

Endowment Fund Administration and Compliance

In establishing an endowment, a donor provides funding for a valued purpose. The Council of the Society of Biblical Literature (“SBL”) is grateful for the generosity of donors in providing important, ongoing support to the SBL. This information provides guidance for the establishment of endowments in support of scholarships and fellowships, programs, lectures and travel awards. The purpose of this endowment policy is to set forth principles and procedures that are designed to ensure that SBL is compliant with its responsibility to properly manage and administer its endowment funds.

It is the policy of SBL to adopt and adhere to standards that are designed to ensure the proper management, administration and compliance of restricted endowment principal and endowment spending accounts (referred to in this policy as “endowment funds” or “endowment accounts”). Endowment funds are an important part of SBL’s operations and play an important role in helping SBL achieve its mission and goals. Endowment funds impose upon SBL contractual, legal and ethical obligations, as well as financial and management reporting responsibilities (among other responsibilities). Furthermore, the proper management and administration of our endowment funds help maintain and enhance the confidence and trust of SBL’s constituents. Endowment funds will be reviewed annually by the SBL Executive Director, SBL Council, and Finance Committee.

Endowment Defined

An endowment is a gift whose funds are invested to provide continuing support for the general or specific purpose stated in the written agreement between the donor and SBL. Donor established endowments may be used only for the purpose(s) specified in the endowment agreement which must be approved by the SBL as well as the donor.

True Endowment Funds (Permanently Restricted)

A true endowment fund is an account established by a donor-restricted gift. The purpose of the restricted gift must be established through a written agreement between the donor and the SBL. The agreement may include the specified amount to be contributed by the donor, the period of time over which the gift will be made (usually no more than four fiscal years), the purpose of the fund and, when appropriate, the criteria for selection of a recipient or candidate. The award or fund distribution cannot exceed 4% of the principle, to ensure the funds permanence. In some instances, the agreement may allow the fund’s earnings to be retained in the fund rather than expended for a fixed number of years not to exceed three to ensure that the fund reaches the required or agreed upon level necessary to support its purpose. Administrative fees are assessed as a percentage of the fund balance. A minimum of \$50,000 is required to establish a true endowment.

Term Endowment Funds (Temporarily Restricted)

A term endowment fund is a temporarily-restricted account that exists for a defined length of time (minimum of five (5) years) or until the fund is depleted through distribution. During that period, the principal and all earnings are expended as the donor specifies, so that no funds remain at the end of the term (a final balance may be marked

as available to Society Fund in the endowment's final year). An endowment agreement is established to define the purpose, duration, name, criteria, and amount of an award or fund distribution. Administrative fees are assessed as a percentage of the fund balance. A minimum of \$25,000 is required to establish a term endowment.

Endowment Income

New endowed funds are pooled and managed with the SBL's other endowment funds in accordance with approved SBL investment and management policies. SBL shall permanently hold, manage, invest, and reinvest the Fund assets at its sole discretion, and shall collect and receive the income thereof, and after deducting all necessary expenses incident to the administration of the Fund, including an administrative fee, shall dispose of the income of the Fund as specified in the endowment agreement between SBL and the Donor. Endowment income in excess of the approved expenditure rate is retained in the fund and is available for future disbursement unless stipulated otherwise by the donor. This should enable the endowment to keep pace with inflation and allow the original intent of the donor to be fulfilled over time.

Administrative Fee

There is a one-time endowment set-up of 5% charged on all new endowments. Each endowment account is charged a 1.5% annual management fee to support the ongoing management of endowment funds. The annual fees are deducted from earnings rather than from the corpus of the endowment. Administrative and management fees are subject to change from time-to-time based on policies established the SBL Council and Finance Committee

How to Give

Endowments may be created by gifts of checks/cash, appreciated securities, beneficiary designations of life insurance and retirement plans, and a variety of planned giving instruments that can be beneficial to both the donor and the SBL.