



## Guidelines for Establishing New Endowments

- Guiding principles:  
Endowed programs (typically scholarships and research funds) may be established through gifts of cash or other liquid assets typically totaling \$50,000, though some programs have a threshold of \$25,000.
  - The corpus of the endowing gift (plus any investment gain or future gifts) shall not be spent or used for a purpose not specified by the donor in the original gift agreement except by express written approval of the donor.
  - Only the accrued investment or interest gains for the fund shall be used to pay an endowed program's expenses in any given year, except if terms indicated by the donor are different.
  - Endowed programs may only be established after a properly executed gift agreement (endowment contract) is signed by the donor, the Foundation Director, the Foundation President, and the NATA Director of Finance. A checklist of items to be verified by finance will be developed.
  - The Foundation is solely responsible for investing (or causing to be invested through its investment consultant) the gift corpus in a responsible manner. A report of investment performance and fund status shall be provided annually to the Foundation Board of Directors and to the donor.
- Endowed programs will only be established if the minimal threshold for the fund is achieved at the time of the gift.
- For Endowed programs established prior to February 2018, if not fully funded by five years from the date of contract execution, the Board of Directors, in consultation with the Donor(s) (if possible) or with the NATA Foundation Director, will direct the use of this gift in the best interest of the NATA Foundation and in a manner as close as possible to the original intent of the Donor(s) as expressed in the Gift Agreement.  
*Note: The above does not apply to new endowments. After February 2018, new endowments will only be accepted for approval if entire funding is received at time of contract finalization. In cases where it is unclear if we have legal authority to remove a donor restriction, we will consult with legal counsel.*
- Funds received in support of endowed programs may be comingled for investment purposes but will be tracked and accounted for individually in accordance with GAAP.
- Financial gifts received from NATA or its districts through the dues sharing program shall not be eligible for endowed programs unless otherwise approved by the Board of Directors.
- Donors wishing to establish a new endowment are required to provide a minimum of two names at time of contract execution; a primary contact and a secondary or successor contact with knowledge of the specific contribution.
- The procedures and guiding principles enumerated in this document, supported by the NATA Foundation, shall apply to all endowed programs and shall apply to all types of donors – individual, corporate, and organizations (e.g. NATA, NATA Districts, etc.)
- All endowed programs established shall be subject to an annual administrative fee approved by the Board of Directors. The Board of Directors shall review and adjust this fee annually.

