

**Laurentian University**



investment income made available for spending on the designated endowment activities. Refer to the Spending (pay-out) policy below.

### **3.3 Spending (“pay-out”)**

To ensure that endowments will provide the same level of economic support to future generations as they do today, with growth in the capital value of the endowment and with spending increasing over time as a percentage of the original donation, the University does not spend everything earned through the investment of funds in years when investment markets are better than expected. In those years, the University will reinvest any amounts earned in excess of the spending allocation. This provides protection against inflation and builds up a reserve, which is expected to be used to fund spending in years when investment markets are poor.

In connection with the objective of protecting the real terms of endowment capital over time, Laurentian University has established a spending policy that constrains the amount of income made available for spending. The amount made available for spending must normally fall between

## **6.0 Policy governance**

This endowment policy shall be reviewed, updated and approved by the Finance Committee of the Board at a minimum every three years. Approval will be evidenced in the minutes of the Finance Committee and a Board resolution approving changes as required.