

The St. Augustine Preparatory School Establishment of Named Funds Policy

Covers: All donors and employees of St. Augustine Preparatory School involved with establishing and funding named funds

With an appreciation that the time and effort needed to accept and administer gifts from named funds may ultimately diminish the financial gain realized from gift, the following guidelines are offered regarding minimum gift threshold levels, to ensure that every named fund makes a valuable contribution to The Prep. In all cases, The Prep reserves the right to revise such guidelines from time to time and to consider specific proposed gifts as exceptions to the stated thresholds if the circumstances merit such consideration.

Minimum thresholds by gift type with notes on pledge period considerations are as follows:

Named Fund Type	Minimum Gift Amount	Pledge Payment Considerations
Capital and Special Program Funds, Endowed or Non-Endowed	TBD	
Endowed Funds	\$50,000	Min. \$10,000 per year / Max. of 5-year pledge period*
Immediate Use Funds, Non-endowed	\$10,000	Min. \$2,500 per year / Max. of 4-year pledge period

* At certain principle gift levels, longer pledge periods may be approved by School leadership.

Named Funds – General Policy

The Office of Advancement will follow the School policy on establishing named funds as outlined below.

- **Capital and Special Program Funds:** To establish a named fund to support a capital project or special program, The Prep requires the gift amount be consistent with the financial gain necessary to support the specific project. These named funds can be endowed or non-endowed based on the donor’s wishes and needs of the School. Minimum gift amounts and acceptable pledge periods will be determined in advance of the gift, with approval from the Chief Advancement Officer, Head of School, and/or the Province of St. Thomas of Villanova.
- **Endowed Funds:** To establish an endowed fund, The Prep requires a donation of \$50,000 or greater and approval by the Chief Advancement Officer, Head of School, and the Province of St. Thomas of Villanova.
- **Immediate Use Non-Endowed Named Fund:** To established a non-endowed named fund (funds with an individual or family name in the description), The Prep requires a donation of \$10,000 or greater and approval by the Chief Advancement Officer and Head of School.

Management of Named Funds

- The management of **Endowed and Non-Endowed Funds** will be guided by the creation of fund guidelines. These guidelines serve as a record of the opening of the fund, the fund donor, donor or honoree biography, purpose, awarding criteria, awarding responsibility, publicity of fund, and fund investment strategy (if applicable). Guidelines are produced by development officer with the donor. Guidelines are reviewed and signed by both donor and the required School leadership. Updates to existing guidelines can be made with Donor and School approval with a signed amendment to the original guidelines.

Distribution and Use of Funds

- **Endowed Funds:** The distribution and use of endowed funds will be governed by the Prep's spending policy of endowed funds. The goal of the spending policy is to preserve the principal of the endowed assets and provide a formula for determining annual spendable funds available for use. In rare circumstances, donors may wish to establish spending policies outside of the approved Prep policy. These separate policies should be outlined in the fund guidelines.
- **Immediate Use Non-Endowed Funds:** The available funds for distribution from non-endowed funds will be determined on an annual basis. All funds received in a fiscal year are available for use in the following fiscal year. If all funds are not used in a given year, a balance may carry over into future years. It is recommended a balance is not carried.

Donor Relations

On an annual basis, donors of named funds can be provided a balance statement and made aware of the use of the funds.