

**CHANCO ON THE JAMES**  
**POLICY**  
regarding  
**NAMED ENDOWMENTS**

**Executive Summary**

The following statement sets forth Chanco on the James' policy with respect to the acceptance, creation and use of any named endowments.

The attached Policy is restricted to endowments; specifically, this Policy does not pertain to non-restricted gifts.

The Policy's basic approach is that Chanco on the James supports an individual or group of individuals funding an endowment, naming it and restricting the use of any distributions from that endowment, provided that the contribution must equal or exceed \$25,000 and provided that any restrictions as to the use of the distributions be approved by Chanco on the James.

The Policy also addresses memorials.

And finally, the Policy provides that while Chanco on the James supports named endowments, Chanco on the James will not solicit funds for any named endowment, unless such is included in the Board-approved Strategic Plan. This policy neither prevents Chanco on the James from including a named endowment in its Annual Report or other brochures nor noting in any of its communications that an individual may give to such named endowment. The point of this provision is to avoid individually initiated fund-raising efforts to frustrate the Board-approved Strategic Plan.

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**I. INTRODUCTION**

This statement sets forth Chanco on the James' policy regarding individual-named, family-named and business-named endowments (hereinafter, "named endowment"). This policy will become effective once this policy is approved by Chanco on the James' Board of Trustees.

**II. FUNDING POLICY**

Subject to the following, Chanco on the James may encourage, solicit and accept named endowments.

An individual, a family or a business may inform Chanco on the James that they would like to establish an endowment in an individual's name, in their family's name or in the name of a business. Subject to the provisions set forth in this policy, Chanco on the James shall inform the individual(s) that such endowment would be accepted.

In order to have a separately accounted for named endowment, the minimum contribution amount for such endowment is \$25,000.00.

Individuals or family members may want to establish a named endowment, but contribute to it over a period of time. Generally, the named endowment must be fully funded (i.e., must have at least \$25,000) within five years from the date of the initial gift.

Earnings and capital appreciation or loss will not be considered in determining the \$25,000 contribution amount.

If after five years from the initial gift, the amount contributed is less than \$25,000, Chanco on the James is to so inform the individual or family that the \$25,000 base amount has not been received and to determine whether they wish to contribute the balance needed to meet the \$25,000 requirement. If the individual or family elects not to contribute the additional amount required, these funds will be added to the general endowment fund.

### **III. PAYOUT POLICY**

Until the named endowment is fully funded (i.e., \$25,000), any earnings and capital appreciation will accumulate and no distributions will be made from this fund.

The payout policy, approved by the Board of Trustees, shall apply to named endowments.

### **IV. INVESTMENT POLICY**

Any endowment funds, including named endowment funds, will be invested using a firm or firms approved by the Board of Trustees.

### **V. USE AND RESTRICTIONS**

The individual or family who establishes and funds the named endowment may designate how distributions from the endowment should be used. For example, the donor may specify that distributions from the endowment will be used for athletic equipment.

Chanco on the James may consider a request by the donor to participate in how the distributions from the endowment will be used PROVIDED that any such use is in the best interest of Chanco on the James and is approved by the President, Chanco on the James.

### **V. MEMORIALS**

Nothing in this Policy discourages individuals from giving memorials to Chanco on the James.

Unless the donor specifically requests, or unless the family has informed Chanco on the James that they intend to establish, and do establish within the time period stated above, a named endowment, all memorials received by Chanco on the James in an individual's or family's name shall be included in the general endowment fund.

### **VI. ADMINISTRATIVE MATTERS**

Chanco on the James' Gifts' Policies and Procedures shall apply with respect to any donation to a named endowment.

The creation of a named endowment, and any associated fund-raising, should be coordinated with the Chanco on the James's Business Office.

If contacted by a potential donor who desires to establish a named endowment, Chanco on the James should confirm, in writing, to the donor the policy relating to the \$25,000 amount, the time period to meet this obligation, the payout policy, the investment policy, restrictions as to the donor's role and any restrictions on how distributions from the endowment will be used.

Chanco on the James may assist in the drafting of the donor's letter, which will include the name of the endowment and how distributions from the endowment are to be used.

Before accepting the named endowment, Chanco on the James must review and approve any conditions set forth in the donor's letter.

The Chanco on the James' Business Office should prepare a form letter agreement relating to named endowments. This letter agreement should set forth the key elements of this policy and should be executed by the President of Chanco on the James and the principal donor.

Chanco on the James may advertise, through its Annual Report, brochures or other communications, the creation of a named endowment, but should avoid agreeing to solicit additional funding to any named endowment.

## **VII. AMENDMENT**

This policy may be revised or amended by the Board of Trustees. Any exceptions to this policy must be approved by the Board.

Approved: \_\_\_\_\_, 2005  
by the Board of Trustees