

AMERICAN SCHOOLS FOR ORIENTAL RESEARCH

Resolutions before the Board of Trustees for Approval

November 22, 2009

WHEREAS, the Board of Trustees has in the past approved spending from ASOR's endowment funds on an annual basis in the context of approving the annual budget;

WHEREAS, Massachusetts has adopted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) effective as of June 30, 2009;

WHEREAS, UPMIFA provides greater flexibility to non-profit organizations in managing and expending from their endowment funds;

WHEREAS, UPMIFA specifically permits non-profit organizations to spend from an endowment fund even when the fund has fallen below its historic dollar value, unless such spending would violate the clear terms of the gift instrument creating the endowment fund;

WHEREAS, the Board of Trustees desires to adopt spending policies for its endowment funds that can be applied consistently over time regardless of short-term fluctuations in the market value of the funds; and

WHEREAS, the Board of Trustees, in adopting the spending policies below, intends that the spending rates will allow for long-term growth in the corpus of each of its endowments, while also providing funds for ASOR to expend on a current basis to fulfill its mission;

NOW, THEREFORE, be it resolved as follows:

RESOLVED, that the Board of Trustees hereby adopts the following spending policies, effective as of the beginning of its fiscal year which began on July 1, 2009:

a) General Endowment

The General Endowment fund shall annually distribute an amount equal to three and one-half percent of the fund's average value as calculated in this paragraph. The distributions shall be made quarterly in an amount equal to .875 percent of the calculated distribution value. The distribution value is the average of the fair market value of the fund as of the close of each of the preceding 12 calendar quarters. The fund's market value shall be based upon all assets in the fund including principal and retained income, adjusted for all gains and losses, whether realized or unrealized, and determined as of the last business day of the quarter. The distributions shall be made promptly following the close of each quarter. In the event that the fund's market value as of the close of the most recent calendar quarter is less than 75% of the fund's historic dollar value, then the distribution calculated above shall be only one-half of the calculated distribution.

b) Platt Endowment

The Platt Endowment fund shall annually distribute an amount equal to six percent of the fund's average value as calculated in this paragraph. The distributions shall be made quarterly in an amount equal to one and one-half percent of the calculated distribution value. The distribution value is the average of the fair market value of the fund as of the close of each of the preceding 12 calendar quarters. The fund's market value shall be based upon all assets in the fund including principal and retained income, adjusted for all gains and losses, whether realized or unrealized, and determined as of the last business day of the quarter. The distributions shall be made promptly following the close of each quarter. In the event that the fund's market value as of the close of the most recent calendar quarter is less than 75% of the fund's historic dollar value, then the distribution calculated above shall be only one-half of the calculated distribution.

c) Harris Endowment

Without making a conclusive determination regarding the interpretation of the terms and conditions of the Harris Endowment, and until such time as the Board of Trustees finds otherwise, the Board of Trustees will interpret the Harris Endowment to preclude distributions when the fund's market value is below its historic dollar value and also require 10% of the annual income to be added to the principal amount of the fund. Accordingly, the endowment fund shall annually distribute an amount equal to five percent of the fund's average value as calculated in this paragraph, provided such distribution will be reduced to the extent the distribution causes the fund's market value to fall below its historic dollar value. The distributions shall be made quarterly in an amount equal to one and one-quarter percent of the calculated distribution value. The distribution value is the average of the fair market value of the fund as of the close of each of the preceding 12 calendar quarters. The fund's market value shall be based upon all assets in the fund including principal and retained income, adjusted for all gains and losses, whether realized or unrealized, and determined as of the last business day of the quarter. The distributions shall be made promptly following the close of each quarter.

**ASOR
Proposed Endowment Spending Policy**

Trailing 12 Quarters Avg. Balance

6/30/2009

	<u>Endowment</u>	<u>Platt</u>	<u>Harris</u>
6/30/2009	321,008	190,346	88,593
3/31/2009	286,709	176,019	79,931
12/31/2008	312,803	192,355	87,406
9/30/2008	371,895	230,518	101,352
6/30/2008	390,773	238,650	104,444
3/31/2008	370,668	264,479	115,712
12/31/2007	392,296	238,367	104,287
9/30/2007	395,938	272,361	119,159
6/30/2007	375,042	266,197	116,617
3/31/2007	359,329	264,221	111,257
12/31/2006	356,586	262,640	116,438
9/30/2006	327,026	253,911	112,604
AVERAGE	355,006	237,505	104,817
Spending Policy at	3.5%	6.0%	5.0%
Annual Distribution	12,425	14,250	5,241
Quarterly Distribution	3,106	3,563	1,310

No distribution as
market value is
still below corpus