

University of Texas Law School Nonprofit Organizations Workshop

Graystone
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Graystone Consulting

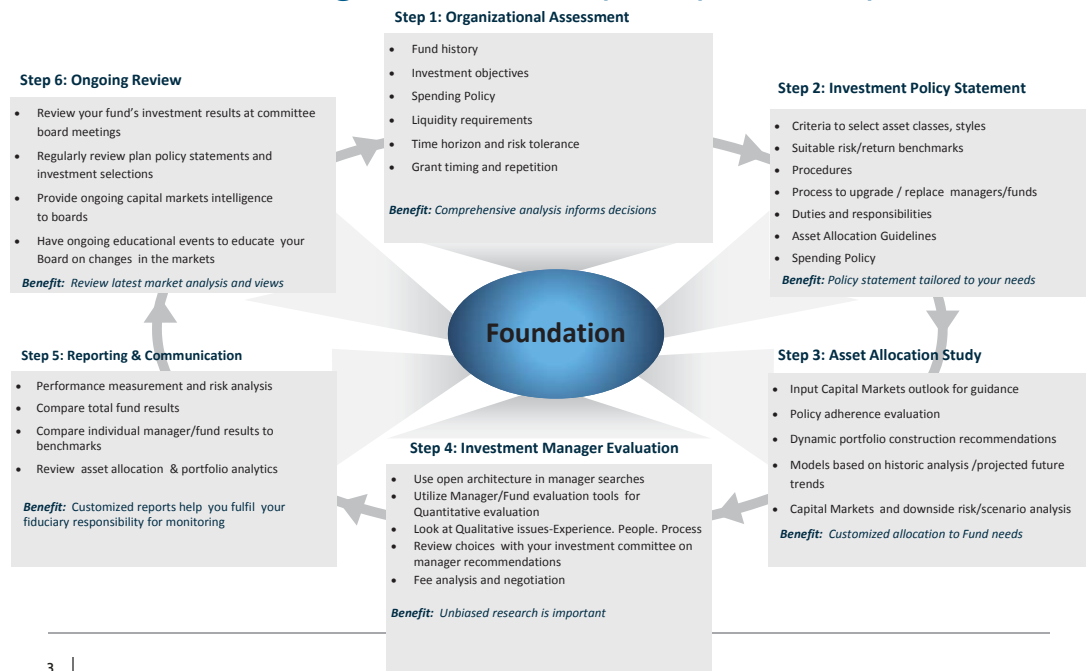
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Overview

Process: Fulfilling Your Fiduciary Responsibility



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Develop a Defined Process

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Written Investment and Spending Policy

- Determines if your time horizon is perpetuity or if you plan to “spend down” and Sunset your foundation to focus on a solution to a specific social issue
 - Develops a game plan for asset allocation
 - Creates a road map for number and types of asset classes and investment advisors
 - Defines the importance of alignment of your investments and your mission
 - Defines total fund investment objectives
 - Defines your interest and/or approach to Impact Investing
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Developing a Spending & Investment Policy

- Define your time horizon
 - Establish a reasonable and prudent spending level
 - Determine how much to spend on current programs, and how much to invest to preserve future spending
 - Spending at excessive rates creates long-term problems
 - Rates in excess of 6% are high by modern standards
 - A well-defined spending policy leads to a better defined investment policy, which may improve long term results
 - A fund’s spending rate plus projected inflation and expenses is the starting point for a target rate of return
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Title search: Investment Management and Oversight of Institutional Funds: Developing a Process for Fiduciaries

Also available as part of the eCourse

[Exempt Organizations: Fiduciary Duty, plus Investment Management and Oversight](#)

First appeared as part of the conference materials for the
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"Investment Management and Oversight of Institutional Funds: Developing a Process for Fiduciaries"