



**PENINSULA EDUCATION FOUNDATION
ENDOWMENT SPENDING POLICY**

The Endowment Spending Policy guidelines are as follows:

- The distribution of any funds from the Endowment Fund will be approved on an annual basis by the Board of Trustees of the Peninsula Education Foundation. The Palos Verdes Peninsula Unified School District will annually provide a list of programs that require funding. There is no guarantee that a portion of endowment earnings will be distributed each year, but for consistency purposes, programs previously supported by these earnings would likely be continued from year-to-year, unless they are discontinued, change in scope or the Foundation's endowment fund is unable to provide adequate funding.
- The distribution in any one year shall not exceed 5% of the unrestricted value of the Endowment Fund. Any such distribution shall be made proportionately from holdings of the Endowment Fund. The calculation of the unrestricted value available for distribution will be determined based upon a rolling 12-quarter average, i.e., the average of the ending balance of the unrestricted value for the previous 12 quarters (3 years). For definition purposes, the unrestricted value of the fund will equal the total value of the fund (including all investment income and PEF contributions) less the principal gifts / corpus that have been made to the Endowment Fund.
- The goal for the PEF's Endowment Program is to grow the endowment by increasing gifts to the endowment corpus and investment growth through effective management of the endowment fund (following guidelines provided for in the PEF's Investment Policy). An effective endowment program will provide stable long-term support for school district initiatives above and beyond the Foundation's annual pledge to the PVPUSD.
- In any given year, the Board of Trustees may vote to suspend the distribution of funds from the Endowment for that fiscal year, for any reason deemed prudent by the Board.