I. INTRODUCTION

The purpose of the University endowment spending policy is to establish a procedure for determining the annual flow of funds from the corpus earnings of each endowment to the operating budget and other restricted funds at the University. The primary goal is to achieve a proper balance between the present and future needs of the University. To strike

II. POLICY OVERVIEW

A. Efficient Management

In order to provide for efficient management of endowment assets and to reduce the risk associated with closely tying a particular endowment fund to the performance of separate investments, endowment assets should be pooled for investment purposes to the greatest extent possible. Pooled assets will be called the Consolidated Endowment Fund ("CEF") and individual endowment will be issued shares at the end of the month in which they buy into the CEF. Share values will be computed at the end of each month and new purchases will be made at the end of the month per share market value.

All assets of the endowment fund deserve professional management. Therefore, except in separately invested endowments where donors or other interested parties have traditionally been granted a role in selecting investments and have, in turn, accepted the associated risk, the University should, as quickly as is practicable, turn over all assets that are publicly traded securities to professional managers to whom the Investment Committee would provide direction. This may require that the assets first be liquidated before funds can be assigned.

Endowment fund assets that are not assigned to professional managers and are not publicly traded also need to be managed. These assets should be assessed for potential to yield greater returns or for possible sale, and asset management recommendation should be presented by staff to the Investment Committee on a regular basis.

B. Distributing Endowment Earnings

The
to be in accordance with the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"), as adopted by the State of Colorado. UPMIFA requires the institution to address the duration and preservation of the endowment fund by appropriating a prudent amount for expenditure from endowment funds within the restrictions of any gift agreements and consider the following factors:

1. Duration and preservation or the endowment fund;

2. Purpose of the institution and the endowment fund;

3. General economic conditions;

4. Possible effect of inflation or deflation;

5. Expected total return from income and the appreciation of investments;

6. Other resources of the institution; and

7. The investment policy of the institution.

C. Distributing Endowment Earnings

It is the policy of the University to distribute, per quarter, 1.125% of the twelve quarter trailing average of the CEF unit value applied to the number of units outstanding.

D. Underwater Endowment Distributions

contained an express restriction that an institution could not make distributions (other than from , and rents) from an endowed fund if the distribution would reduce that fund below its the original gift value, unadjusted for changes in purchasing power. That express restriction was deleted from UPMIFA, although the official comments state that an institution should take maintained permanently and that maintenance of purchasing 0.0000092 0 ₩BTo0 ₩ha anuepde r

IV. DEFINITIONS

None

Revision Effective Date	**Purpose**
6/28/2021	*Minor revisions*