Bainbridge Island
Senior & Community Center

ENDOWMENT MANAGEMENT AND SPENDING POLICY

Bainbridge Island Senior & Community Center (BISCC)

SCOPE AND PURPOSE – This Policy of the Board of Directors (BOD) of Bainbridge Island Senior & Community Center (BISCC) establishes criteria regarding the management, maintenance, retention, distribution and spending of assets contributed to the BISCC endowment fund. Endowment fund assets are those attributable to contributions that donors have restricted to a permanent perpetual fund managed under a balanced approach for both current support and long-term sustainability. The BOD may amend this Policy at any time and from time to time by a majority vote of the BOD at a duly called meeting at which a quorum is present. In the case of special purpose funds, such as capital improvement funds, management considerations may differ from the criteria set forth below.

STRUCTURE OF THE ENDOWMENT – All assets shall be managed as a single pool (hereinafter "the Endowment"). The Endowment shall consist of assets derived from contributions that donors have restricted for the Endowment.

NAMED ENDOWED FUNDS – One or more named endowed funds may be established by the BOD. The BOD may establish a named endowed fund for any purpose. It is contemplated that such funds will generally be established only for fairly broad purposes, such as, "the facilities maintenance and operation endowed fund," and donors may restrict their Endowment contributions for addition to any such fund.

SUFFICIENCY OF ENDOWMENT CONTRIBUTIONS – A contribution to the Endowment may be made as a result of BISCC receiving cash, publicly traded securities, or any other asset that is contributed in a manner consistent with BISCC's Gift Acceptance Policy, as that document may be amended from time to time. Contributions to the Endowment may be of any amount. Cash contributions to the Endowment shall be deposited in the Endowment within thirty (30) days of their receipt, as shall the net proceeds derived from the sale of assets other than cash contributed to the Endowment.

ENDOWMENT MANAGEMENT – BISCC will use the assets of the Endowment to further its mission. In doing so, it is intended that in managing the Endowment in a manner consistent with the requirements of Chapter 55 of Title 24 of the Revised Code of Washington (i.e., the Uniform Prudent Management of Institutional Funds Act, as adopted by the State of Washington), the BOD will seek a reasonable balance between current spending and investment preservation for future growth and income. In setting appropriate levels of spending, the BOD must consider several factors. Without limitation, these considerations include the following:

1. The general economic investment climate and the recent investment results of the Endowment portfolio endowment portfolio
2. The current financial needs of BISCC in meeting its missions
3. The availability of other BISCC resources
4. Inflationary and deflationary pressures that may affect future operations
5. Anticipated future changes in the size and scope of the mission
6. Anticipated future support from other sources including current commitments and pledges
7. BISCC's Investment Policy (Endowment Fund Section)

MINIMUM AND MAXIMUM SPENDING GUIDELINES FOR EACH CALENDAR YEAR – It is intended that the Endowment contribute current as well as long-term support to the mission of BISCC. Accordingly, the BOD may elect to withdraw support from the Endowment within the following limits:

- The withdrawal from the Endowment will be at most 5% of the average fund value.
- The withdrawal from the Endowment will be at least 2% of the average fund value.
- At the time of determination, if the Endowment has sustained a decline in value compared to the closing value for the prior year, then the minimum 2% withdrawal requirement may be suspended by BOD action.

The BOD shall review the above percentages annually and may adjust them in order to maintain the sustainability of the Endowment.

Transfers from the Endowment to any unrestricted use by BISCC shall constitute withdrawals in satisfaction of these guidelines.

"Average fund value" shall be computed using the average of the closing portfolio values of the prior three fiscal year ends.

DOCUMENTATION OF ENDOWMENT CONTRIBUTIONS – An endowment restriction imposed by a donor on a contribution must be in writing. Whenever possible, BISCC should ask the donor to enter into an agreement developed by BISCC and the donor jointly.

GUIDANCE CONSIDERATIONS OF OTHER POLICIES – As mentioned above, contributions to the Endowment must be made in a manner consistent with BISCCs Gift Acceptance Policy. In addition, this Policy is intended to work in concert with BISCC's Investment Policy (Endowment Fund Section).

Document History

Status	Date	Approval
Current	10/14/2026	Board of Directors
Previous	08/10/2022	Board of Directors
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