

Approved: December 9, 2021

RADFORD UNIVERSITY FOUNDATION, INC.

SPENDING POLICY – ENDOWMENTS

AS AMENDED AND APPROVED MARCH 22, 2019

The Radford University Foundation, Inc. (the “Foundation”) aims to balance a long-term strategy to increase the value of its endowment while providing capital in the short-term for the intended purposes of the endowment accounts. Endowment awards are authorized only after an account is fully funded. Four percent (4%) of an endowed account’s balance shall be paid annually based on a five-year annual market value average (or historic annual average if less than five years) as of June 30. Spending under this policy must not invade the principal of the endowment unless specifically authorized in writing by agreement with the donor. For a distribution from an endowment account to be made, the endowment fund’s market balance as of June 30 must be at least 105% of the principal. In certain instances, the timing of large gifts may be reviewed for their impact on the 105% maturity requirement at June 30 and may be omitted from the analysis. Any income in excess of annual spending and any unspent temporarily restricted income are to be reinvested in the endowment, unless (1) otherwise stated in the endowment’s Gift Agreement or (2) allowed by the Gift Agreement and mutually agreed upon by the Fund Guardian and Foundation to remain available for spending in subsequent years. Additionally, at the request of Radford University, unspent scholarship funds may be carried forward to the next year. Any such funds carried forward remain subject to the terms of each particular gift. Any such determination will be documented in the Foundation’s records.

The Foundation Board of Directors (the “Board”) also sets an annual fee that the Foundation charges the endowments. These fees are used to help operate the Foundation, manage the endowment accounts, and honor commitments to Radford University. The fees are reviewed and determined annually by the Board, but in no case will be more than two percent (2%) of the trailing five-year annual market value average (or historic annual average of less than five years) as of June 30. Spending under this policy must not invade the principal of the endowment, so only funds whose market balance is at least 105% of the principal will be charged.

Spending authority is reviewed annually by the Foundation Board of Directors and is subject to change. This policy shall apply to all restricted and unrestricted endowment and other investment assets of Radford University Foundation, Inc. unless otherwise specified in the Endowment’s Gift Agreement.