



The College of West Africa Global Alumni Association



Endowment Fund Policy

March 2025



I. DEFINITION OF TERMS

Term	Definition
Endowment	An established fund of cash, securities, or other assets set aside for perpetuity to provide long-term funding.
The Association	A reference to the College of West Africa Global Alumni Association.

II. INTRODUCTION

The College of West Africa (“CWA”) Global Alumni Association Endowment Fund (“Global Endowment”) was established in 2024 by a vote of its members at the Annual Business Meeting. The purpose of the Global Endowment is to generate cash, securities, and other assets to provide long-term funding to support the CWA High School’s mission-driven needs.

This policy establishes how the CWA Global Alumni Association (“CWAGAA/ the Association”) Endowment Fund is governed, administered, and managed. The policy describes the types of gifts and requirements for acceptance, and provides for the endowment’s operations, legal compliance, investment and use strategies, and reporting requirements.


III. TYPES OF GIFTS AND GIFT ACCEPTANCE

A. Types of Gifts.

The Global Endowment will accept outright gifts or estate/planned gifts.

Outright Gifts:

1. Cash or cash equivalent.
2. Stocks
3. Bonds
4. Mutual Funds
5. Real Estate

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6. Marketable securities
 7. Other gifts on a case-by-case basis

Estate/Planned Gifts

1. Bequests – Wills and Living Trusts
2. Retirement Plans: IRA, 401(K), 403(B), Keogh
3. Charitable Remainder Trusts
4. Charitable Lead Trusts
5. Remainder Interest in Residence
6. Pooled Income Funds
7. Life Insurance
8. Other estate/planned gifts

B. Gift Acceptance

The Association must ensure that donors understand the Global Endowment's purpose and restrictions and agree with the terms of this policy before accepting donations for the endowment. The Association will give the donors confidence that the Global Endowment is administered in accordance with the below terms and restrictions.

C. Gifting Restrictions

The CWAGAA Board must pre-approve all planned gifts that involve considerable tax implications or other financial and estate planning obligations to the Association. The Board should ensure that the gift yields a net benefit to the Association.

The Association will not accept a gift that obligates it to continue a program that has become a financial burden or is inconsistent with its mission. If the gift restrictions become unduly burdensome, impossible to administer, or obsolete, the Board shall have the sole right to override the restriction(s) and provide a non-restrictive designation of the gift to the endowment. If feasible, the Association will attempt to designate the gift to a similar program or cause related to the donor's intent.

When the Association exercises its right to override a gift restriction, the Association shall notify the donor of such and provide the reason for its action.



IV. OPERATIONS AND STEWARDSHIP

The Global Endowment shall be managed by a licensed financial/investment institution which operates according to the Uniform Prudent Management of Institutional Funds Act (UPMIFA)

A. Endowment Funding

Initial Funding – The initial principal of the endowment is sixty thousand dollars (USD \$60,000.00), as voted upon by the members at the 2024 Annual Business Meeting and provided by a donation to establish the fund.

Future Funding – The Association shall fund the Global Endowment in two ways:

(1) Gifts and designated donations

- a. Gifts and designated donations for the endowment, as described in Section III above, will be used solely to fund the Global Endowment.


(2) Association funds

- a. The Association shall fund the endowment annually from the remaining fiscal year budgeted operational funds, after satisfaction of expenses and a withholding of twenty-five percent (25%) reserved funds.

B. Stewardship

The CWAGAA Board shall provide stewardship of the Global Endowment by executing the following duties which may be expanded as needed:

- a. Approval of the use of funds from the endowment.
- b. Approval of all planned gifts that involve considerable tax implications or other financial and estate planning obligations to the Association, as determined by a tax professional.
- c. Ensure that donors understand the purpose of the endowment and its restriction as stipulated under Section III (c) above.
- d. Provide an endowment report to membership at the Annual Business Meeting as stipulated under Section VII below.
- e. Establish an Endowment Committee, see Section IV(c) below.
- f. Ensure that the policies herein are adhered to.




