



Nueta Hidatsa Sahnish College

Endowment Funds Policy Manual

May 2013

Endowment Funds Policy Manual

I. Authorization of Nueta Hidatsa Sahnish College Funding Policies

A. Endowment

1. There shall be established and maintained various Funds to receive and administer bequests, estates, insurance proceeds, and other planned or deferred gifts in order to enhance the work of Nueta Hidatsa Sahnish College at 75% up to 100% of each gift.
2. The Various Funds may be augmented at any time by their grantors or any other person, but the various names of the Funds shall remain the same unless changed by the grantors.
3. The Funds shall consist of:
 - a. Permanently Restricted
 - b. Short-term Restricted
 - c. Unrestricted
4. If Nueta Hidatsa Sahnish College is dissolved, the various Endowment Funds shall be dispersed as required by the original granting agency.
5. The disbursements of the various Funds shall be used for the general purposes of Nueta Hidatsa Sahnish College, unless a particular trust specifies a special purpose and shall be disbursed to it at least annually.

B. College Finance Committee

1. The College Finance Committee shall consist of the college administrators, appointed staff members with financial responsibilities, and at least 3 members of the Board of Directors.
2. The College Finance Committee, at convenient intervals but at least annually, renders a full and complete account of the administration of the various Funds to the Board of Directors.
3. Compensation and liability. Each staff committee member shall serve without compensation for services. No committee member shall be liable for any action taken in good faith or in a manner which the committee member reasonably believed to be in the best interests of Nueta Hidatsa Sahnish College. Further each member shall be entitled to indemnification as provided in North Dakota law, or these policies.

II. Nueta Hidatsa Sahnish College Policies and Procedures

A. Mission Statement

The Nueta Hidatsa Sahnish College will provide Quality Cultural, Academic, and Vocational Education and Services for the Mandan, Hidatsa and Arikara Nation.

B. Policy

Philanthropic support is important to meeting the mission of Nueta Hidatsa Sahnish College. All expressions of interest and financial support are welcome from any friend, corporation, foundation, or similar source. Nueta Hidatsa Sahnish College is responsible for receiving, administering, and distributing all property or funds gifted directly or to Nueta Hidatsa Sahnish College. The Board of Directors set forth in these policies the necessary or appropriate actions for receiving, holding, or investing said property, real or personal.

The Board of Directors and Nueta Hidatsa Sahnish College Staff are available to meet with prospective donors, without obligation, to discuss areas of interest, the College's needs or objectives, types of commitment, options for payment, estate planning, etc. to provide every possible assistance to each interested individual.

C. Definition of Terms – Permanently Restricted, Short-Term Restricted and Unrestricted Gifts

Commitments to and/or payment of it may take the form of one or a combination of the following:

Permanently Restricted gifts are those given for a specific purpose designated by the donor where as the principal may never be used.

Short-term Restricted gifts may be designated for non-operating, capital or endowment funds where as the principal and interest may be used.

Unrestricted gifts with no stipulation as to purpose of use. Unrestricted gifts received through a planned gift such as bequest in will, life insurance, charitable gift annuity, trusts, etc. may be given a designation in the endowment fund according to the College Board of Directors.

D. Acceptance of Gifts

The Nueta Hidatsa Sahnish College Board of Directors reserves the right to accept or (in cases where absolutely necessary) to decline any commitment, which is offered to them. They also reserve the right to determine how any commitment will be credited, or how commitments will be recognized.

Potential commitments, which could be modified or refused, may evolve around one or a combination of the following:

- A desire to develop or otherwise fund a program which would seem to be inconsistent with Nueta Hidatsa Sahnish College traditional, current or future mission as determined by the Board of Directors;
- A desire to develop a particular program having Nueta Hidatsa Sahnish College support, but for which the donor is unwilling and/or able to commit the resources necessary to ensure that the project is completed, or to maintain in perpetuity which would not be self-sustaining;
- A desire to designate or restrict a commitment in a way which is inconsistent with Nueta Hidatsa Sahnish College policies as well as local, state, or Federal statutes regarding race, color, creed, national origin, religion, or a similar moral issue;
- A gift, which would accrue liabilities to Nueta Hidatsa Sahnish College that would be potentially detrimental to its operation.

E. Donors Rights and Responsibilities

1. Compliance with Legal Requirements - Although representatives of Nueta Hidatsa Sahnish College will provide all appropriate assistance, the ultimate responsibility regarding evaluations, the tax deductibility and/or similar legal local, state and/or federal compliance issues rests with the donor and/or such counsel as the donor may wish to secure. Such a statement will be included on all gift transference documents. All prospective donors will be urged to seek their own legal counsel and accountant's advice in matters relating to their deferred gift, tax and estate planning.
2. Priority of Donor's Best Interest - The interest of the donor will have priority over the interest of Nueta Hidatsa Sahnish College. Volunteers, officers, or paid employees of Nueta Hidatsa Sahnish College will not knowingly seek nor accept any commitment regardless of size, tender, designation, or other parameter which they believe is not in the potential donors' best interest to commit. No program, trust agreement, contract or commitment will be urged upon any donor or prospective donor, which will benefit Nueta Hidatsa Sahnish College at the expense of the donor's best interests. Exceptions are only possible with written approval of the donor. In the event that such a commitment is unknowingly accepted, the appropriate mitigating circumstances will be subsequently brought to the attention of the Board of Directors.

