

Resolutions of The Board of Trustees

Lincoln University, PA

RESOLUTION 443 **March 23, 2013**

**ENDOWMENT FUND SPENDING
AUTHORIZATION RES443_032313
JUNE 30, 2013**

WHEREAS, The Board of Trustees of Lincoln University has elected to be governed by the provisions of Section 5548(c) of the Pennsylvania Non-profit Corporation Law of 1998, as amended, with respect to the endowment funds held by the University; and

WHEREAS, The provisions of Section 5548(c)(3) provide that if an election is made to be governed by that subsection, the term “income”, for the purposes of the endowment funds, shall mean a percentage of the value of endowment fund assets as the Board shall select annually, after determining that the percentage selected is consistent with the long-term preservation of the real value of the assets; provided, however, that the percentage selected shall in no event be less than 2% or more than 7% per year; now therefore, it is hereby

RESOLVED, That pursuant to Section 5548(c) (3) of the Pennsylvania Non-profit Corporation Law of 1998, as amended, and for the fiscal year ending June 30, 2013 the Board of Trustees hereby determines that endowment fund income shall be 2.25% of the value of the endowment fund assets, to be determined in accordance with the provisions of Section 5548 (c) (5), using the value of endowment fund assets on December 31, 2012 and averaged over a period of three (3) preceding years; provided however that if any assets have been held for less than three (3) years, the average shall be determined over the period during which the assets have been held; and be it further

RESOLVED, That the Board of Trustees hereby determines that the Board’s decision to treat 2.25% of the value of the endowment fund assets held by the University as income is consistent with the long-term preservation of the real value of such assets; and further

RESOLVED, That this Resolution shall be maintained as part of the permanent records of the University.

**3-YEAR AVERAGE
ENDOWMENT FUND
FAIR MARKET VALUE
12/31/10-12/31/12
(\$000's)**

Endowment Funds	PE 12/31/10	PE 12/31/11	PE 12/31/12	3 Year Average
Equity Fund	16,394	15,153	17,449	16,332
Bond Fund	7,549	7,836	8,175	7,853
Short Term Investments	578	1,209	1,482	1,090
	24,521	24,198	27,106	25,275

Prior Authorization %	Allocation %	Amount
FY04	4.50	977
FY05	4.00	868
FY06	3.50	760
FY07	3.00	651
FY08	2.50	543
FY09	2.50	543
FY10	2.50	543
FY11	2.00	434
FY12	2.25	534
FY13	2.25	568*

*Recommended

Note: Average Endowment Fund Spending for Non-Profit institutions is 5% per *Commonfund* study.

• **RECOMMENDED**

NOTE: AVERAGE ENDOWMENT FUND SPENDING FOR NON-PROFIT INSTITUTIONS IS 5% PER COMMONFUND STUDY

The motion was properly moved and seconded.

Motion carried unanimously.