



21000 Education Court  
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**Policy:** **Establishment of Endowment Fund**

**Purpose:** To establish the Loudoun Education Foundation (LEF) Fund, a permanent, self-sustaining fund that will help ensure future excellence and innovation in our schools. The income from a carefully invested endowment fund will provide a more stable source of funding in support of arts, science, technology, and innovative enhancements to school programs.

**Background:** As LEF has matured, the budget for continuation of the activities that enhance the educational experience has increased. Traditionally LEF has committed yearly revenue to support these activities and invested excess funds in Certificates of Deposit and other investment accounts. By charter these funds can be used for daily operational expenses.

LEF will establish a dedicated fund with the goal of raising \$1,000,000 to provide revenue to sustain the core mission. This amount will be reviewed yearly by the Finance Committee and increased as necessary.

**Applicability:** This policy applies to FY 2007-08 and all subsequent years.

**Requirements:** Ten percent (10%) or \$20,000 of the annual revenue which will not include pass through funds (whichever is greater) will be earmarked for the endowment fund.

The Finance Committee will advise and assist the Board of Trustees in planning and administering a program of financial management for the endowment fund. Management of the fund will be governed by policies as set out in the Foundation's investment guidelines.

Monies in the endowment fund cannot be used for annual operational expenses unless specifically voted on by the board of directors and approved by 75% of the attending board.

Funds may not be transferred out of the Endowment Fund until such time as the Endowment fund balance exceeds \$5 million or voted by 75% of the attending board (see above paragraph.) After that, LEF will use only the income from the investments (subject to certain limitations in our bylaws).