F. Nueta Hidatsa Sahnish College Rights and Responsibilities

1. Gift Record and Tax Report - The office of the President will maintain donor records. For purposes of compliance with the Internal Revenue Service's regulations, the President will maintain the records of gifts for a period of seven years. Individual files will be maintained for all donors who have contributed. Legal documents, securities, copies of wills, etc. will be maintained with appropriate security necessary for their protection.
2. Donor Communications - The President will monitor the donor relation process to provide continued cultivation and satisfaction of the donor.
 - a. An acknowledgment letter will be sent within 5 working days of receipt of gifts.
 - b. All donors will be entered into the donor database for purposes of receiving all appropriate publications for donor level.
 - c. Opportunities will be provided for appropriate donor recognition in Nueta Hidatsa Sahnish College programs and activities.
3. Administration of Planned Gifts - Nueta Hidatsa Sahnish College will, as much as possible, utilize a professional to administer charitable gift annuities, charitable lead trusts and other trust agreements, charitable lead trusts, pooled life income fund and other gifts with retained life interest. Other qualified administrators of such gifts may also be used.
4. Use of Legal Counsel - Nueta Hidatsa Sahnish College will seek legal counsel in all matters pertaining to its deferred giving program and will not execute deferred giving agreement without the advice of legal counsel.
5. Avoidance of Pressure Techniques - Nueta Hidatsa Sahnish College will exercise extreme caution against the use of any high-pressure sales techniques when working with prospective donors. All personnel employed to administer or promote development programs will be paid a salary or retained on a per diem or an annual basis and will not receive any commission which might give such personnel an undesirable personal interest in any agreement.
6. Confidential Information Concerning Planned Gift Donors - All information concerning planned gift donors and prospective planned gift donors, including their names, the names of the beneficiaries, the amount of the gift, size of their estate, etc., will be kept strictly confidential by the President and authorized personnel unless permission is obtained from the donor to release such information.

III. Gift Acceptance Policies

A. Cash

1. Gifts of cash will be accepted. Gifts of checks and share-drafts will be accepted.

B. Pledges

1. Gifts may be made by pledge to Nueta Hidatsa Sahnish College. To be considered accepted, the gift by pledge must be in writing and include the donor's signature. Gifts by pledge will receive timely payment reminders, in a manner satisfactory to the donor and Nueta Hidatsa Sahnish College.

C. Planned and Deferred Gifts

1. Gifts may be made using these tools, but not limited to these tools: Wills and Trusts, Insurance, real property, stock.

D. Real Estate and Mineral Interest

1. Gifts of Real Estate and Mineral Interests will be accepted by recorded deed.

IV. Named Funds

Those persons who commit any planned gift or make cash contribution of \$10,000 or more to the endowment fund may elect to have an endowment established in their name.

V. Investment Policies for the Endowment/Scholarship Funds

For the purpose of those funds in which Nueta Hidatsa Sahnish College acts as fiduciary, the following investment guidelines will govern:

A. General Investment Statement

1. It is the intent of Nueta Hidatsa Sahnish College to establish guidelines, which will direct the management of assets toward the desired performance.
2. Investments shall be made with the primary interest of Nueta Hidatsa Sahnish College in mind and with consideration being given to the reasonable wish of the donor.
3. Endowment/Scholarship Fund assets shall be invested as a prudent person would considering the purposes, terms distribution requirements, and other circumstances of the Endowment/Scholarship Fund. This

standard requires the exercise of reasonable care, skill, caution, and shall be applied to investments not in isolation but in the context of the endowment portfolio as a whole, and as a part of an overall investment strategy that should incorporate risk and return objectives reasonably suitable to the Endowment/Scholarship Fund.

4. Investment of the Fund shall be diversified to minimize risk.
5. Short-term fluctuations in value shall be considered secondary to long-term results.
6. Cash is to be productively employed at all times by investment in short-term cash equivalent short-term interest bearing accounts, including money market funds.
7. The Endowment/Scholarship Fund's assets may be managed by one or more professional investment managers with the necessary expertise to obtain the investment objectives. The manager/managers will be selected by the Board of Directors.

B. Investment Guidelines

1. Asset Allocation for Funds - Following careful consideration by the Investment Manager (Manager) along with the Board of Directors, asset allocation is to be as follows:

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|--------------------------|--------|----------------|
| Income Producing Equity: | 30-40% | (Market Value) |
| Growth Equity: | 10-20% | (Market Value) |
| Fixed Income: | 40-50% | (Market Value) |
2. Based on market fluctuations, the portfolio must be reallocated to stay within the range stipulated above at least annually.
3. The Agent shall determine the asset allocation at any given time and will base its asset allocation on discussions with the Finance Committee and on the:
 - a. projected intermediate cash flow needs of the College.
 - b. conservative analysis of the expected returns of the capital markets.
4. The Investment Manager will determine the asset allocation at any given time. The Manager will base its asset allocation on:
 - a. the projected intermediate cash flow needs of the fund.
 - b. a conservative analysis of the expected returns of the capital markets.
5. Fixed income investments.

- a. Shall be of high grade AA or better corporate bonds, notes or debentures, securities issued by the U.S. Government or its agencies, certificate of deposits issued by financial institutions including First National Bank & Trust Co. of Williston, or fixed income funds with an average investment grade of AA or better.
6. Equity investments (growth and/or income)
 - a. Equity mutual funds will be used and will conform to investment guidelines.
 - b. Individual holdings may vary in quality measures, but overall portfolio risk will be measured by the S & P 500 Index.
 - c. All issues are to be readily marketable.
7. Real Estate and minerals shall be considered permissible gifts and accepted in the investments mix, if so directed by the Board of Directors.
8. Changes in asset allocation direction will be reported quarterly to the College's Finance Committee.
9. Prohibited investments shall include but not be limited to investments in:
 - Restricted stock.
 - Commodities, or futures contracts.
 - Stock and index options.
 - Warrants.
 - Margin buying.
 - Short selling.
 - Venture capital.
 - Private placements.
 - Zero Coupon bonds.
 - Non-investment Grade Bonds.