FUND ADMINISTRATION POLICY AND ENDOWMENT SPENDING POLICY
UNITED STATES OLYMPIC AND PARALYMPIC FOUNDATION

The United States Olympic and Paralympic Foundation ("USOPF") is a not for profit organization under the laws of the State of Colorado organized to encourage, solicit and accept gifts in support of the U.S. Olympic Committee.

1.0 PURPOSE: The purpose of this policy is to set a standard endowment spending formula to be applied to gifts made to the USOPF.

2.0 GIFT OBJECTIVE TERMS DEFINED

2.1. Permanent Endowment: A gift made with donor directed restriction that the principal be invested permanently. These gifts may also include a donor directed restriction as to purpose. Subject to this policy, a portion of the investment income is used for the intended purpose.

2.2. Quasi Endowment: A fund that is treated like an endowment for investment and spending purposes but, is established by the USOPF Board, with the approval of the USOC, rather than by a donor. These endowments are established primarily from spending funds where management desires to maintain and extend the donor’s program beyond the current spending period to provide long-term program benefits.

3.0 ENDOWMENT SPENDING POLICY: The minimum funding level to establish an endowed fund with the USOPF is $500,000. The spending allocation formula shall be applied to determine spendable income once a fund has reached the minimum funding level and has been invested for a full calendar year.

The spending allocation is calculated as follows:

Annual Spending Allocation = 5% x (A+B) where,

A = Original value of all donor gifts contributed to an endowment and
B = Twelve quarter average of earnings defined as the total return derived from capital, including the net of realized and unrealized appreciation and depreciation.

For new endowed funds which have been invested for more than a full calendar year, but less than twelve quarters, the spending allocation is calculated as follows:

Annual Spending Allocation = 5% x (A+B) where,

A = Original value of all donor gifts contributed to an endowment and
B = Average of earnings defined as the total return derived from capital, including the net of realized and unrealized appreciation and depreciation.

Pursuant to the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as adopted in Colorado as Colo. Rev. Stat. § 15-1-1101 through 1110 (2014) and pursuant to USOC policy, up to 20% of the value of all Donor gifts contributed to a permanent endowment may be used for spending if necessary.

It is understood that this policy could result in some funds receiving less than a 5% Spending Allocation or in the event of a fund with a negative reinvested earnings balance of greater than 20% of all donor gift contributions to an endowment, no distribution.