A permanent endowment is governed by a set of policies that determine how the fund is invested, how much money can be spent from the fund each year, how that money can be used, and what happens to the fund should your organization no longer exist. The financial institution that is managing your fund may offer their own versions of these policies as part of creating your permanent endowment. Your board may also choose to have its own policies to govern your internal operations such as how often you want to meet with the fund manager, who will serve on the investment committee and when, if ever, you want to evaluate if the current manager is right for your organization.

Below are descriptions of the basic policies that will govern your permanent endowment:

- The **investment policy** lays out which types of investments the fund manager is permitted to make. This policy will communicate and direct the level of risk you are comfortable assuming with your camp's investments. Your investment policy may also include restrictions on your investments that reflect your organization's social values (e.g., choosing not to invest in fossil fuels, directing investments to social justice issues, or placing a portion of your investment in Israel Bonds).

- The **spending policy** establishes the amount the organization is permitted to take out from the fund at each period. For a permanent endowment, this policy will state that only the accrued growth can be withdrawn, and the fund principal stays invested in perpetuity. The spending policy often puts an upper limit (e.g. 4.5%) on the annual amount of growth that can be withdrawn from the fund.

  Spending policies may also specify the conditions under which, and the requirements by which, the funds' principal may be utilized. Conditions to utilize the fund principal should require both specific financial conditions to be present and that the spending be approved by a super-majority of the Board of Directors.

- The **usage policy** explains the purposes for which the fund can be used. A restricted use endowment might have a policy that requires funds only be used for camper scholarships, whereas an unrestricted use endowment would allow your board of directors to determine how to use the distributed funds each year.

- The **gift acceptance policy** sets out who determines what types of gifts the fund can accept and when you will need to engage outside counsel. For example, whether the endowment will accept stock or property in addition to cash gifts and who can make that decision. As part of the gift acceptance policy, a board should develop a windfall gift policy that provides guidance for the investment (or spending) of one-time, large gifts that are not specifically designated as endowment gifts.

- The **successor policy** details what happens to the endowment fund if your organization ceases to exist.