

## **Named Endowment Fund Guidelines**

While all gifts to the Lovett School Endowment are important and appreciated, a **Named Endowment Fund** is one that receives special recognition because of its significant level of support. Special recognition and stewardship are provided via the following:

1. Annual Public Listing
2. Separate Accounting
3. Regular Communication
  - a. financial reports
  - b. benefit reports (award/scholarship recipient, etc.)
4. Use of Name in Public Forums
  - a. print
  - b. announcements
  - c. presentations

In general, the minimum level of support that earns special recognition as a Named Endowment Fund is \$100,000, payable over a period of years. In certain areas, higher minimums have been established and they are as follows:

### **STUDENT SUPPORT**

#### **Full Scholarship/Financial Aid Fund: \$500,000**

To provide full tuition funding for a deserving Lovett student or the equivalent to the general financial aid fund.

#### **Partial Scholarship/Financial Aid Fund: \$250,000**

To provide partial tuition support for one or more Lovett students based on their need for assistance.

#### **Special Experiences Scholarship/Financial Aid Fund: \$100,000**

To provide partial "tuition" support or to defray costs for one or more Lovett students for special school-sponsored experiences (e.g. Siempre Verde, Spoleto Humanities and Arts Program, and Independent Study)

### **FACULTY SUPPORT**

#### **Master Teacher Chair Fund: \$1,000,000**

To supplement in a permanent fashion the compensation of outstanding teachers in a designated subject area or department (academic, division, co-curricular, operations, or administration).

#### **Master Teacher Award Fund: \$500,000**

To provide an annual salary supplement award to an outstanding teacher.

#### **Mini-sabbatical Fund: \$500,000**

To provide one teacher a one month, mini-sabbatical during the school year to for study, research, and renewal through travel, professional meetings, and other activities that will enhance their effectiveness.

**Faculty Enrichment Fund: \$250,000**

To provide teachers further opportunities for summer study, research, and renewal through travel, professional meetings, and other activities that will enhance their effectiveness.

**Faculty and Staff Advanced Degree Fund: \$100,000**

To provide faculty and staff who are pursuing advanced degrees annual reimbursement for tuition and fees related to pursuit of an advanced degree.

**ENDOWMENT INVESTMENT & SPENDING POLICY**

**Investment**

The corpus of an endowment fund will be invested as part of the Lovett Endowment according to the investment policies established by the Lovett Board of Trustees and carried out by the Endowment Committee.

**Spending**

A fund’s proceeds, based on a formula established by the Lovett Board of Trustees (Currently, 5% of a rolling twelve quarter average of the market value of the fund on September 30 is the calculation.), will be made available to help fund the annual budget of the designated program or stipend. Thus, the Endowment Fund and named funds within it may continue to grow and keep pace with inflation as they provide annual benefit to the Lovett budget and by extension to students, faculty, and the Lovett community at-large. Return on the Lovett Endowment and a unitized distribution to each individual, restricted fund are calculated quarterly and audited annually. The corpus of the fund and any additional gifts to the fund will be recorded as restricted endowment gifts to this fund and tracked as “book value.”

A Spending Example: Over the last twelve quarters a funds value is calculated at \$100,000; that fund will produce \$5,000 for application to whatever aspect of school life the endowment fund is supporting – financial aid/scholarship, faculty enrichment travel, faculty salaries, etc. Following are the spending calculations for various size endowment funds:

<u>Endowment Fund Value</u>	<u>Annual Contribution to Lovett Program</u>
\$100,000	\$5,000
\$250,000	\$12,500
\$500,000	\$25,000
\$1,000,000	\$50,000
5,000,000	\$250,000