

EducationMatters GOVERNANCE DOCUMENTS

SECTION: III. POLICIES OF THE BOARD		POLICY: 5.02 ADMINISTRATION OF FLOW-THROUGH CONTRIBUTIONS
PAGES: 1 of 1	APPROVED: April 17, 2003	AMENDMENTS: June 19, 2003 / September 18, 2003 / March 20, 2008 / November 19, 2020

- 1) The minimum contribution amount required to open a new Flow-through Fund shall be \$5,250.
- 2) Set-up fee for all new Flow-through Funds.

A set-up fee equal to \$250 shall be charged against the Fund to assist with covering the set-up costs of each new Fund.
- 3) An administrative levy of 3.5% shall be charged against all contributions subsequent to the initial contribution of \$5,250 to a Flow-through Fund.
- 4) All flow-through contributions which are gifted in the form of cash, are to be pooled and invested in money market funds with our active investment managers, excepting only that flow-through contributions which are to be paid out by EducationMatters within sixty days of their receipt by EducationMatters need not be pooled but may, instead, be deposited directly to EducationMatters' current account at the discretion of EducationMatters' Controller.
- 5) All flow-through contributions which are gifted in the form of publicly listed securities are to be valued, accounted for and liquidated in an orderly fashion as set forth in the "Policy III.05.03 for Valuing and Accounting for Gifts of Publicly Listed Securities." The cash arising from the liquidation is then to be invested in money market funds or deposited directly to EducationMatters' current account, as set forth more fully in Clause 4 above.
- 6) All interest earned on the investment of flow-through contributions in money market funds, net of investment and custodial fees, shall be used by EducationMatters to offset EducationMatters' administration expenses, and the donors will be advised that the Fund which is the recipient of the flow-through contribution(s) will receive no investment return on these contributions. (The interest earned becomes EducationMatters fee for administration of these dollars.)
- 7) EducationMatters is hereby authorized to charge against the Fund all fund-specific administrative expenses including but not limited to: (a) charges related to the settlement of an estate when the proceeds flow to the Fund; (b) exceptional planning and research costs related to the awarding of a grant from the Fund; and (c) plaques or other forms of public recognition that a particular grant has been awarded from the Fund.
- 8) All Fund Agreements relating to flow-through contributions shall clearly set forth the terms of this policy and shall also indicate that final approval for all grant decisions rests with the Governors of Foundation. EducationMatters shall exercise appropriate due diligence prior to releasing any grants from Flow-Through contributions.
- 9) Grandfather Clause: Any pre-existing CBE or CBE School-Specific student award will be grandfathered into EducationMatters without a flow-through fee or endowment set-up fee until expiration or re-negotiation of the specific award terms.