

# Endowment Fund Resolution

## Ponce de Leon Inlet Lighthouse Preservation Association, Inc.

### The Lighthouse Endowment Fund As Approved September 20, 2004

WHEREAS, the Board of Trustees of the Ponce De Leon Inlet Lighthouse Preservation Association, Inc. (the "Corporation") desires to encourage donations to the Corporation to support the continued and long term viability of its activities into the future;

WHEREAS, several donors have been identified who desire to make donations to the Corporation for the purposes of establishing an endowment to be managed and operated as a restricted fund; and

WHEREAS, the Board of Trustees of the Corporation finds it to be in the best interests of the Corporation to establish an endowment fund for these purposes;

NOW THEREFORE, BE IT HEREBY RESOLVED that the Board of Trustees ratifies and approves the establishment of a separate fund to serve as an endowment fund to support the Corporation, subject to the following terms and conditions:

1. Name. The fund shall be entitled the Endowment Fund of the Ponce de Leon Inlet Lighthouse Preservation Association, Inc. but may be referred to by the shorter name of "**LIGHTHOUSE ENDOWMENT FUND.**"
2. Restricted Purposes. The fund shall be used solely for the purposes of expenditures for: (1) the long term preservation of the site of the Ponce de Leon Inlet Lighthouse; (2) the historic rehabilitation and restoration of existing buildings on the site; and (3) the acquisition of artifacts and real property for the site.
3. When Expenditures May Begin. Until the fund has grown to \$100,000, no portion of the fund may be expended apart from covering reasonable and customary financial institution fees where the fund is held. Once the fund has reached the value of \$100,000, expenditures may begin according to the following terms and conditions.

4. Terms and Conditions of Expenditures.

- (a.) General Intent. In making this resolution, it is the goal of Board of Trustees to provide for a reasonable and consistent level of expendable funds to be made available for the purposes established herein. At the same time it is committed to providing for the long-term growth of this fund, at least at a level commensurate with inflation. With this in mind, this fund shall be managed as a true endowment employing the restriction that the principal shall not be invaded; however, distributions from the fund shall be made utilizing a total return policy that incorporates a designated percentage of the corpus that will be available for expenditure annually.
- (b.) Annual Limit on Expenditures. Expendable funds shall be determined on the basis of a total return principle and will not be dependent upon income generated through interest or dividends. The funds available for distribution during any one year shall be limited to five percent (5%) of the market value of the corpus, which value is determined by computing a three year rolling average, with measures taken at the end of each of the preceding twelve quarters. The market values for this purpose will be taken net of any reasonable and customary fees for the management of the fund.
- (c.) Method for Approving Expenditures. Requests for the expenditure of funds shall first be submitted to and reviewed by the Endowment Committee. Upon their consideration and approval of an expenditure, the Endowment Committee shall submit the request to the Budget Committee. Upon the consideration and approval of the request by the Budget Committee, the Budget Committee shall submit the request to the Board of Trustees. The request shall then be approved or denied by the Board of Trustees. Recurring expenditures for fund auditing shall not require prior Budget Committee and Board approval.
- (d.) Fund Expenses. The Board of Trustees, after review and approval of the Budget Committee, following review and approval of the Endowment Committee, may, from time to time, use the fund to cover general expenses incident to the management and administration of the fund. Such expenditures may include, but are not limited to, reasonable and a customary bank and financial institution fees and such fee for professional counseling on investments and/or legal matters as it deems to be in the best interests of the fund.

- (e.) Unexpended Funds. Any unexpended funds from those available for distribution in a given year will remain in the capital base of the fund, unless otherwise designated by action of the Endowment Committee, with the approval of the Budget Committee and then the Board of Trustees.
  - (f.) No Borrowing. No portion of the fund shall be borrowed, including any temporary usage for any need of the Corporation.
  - (g.) No Use for Annual Operating Expenses of Corporation. No portion of the fund shall be used to defray annual operating expenses of the Corporation.
5. Separate Account. The treasurer of the corporation is hereby authorized and directed to establish a separate account for this endowment fund, restricted as specified in this resolution.

APPROVED this \_\_\_\_\_ day of \_\_\_\_\_, 2004.

**Ponce de Leon Inlet Lighthouse Preservation Association, Inc.**

By: \_\_\_\_\_  
Its: President

Attest: \_\_\_\_\_  
Its: Secretary