

ENDOWMENT MANAGEMENT POLICY
FOR TEXTILE CENTER JOAN MONDALE GALLERY ENDOWMENT
(as amended through November 11, 2009)

I. Purpose Statement

The purpose of the Joan Mondale Gallery Endowment is to provide a long term, steady and reasonably secure source of funds for the Joan Mondale Gallery to sustain its exemplary level of excellence and innovation; to support, but not be limited to, such projects as artists awards, invitational exhibitions, publication of exhibition catalogs, and traveling shows; and other related gallery activities such as programs relating to a gallery exhibit and gallery operating expenses.

II. Management of the Fund

1. An Endowment Committee, composed of two to five people, will oversee the investment of the Joan Mondale Gallery Endowment funds and will include at least one person knowledgeable about financial matters, including fund development and management, investments and investment strategies.
2. The Executive Committee of the Board of Directors (the "Board") of the Textile Center shall select the Endowment Committee members.

III. Duties of Endowment Committee

The Endowment Committee will:

1. meet annually on the first Friday in August, or on such date thereafter as the Committee shall mutually determine (i) to calculate the withdrawal permitted for such fiscal year, (ii) to review the investments results for the preceding year, (iii) review the investment policy and to rebalance investments in accordance with such policy, (iv) determine the recommendations to be made to the Board with respect to the Endowment Fund; and (v) such other matters and the Committee may determine;
2. comply with all legal and tax regulations;
3. comply with the by-laws and guiding policies of the Textile Center;
4. evaluate reasonable investment objectives in accordance with this policy;
5. develop investment policy guidelines consistent with the investment objectives;
6. select a qualified investment manager, if desired;
7. communicate the endowment investment objectives and guidelines to the endowment investment manager;

8. monitor and evaluate performance results of the Endowment Fund; and
9. report to and advise the Board (or the Executive Committee or Finance Committee, as directed by the Board) of their activities on a routine basis, but not less than annually, to ensure that the investments continue to reflect the Textile Center's mission and investment objectives.

No member of the Endowment Committee may receive any personal gain as a result of serving on the Committee. The Committee may meet more frequently if it so determines.

IV. Investment Objectives

1. The Textile Center's investment objectives for the gallery endowment fund are primarily: long term preservation of the principal, reasonable return on the investment of the fund to support spending policy and protection of the fund against inflation so that it may be long term source of income. The fund should be a balanced portfolio with emphasis on: maximizing the annual income for use by the Joan Mondale Gallery; long-term growth of the endowment; and secure maintenance of the principal of the endowment. Permitted investments may include mutual funds, stocks, corporate bonds, government bonds, bond funds and money markets. Attention should be paid to asset allocation and diversification of the total fund. The Endowment Committee may either manage the money directly or may engage a professional financial manager for the funds.
2. Financial institutions approved as depositories for investment may include commercial banks, savings and loans, and brokerage houses insured by the Securities Protection Investment Corporation.
3. The Board encourages the Endowment Committee to consider socially responsible investments. However, the income of the fund should never be compromised by solely investing in socially responsible companies.

V. Funding the Endowment

1. Gifts may be made to the Joan Mondale Gallery endowment in cash, noncash assets, and bequests.
2. All gifts to the Joan Mondale Gallery Endowment are irrevocable.
3. All gifts designated for the Joan Mondale Gallery Endowment must be deposited directly into the endowment account. Stocks or physical assets should be converted into cash immediately and put into the endowment account.
4. The Textile Center board may, but is not required to, add other undesignated donated assets (for example: memorials, tributes, bequests) in any amount to the Joan Mondale Gallery Endowment.

VI. Endowment Fund Management Guidelines

1. The Textile Center may withdraw and spend 4.5% of the net asset value of the endowment calculated on a rolling average of the previous 5 years (20 quarters) (or as many quarters and the fund has been in existence), to be calculated annually based on the June 30 statements. The annual spendable amount will never be less than a floor amount of 4.0% or a ceiling amount of 6.0% of the current market value at the time of withdrawal, as shown on the most recently available regular account statements. The floor amount will be relevant when there has been unusually high market growth and the ceiling amount is relevant in periods of significant decline in market value.
2. Annually the Endowment Committee will report and make a recommendation to the Board on the amount available for distribution to the Textile Center from the endowment. The Endowment Committee will take into account the specific distribution schedule of the various investment vehicles owned by the Endowment Fund. The Endowment Committee may recommend a departure from these guidelines, including without limitation, foregoing a distribution, if it determines that the circumstances warrant such a departure.
3. Cash distributions will be made quarterly or annually as determined by the Board.
4. The costs associated with maintaining the Endowment Fund will be paid by the Endowment Fund earnings. However, the Textile Center may cover the costs during periods when the Endowment Fund does not generate sufficient income to cover them, if approved by the Board.
5. The Textile Center is not obligated to take any or all of its distribution from the Endowment if the Board determines that the circumstances warrant such a determination.
6. The Investment Policy shall be reviewed by the Endowment Committee regularly for necessary revisions or modifications, which it shall include in its recommendations to the Board.

VII. Control of Endowment Fund

Distribution of income is under the sole control of the Board (or successor governing body), taking into consideration the recommendation of the Endowment Committee regarding the distribution of income from the Endowment Fund.

VIII. Ethical Standards of Gift Development

1. No goods or services will be provided in consideration of any gift to the Endowment Fund, except that the Board may be asked to consider public recognition in light of a specific gift. The expenses of executing the public recognition shall be borne by the Textile Center, not the Endowment Fund.

2. The Textile Center cannot provide financial, tax, or legal advice in connection with any gift to the Endowment Fund and will encourage all donors to obtain professional advice from their own advisors in connection with any donation they wish to make to the Endowment Fund. However, the Textile Center will provide each donor a timely acknowledgement letter noting the amount of the contribution and the fact that there were no goods or services provided.
3. The Textile Center will not pay a “Finder’s Fee” of any sort to any professional advisor in connection with a gift to the Endowment Fund. However, the Textile Center is not prevented from hiring professional fundraising consultants (on a salaried or contract basis and paid for out of the Textile Center’s treasury) to assist the Board in specific fundraising activities including donations to the Endowment Fund.
4. The Board will not appoint anyone to the Endowment Committee who knowingly would have a conflict of interest with the purpose of the committee or who would benefit in any financial or other way from the deliberations, action(s), or decisions of the committee. Similarly, any member of the Endowment Committee is obligated to report changes in their circumstances regarding possible conflict of interest.

IX. Amendments to the Investment Policy

Any proposed changes to this investment policy must be approved by the Board.

X. Dissolution

If the Board of Directors determines that the purposes of the endowment can no longer be met or the Textile Center’s needs so require, the Board retains the right to dissolve the Joan Mondale Gallery Endowment and use the assets for general purposes. Terminating the endowment requires the approval of 75% of the members of the Board and signatures by the following officers: the President, Treasurer, and Secretary.