



Endowment Guide

The Foundation for New Hampshire Community Colleges works collaboratively with the Community College System of New Hampshire (CCSNH) to receive, manage and invest private support that benefits CCSNH students. Donors' gifts are directed to The Foundation, which is a legally separate 501(c)(3) charitable organization.

What is an endowment?

An endowment is a gift that lasts forever. Distributions are based on a sustainable percentage of the endowment's market value and paid annually to the community college designated by the donor. The remaining balance is invested prudently to maximize its long-term growth. Year after year, distributions from endowed funds support scholarships and academic programs or provide unrestricted support to our campuses.

May donors direct how gifts are used?

Yes. When creating a new endowed fund, a donor may specify how the community college will use distributions. We work closely with donors to match their intentions with the needs of the college.

May the community college spend endowment distributions in ways other than as directed by a donor?

No. A donor specifies the particular purpose of their endowed fund in a gift agreement, and The Foundation and the college(s) are legally bound to honor the donor's wishes.

How are endowment distributions calculated?

Distributions are calculated as an amount equal to 4.0% of an endowed fund's trailing 12-quarter average fair market value as of June 30.

Do endowments support fundraising operations?

Yes. We have deployed a commonly used funding model to help support The Foundation's operations. Each endowment annually pays a 1.0% fee equal to its trailing 12-quarter average fair market value as of June 30.

How is the endowment invested?

Endowed funds are comingled and invested in a diversified portfolio of assets and managed according to The Foundation's Investment Policy Statement. The current asset allocation

parameters reflect Bank of America's Balanced Appreciation investment objective without alternative investments.

Investing endowments as a pool, rather than individually, enables access to a wider range of investment opportunities, and with far greater efficiency than would be possible if endowments were invested individually.

Who manages the endowment?

The Foundation has selected Bank of America to manage its investment portfolio. Bank of America operates within The Foundation's Investment and Spending Policy and is overseen by The Foundation's Finance and Investment Committee and Board of Directors.