equal to 10% of the investment operating portfolio and other balances at least equal to the dollar amount of the current year's budget plus or minus changes in existing obligations. Care must be exercised that projections for revenues beyond the next year appear to support the same level of operations so that dramatic swings in programs are avoided.

D. Other

This policy assumes that the investment operating portfolio is invested as a stable income fund with low volatility (plus or minus 10% of the market value).

HELP

People to contact

Position Title

Assistant vice president for development/chief financial officer

Additional information and helpful resources

Foundation policies

5.1 Expenditure Policy

7.1 Statement of Investment Policy

Foundation procedures

6.1 Disbursement Guidelines Procedure