

POLICY 2.11 – Investment Payout Policy

Policy Category:	Financial
Subject:	Investment Payout Rates and Timing
Approving Authority:	Board of Governors
Responsible Officer(s):	Vice-President (Operations & Finance)
Responsible Office(s):	Financial Services
Effective Date:	May 1, 2015
Supersedes:	February 1, 1990, May 1, 2011

I. PURPOSE & SCOPE

This policy establishes the payout rates and timing of payouts of endowed and non-endowed funds, supplemental pension plan funds, and term endowments.

II. POLICY

1.1 Non-Endowed Funds

1.2 The payout rate on all non-endowed funds will be set each calendar quarter to be equal to the rate of return on 30 day Treasury bills for the immediately preceding calendar quarter. This rate will be reduced by 42 basis points per year to contribute to the cost of custodial services, administrative costs and investment management fees.

2.1 Endowed Funds

2.2 Actual investment returns less investment managers' fees, investment consultant's fees, and custodial fees will be allocated proportionally to the capital of each endowed fund at April 30 each year.

2.3 Endowed funds will be permitted to spend an amount equal to 4.0% of the average value of the total endowment over the most recent five year period. In the case of new endowments, the average will be calculated based upon the number of years the endowment has been at Western.

Any exceptions will require the prior approval of the Vice-President (University Advancement) in consultation with Financial Services, with annual reporting of exceptions to the Property & Finance Committee for information.

