MEDICAL UNIVERSITY OF SOUTH CAROLINA FOUNDATION

Endowment Payout (Spending) Policy

It is the objective of the Foundation Board that spending from endowment funds be at a level which will preserve and, it is hoped, enhance in real dollar terms the principal of the endowment funds over time. Therefore, the endowment spending rate should always be no more than the rate of Total Return realized on invested Foundation assets, less the inflation rate.

Accordingly, the Finance Committee will review and recommend, at least annually, an endowment payout or spending rate for approval by the Board of Directors. This rate is applied to the three year moving average of market values, as of December 31 of the previous year, to determine funds available to pay out for each endowment for the subsequent fiscal year.

The current Endowment payout rate is: 4.25%

Effective: 2/17/17

NOTE: 2016 NACUBO average payout rates:
Public Institution – Related Foundations 3.9%
Endowments: $101 million to $500 million 4.3%
Public College, University or System 4.0%

RECOMMENDATION: Foundation Management recommends a payout rate for FISCAL YEAR 2017 - 2018 of 4.00%.