

# LARRY SVEUM DONOR RESTRICTED ENDOWMENT FUND



## Attachment A to the OVERALL ENDOWMENT and SPECIALLY RESERVED FUNDS POLICY

### A. Goals of this Fund

The primary objective of the **Larry Sveum Donor Restricted Endowment Fund (Fund)** is to establish a fund to increase the capitalization of the Colorado State Science Fair Inc, (CSSF) that will allow the organization to provide an increase in services. Some examples for use of the **Fund** proceeds are as follows:

1. Provide resources to hire a full-time Executive Director.
2. Provide additional service and/or financial assistance to Regional Science Fairs.
3. Support the annual Colorado Science and Engineering Fair (CSEF).

The mid-term primary investment objective of this policy is capital growth.

The **Larry Sveum Donor Restricted Endowment Fund (Fund)** is established as a Restricted Endowment fund and operated in accordance with the Colorado State Science Fair, Inc., **OVERALL ENDOWMENT and SPECIALLY RESERVED FUNDS POLICY**, approved April 4, 2020.

### B. Larry Sveum Donor Restricted Endowment Fund

The **Fund** is a result of a Larry Sveum match of up to \$10,000. The **Fund** was initiated July 2019 and has a current funding level of \$7,800 (\$3,900 match to \$3,900 in donations). The remaining \$6,100 match is awaiting further donations.

We thank the following CSSF Board members who have donated generously to this Fund so far:

Larry Sveum • Ryan Patterson • Sam Bartlett • Lucy Adams • Dan Kowal

Prior to achieving the initial full funding goal of \$20,000, the **Fund** will be invested in growth-oriented investments such as a mutual fund. After achieving the initial goal of a fully funded \$20,000, the **Fund** will be invested by purchasing stock in individual companies and by purchasing company bonds at a ratio of 75% stock/25% bonds in accordance with the **OVERALL ENDOWMENT and SPECIALLY RESERVED FUNDS POLICY**. The bonds will require a rating of at least investment grade. It is understood that aggressive investing carries risk of losing money. This risk will be mitigated to some extent through a long holding period of at least 5 years and by purchasing equivalent dollar amounts of stock in 12-15 or more companies."

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## C. Withdrawal of Funds

During the time period prior to full funding and for the first 5-years after full funding, all withdrawals will be prohibited. Any income during this period will be reinvested in the **Fund**. The first five years following full funding will allow the fund to weather turmoil in the stock market due to geopolitical issues or economic cycles.

After the 5-year fully funded period, income from the **Fund** may be used to provide assistance to Colorado Regional Science Fairs, the CSEF and or reinvested in the **Fund** or the Reserve operating Fund. If the **Fund** achieves or exceed \$50,000 at the end of any CSSF fiscal year, 4-6% of the three preceding years average **Fund** value may be liquidate and distributed to assist the Regional Science Fairs, the CSEF or to assist with funding a full time Colorado State Science Fair Director. This may be repeated whenever the Fund surpasses \$50,000 at the end of a CSSF fiscal year.

## D. Investments

Since capital growth is the main 5-year objective for the investment of the full **Fund**, the portfolio will be one with a long-term focus of 5 years or more. The CSSF Finance Committee in accordance with the **OVERALL ENDOWMENT and SPECIALLY RESERVED FUNDS POLICY** will be responsible for selecting companies in which to purchase shares or bonds. The CSSF Finance committee will evaluate each company being considered by researching the company's performance and valuation, studying analyst recommendations, etc. At their discretion, the committee may select a fiduciary advisor to assist them in making investment decisions. Hiring an advisor will be determined through a cost-benefit analysis.

The following are the investment guidelines for the investment of the **Fund**:

- a. Companies being considered for investment must have existed for at least 5 years post IPO.
- b. Companies must have a multi-year history of significant growth.
- c. Companies issuing bonds must have a rating greater than B+
- d. Companies must have a market capitalization of at least \$1,000,000,000
- e. Companies must have a reasonable valuation. Such valuation will be determined by the by the finance Committee using publicly available information.
- f. It is understood that aggressive investing carries risk of losing money. This risk will be mitigated to some extent through a long holding period of at least 5 years and by purchasing equivalent dollar amounts of stock in 12-15 or more companies.

## E. Authorization

A resolution by the CSSF Board shall authorize the CSSF President to implement the **Larry Sveum Donor Restricted Endowment Fund**.

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## G. Responsibilities

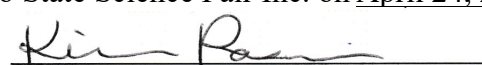
The ultimate responsibility for **Fund** investment oversight resides with the CSSF Board of Directors. The CSSF Finance Committee appointed by the CSSF Board of Directors in accordance with the **OVERALL ENDOWMENT and SPECIALLY RESERVED FUNDS POLICY** shall monitor the investment portfolio for compliance with this policy.

In accordance with the **OVERALL ENDOWMENT and SPECIALLY RESERVED FUNDS POLICY** the CSSF Finance Committee shall review the **Fund** portfolio periodically at Finance Committee meetings and review the guidelines at least annually.

At least quarterly, the Treasurer will report to the CSSF Board of Directors the investment performance of the **Fund** and compliance with the **OVERALL ENDOWMENT and SPECIALLY RESERVED FUNDS POLICY**.

Adopted by the Board of Directors of the Colorado State Science Fair Inc. on April 24, 2021.

  
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President of the Board of Directors

  
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Secretary of the Board of Directors

Adopted: April 2021  
Last Updated/Reviewed: \_\_\_\_\_