

EducationMatters
GOVERNANCE DOCUMENTS

SECTION: III. POLICIES OF THE BOARD		POLICY: 5.03 VALUING & ACCOUNTING FOR GIFTS OF PUBLICLY LISTED SECURITIES
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1.
 - A) Publicly listed securities that are freely tradable and which are gifted to EducationMatters may be delivered by the donor directly to EducationMatters or they may be deposited by the donor into an account of EducationMatters located at either a brokerage firm or with EducationMatters’ custodian. The receipt of these gifts shall be supervised by EducationMatters’ Controller (the “Controller”), in consultation with the Director of Fund Development and the Executive Director as appropriate.

 - B) Gifts of publicly traded shares which are not freely tradeable because of legal restrictions pertaining to their transferability are not considered to be accepted and receiptable by EducationMatters until the shares have been received into EducationMatters’ brokerage account -- to ensure the delivery of the gift has been completed -- and, if required, the opinion of third party legal counsel with respect to the legend placed on the restricted securities has been received.

2.
 - A) Where a gift of freely tradable publicly listed securities is made to EducationMatters, the value will be the value at which the shares are sold by EducationMatters or the closing market price on the day the shares were received by EducationMatters (by either an irrevocable deed of gift or by delivery of the shares themselves), whichever event first occurs. Where no securities are traded that day, the value of the securities shall be determined by EducationMatters in consultation with its advisors and an independent valuation may be performed.

 - B) In the case of shares that are subject to any restrictions, an independent valuation will be performed and the value shall be determined by EducationMatters in consultation with its advisors. The value, having regard to the nature of the restriction, may involve a discount to the closing market price of the securities on the day EducationMatters receives the securities in its account.

3. As quickly as possible after learning of gifts of publicly listed securities, and preferably before the securities are received, all active investment managers of EducationMatters shall be asked by the Controller to advise whether they wish to absorb all or a portion of each securities-position into EducationMatters portfolio.

4. All gifts of publicly listed securities which are not going to be absorbed into EducationMatters portfolio are to be sold both as quickly as possible and in an orderly fashion, so as to maximize the sale proceeds and to minimize any difference between the proceeds and the value at which they were receipted, all subject to market conditions at the time of sale. Until the shares are sold and the resultant cash is transferred into the

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portfolio of pooled Funds, the Fund which is the recipient of the shares shall have no share in the pool. In cases where the securities are thinly traded or represent a substantial proportion of the company's total capitalization, or are subject to legally binding or donor-requested hold restrictions, it may be necessary and/or prudent to extend the sale program over a reasonable period of time. All commission charges and all resulting capital losses and gains which arise from the sale of the gifted securities, as compared to their value at the time of receipt by EducationMatters, shall be charged or credited directly to the Fund which is the recipient of the gift of securities and not to any of the other Funds at EducationMatters. However, these charges, losses and gains shall not affect the value of the receipt issued for the gifted shares, which shall be valued as detailed above.

Formal acceptance by EducationMatters of donor-requested hold conditions shall be the responsibility of the Executive Director.

5. Unconditional and irrevocable responsibility for decisions relating to the process, timing and pricing for disposition of the securities rests with EducationMatters. Day to day responsibility for these decisions is hereby assigned to EducationMatters' Controller, who shall proceed on a timely basis with all sales in consultation with the Executive Director and the appointed representative of EducationMatters Investment Committee as appropriate. If the Controller is not available to take the lead at a particular time, then primary responsibility is assigned to the Executive Director.
6. A copy of this policy shall be provided by EducationMatters to all donors who wish to make gifts of publicly listed securities to EducationMatters, to ensure that prior to making such gifts the donors are aware of EducationMatters' approach to valuing and accounting for these gifts.