C. The Endowment Committee

The CWAGAA Board shall establish the Endowment Committee. The committee shall consist of CWAGAA members and may include friends of CWAGAA and community members with proven fundraising and/or investment knowledge, skills, and experience. The committee members serve at the request of the Board. Committee members may be removed by the Board at any time for performance or incompatibility issues affecting the work of the committee or when the Board has reasonable cause for removal, as determined by a majority vote. The Endowment Committee shall be charged with the following duties that may be expanded as needed:

- a. Raising at least one million dollars (\$1M USD) within five years of its establishment. The Endowment Committee may solicit support from philanthropists, foundations, businesses, community members, and any institution or person it deems appropriate and aligns with the Association's values.
- b. Ensure that the Global Endowment's activities align with the policies herein.
- c. Develop an educational program to encourage and inform members and the general public about opportunities for endowment giving through donations, bequests, memorials, and gifts.
- d. Ensure that Global Endowment's activities comply with fiduciary standards and tax and applicable laws and regulations annually.
- e. Verify that the selected financial institution follows ethical investment practices and that the investments align with the Association's mission.
- f. Ensure that the Global Endowment's investments align with its investment policy below and a report of activities, with applicable recommendations, is provided to the Board quarterly by the Chief Financial Officer.
- g. Propose amendments to this policy if applicable.

V. INVESTMENT STRATEGY

The Global Endowment funds will be invested prudently. The Association's financial institution/ investment firm will avoid risky investments that may result in the majority or total loss of its principal. Endowment funds will be invested using the Modern Portfolio Theory, i.e., utilizing diversification as a dual risk management strategy and growth maximization strategy. This strategy will allow the Global Endowment Fund to optimize its risk-reward tradeoff.



CWAGAA's financial investment firm shall maximize the return on its principal while maintaining prudent fiscal guidelines, including a long-term investment approach that avoids high-risk securities.

Management of the investment portfolio should continuously take into consideration the nature and attributes of the Global Endowment Fund as follows:

- a. The time horizon is long and indefinite.
- b. The need to preserve purchasing power over an indefinite time horizon.
- c. The need to have a diverse portfolio that exceeds inflation over the long term.

VI. Use of Endowment Funds (Spending Policy)

The endowment funds will only be spent when there is a shortfall in the Association's and/or CWA's operating budget that prevents it from accomplishing its mission. The Global Endowment Fund will support the mission of the CWA through the provision of funds. In so doing, the Global Endowment Fund shall adhere to the standard of prudence prescribed by UPMIFA and maintain the purchasing power of the endowment's assets.

The Association shall ensure that long-term average spending does not exceed the expected long-term inflation-adjusted total return of the endowment assets.


The Association shall not obtain a distribution from the endowment fund until it has a principal amount of at least one million dollars (U.S. \$1,000,000.00), and the Association's operational funds cannot meet the budgetary expenses.

The Association is prohibited from withdrawing more than five percent (5%) of the endowment's total market value in any fiscal year.

Upon approval from the CWAGAA Board, the Association may withdraw funds from the endowment to support critical programs and activities or an urgent unforeseeable circumstance that may cause harm if not completed prior to the approval of next year's budget; and cannot be accomplished due to a shortfall in the current operating budget.

Upon approval from the CWAGAA Board, the Association may withdraw funds from the endowment to support the CWA for the following purposes:

- a. School Operations. The operational needs of the CWA, including routine operating expenses.
- b. Department Operations. To provide broad support or enhance the budget of a particular department (e.g., science or math departments. Provision of funds act as a CWA budget enhancement for specific departmental expenditure(s).

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- c. Scholarship. To awards students with financial or other need-based grants as c. determined by the Associations' Scholarship Committee.
 - d. Faculty and Staff Assistance. To compensate faculty and staff.
 - e. Infrastructure. To improve the infrastructure of the CWA. Spending must be associated with a project and designated under the project's budget if predictable.
 - f. Emergency or extenuating circumstances. To provide for emergency or extenuating circumstances concerning the CWA, as determined by the CWAGAA Board of Directors.

VII. Reporting Requirement

The Association shall obtain a quarterly report from its investment firm for distribution to the Board of Directors. The Board, via the Chief Finance Officer (CFO), shall report the endowment activities to members at the Annual Business Meeting and provide a written report to individual donors upon request. Both reports shall summarize activity during the fiscal year and include information such as: the historical gift value, market value as of the beginning of the fiscal year, investment performance, payout distribution, additional contributions, the market value at the close of the fiscal year, and any other pertinent information regarding the endowment fund.

VIII. Governance, Legal, and Oversight

- A. The Endowment Committee shall ensure that the endowment fund is responsibly managed and complies with:
 - i. Tax, charitable solicitation, and giving laws and regulations, and fiduciary standards.
 - ii. Ethical investment practices, such that investments align with the Association's mission and excludes investments that the Board of Directors find contrary or repulsive to the mission of the association.

Amendment of this Endowment Policy must be proposed by the Endowment Committee and reviewed by the committee, Managing Officers, and the Board, with final approval by a majority vote of the Board.