

# Pacific Seabird Group



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DEDICATED TO THE STUDY AND CONSERVATION OF PACIFIC SEABIRDS AND THEIR ENVIRONMENT

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## PSG ENDOWMENT FUND POLICY Version 2.0

6 February 2015

### GENERAL PROVISIONS

The Pacific Seabird Group (PSG) Endowment Fund (the Fund) was established by the Executive Council (EXCO) to provide a secure financial source to support specific PSG operations. Initial funding was through the combination of proceeds from Life Memberships, contributions directed to the Fund by PSG donors, and additional sources as were identified by the PSG EXCO. Ongoing external funding will be determined by the EXCO.

At present, the main purpose of the Fund is to finance publications of the PSG. At its discretion, the EXCO may establish endowments for other purposes, which will be tracked separately. However, all endowments will be managed as a single account, with different funds being managed as their percentage of the entirety, per this policy.

Contributions to the PSG, from donors who wish to assign a schedule for withdrawals and/or specify restrictions for spending of their donations, will identify these preferences to the EXCO. In turn, the EXCO will require from the Trustees, a specific management and withdrawal plan. Donations intended for scheduled, rapid withdrawal within a few years, will likely be managed through several ‘laddered’ bond funds, having guaranteed interest rates and sequential maturation dates. For accounting purposes, these funds will not be added to the existing, inflation-adjusted baseline of \$100,000. Donations without specified spending restrictions will be added to the existing baseline, and invested in instruments already utilized within the Fund. Annual accounting for these new, unrestricted donations will be as a specified portion of the (increased) Fund totals.

### TRUSTEES

The By-laws call for the Fund to be managed by three Trustees, including the PSG Treasurer and two members appointed by the EXCO. The two at-large Trustees must be members of the PSG, and preferably will have considerable experience; at least one Trustee must have a minimum of five years of investing experience in the U.S.

The primary responsibilities of the Trustees are to invest available funds and to do so in such a manner as to ensure preservation of the purchasing value of the gifts to the Fund. Historically, the initial goal of the Fund was set as \$100,000. Annually, the Trustees determine the current value of the Fund by applying cumulative inflation in the U.S. since 2004 – the first year Fund assets topped \$100,000 – using the cumulative increase in the U.S. Consumer Price Index. The Trustees monitor the performance of the investments, and will rebalance and change investments as they deem appropriate to meet investment goals. Annually the Trustees also calculate the amount of money that can be withdrawn for use by the PSG for their intended purposes in the following year.

## DECISIONS AND REPORTING

1. Trustees' decisions and recommendations will be by majority vote. Upon determining the annual draw, the Trustees will move those funds to an investment instrument that will be readily available to the Treasurer. The Treasurer has the sole charge to withdraw funds by depositing them into the PSG's operating accounts, as appropriate. Funds not withdrawn in the year that they are made available roll over to subsequent years, until accessed by the Treasurer for use for their approved purposes.
2. Once yearly, the Trustees will review and report on the status of the Fund. Owing to the timing of brokerage-reporting on accounts, this review will be completed in July and will evaluate the following:
  - a. Overall Fund value and performance, year over year (\$\$ values, number of shares).
  - b. Enumerate all transactions, including deposits and withdrawals, as well as additions to mutual fund positions due to accrued interest and (short term and long term) capital gains.
3. The 'Trustees Report' will include the amount of the annual draw that can be used the following fiscal year. The annual draw will be calculated at 6% of the mean of the total value of the investments comprising the Fund, as of 31 December in each of the six preceding years. If the withdrawal of the calculated annual 6% draw is predicted to cause the value of the Fund assets to drop below the inflation-adjusted, baseline value of \$100,000, then the Trustees will recommend an appropriately lower draw, or recommend no annual withdrawal.

Revised by:

PSG Endowment Fund Trustees (2014-2016)  
Christine Ogura, PSG Treasurer  
Ken Briggs, member at-large  
Jim Kushlan, member at-large