



POLICY PROPOSAL  
TITLE 4 , CHAPTER 10, SECTION 5  
Statement of Investment Objectives and Policies for the Endowment Fund

Effective July 1, 2017

Additions appear in boldface italics, deletions are ~~stricken~~ and bracketed]

Section 5. Statement of Investment Objectives and Policies for the Endowment Fund

3. Endowment Distribution Policy

- a. The distribution policy represents the guidelines and administration of the annual amount of funds which can be withdrawn from the fund and made available for distribution each year. Regents are responsible for review of the distribution policy and approval of the distribution rate.
- b. Total cumulative ~~[D]~~ distributions from the Endowment Fund in each fiscal year shall not exceed ~~[will be up to]~~ 4.5 percent, subject to the restrictions ~~in~~ ~~in~~ ~~Subsection c below~~ of the average market value for the 20 quarters ending ~~the~~ December 31 immediately preceding such fiscal year. For example, distributions for Fiscal Year ~~2016-2017~~ ~~1996-1997~~ will be based on the fund's average ending quarterly market values for the 20 consecutive quarters ended December 31, 2015 ~~1995~~.
- i. Within the 4.5 percent distribution rate, up to 4.25 percent may be distributed for spending, and institutions with a management fee agreement

c[e]. No withdrawals from the Endowment Fund other than to fund distribution to campuses noted above and the System management fee noted in B below are permitted without the prior approval of the Regents.

d[f]. Any withdrawal will be approved by the Vice Chancellor for Finance, Director of Finance or the Chancellor who will also specify the operating checking or money market accounts for receipt of such withdrawal. The Fund Manager will determine the source of these funds.

e[g]. The spending policy shall be administered by the Finance Department in accordance with the Uniform Prudent Management of Institutional Funds Act, adopted by the Regents in accordance with the authority granted to them by Nevada Revised Statutes ~~NRS 396.330~~ and NRS 396.420 to control and invest the System's funds.

f [h]A .125 percent management fee will be imposed on the endowment pool for Board and System Administration expenses beginning July 1, 2001.