Endowment, Reserves and Funds Policy

PURPOSE
The purpose of this policy for Maryhill Museum of Art is to ensure the stability of the mission, programs, employment, and ongoing operations of the organization. Maryhill Museum of Art has one endowment, two reserves (or board designated) and two special funds. They are:

1. **The Maryhill Endowment**: Established in 2003, this endowment is the museum’s main operating endowment. The Board of Trustees combined the Nicholas and Antoinette Comnene Endowment Fund (begun by Irene Bie in 1987 with a gift of $100,000 and completed with $100,000 out of her bequest of 2001) and the Stevenson Endowment Fund (started by the Mary Hoyt Stevenson Foundation) to create the Maryhill Endowment (Minutes: January 18, 2003). Gifts to the Maryhill Endowment are permanently restricted gifts.

2. **The Gammell Fund**: Established in 2000 with a gift of $160,000 by the R.H. Ives Gammell Trust, this endowment is to be kept as a “separate fund exclusively for the exhibition of The Hound (a painting series), to its maintenance, restoration (conservation), insurance against loss, and to the education of the public concerning The Hound and the work and artistic influence of R.H. Ives Gammell.” The museum is to use its best efforts to “manage the fund as to cause both the capital value of the fund and the amounts expended from it to increase from year to year...” At the time of the gift, $25,000 was authorized by R.H. Ives Gammell Trust by their curator Liz Hunter (Minutes: October 27, 2000) to upgrade collections storage for the care of the paintings. The remaining $135,000 in the Gammell Fund is temporarily restricted. The museum uses this fund to support collections and curatorial staff salaries and annual collections costs as these expenditures are consistent with the wishes of R.H. Ives Gammell Trust as outlined above.

3. **Sam Hill Reserve**: Established when founder Sam Hill’s estate was settled in the late 1930s, this reserve is used as an operating reserve but also provides an internal source of funds for situations such as a sudden increase in expenses, one-time unbudgeted expenses, unanticipated loss in funding, or uninsured losses. The fund is a board
designated fund. Reserves may also be used for one-time nonrecurring expenses that will build long-term capacity such as staff development, research and development, or investment in infrastructure.

4. **Acquisitions and Collections Care Fund**: This fund is a board designated fund established in the 1980s to enhance the collections. It includes donor designated gifts and board designated funds. It also includes funds raised from the sale of deaccessioned objects. The Collections Management Policy stipulates that money raised from the sale of deaccessioned items must be used for the collections, either for the purchase of new objects for the collections or for the care of the collections.

**DEFINITIONS AND GOALS**
Endowments are permanently restricted and earnings may be used for their designated purposes. It is a pool of money that is invested so that the income can be used to support Maryhill Museum of Art. The principal cannot be used for any purpose.

Reserves are defined as the designated funds set aside by action of the Board of Trustees. Reserves are not intended to replace a permanent loss of funds or eliminate an ongoing budget gap. It is the intention of Maryhill Museum of Art that whenever possible reserve funds are to be used and replenished within a reasonably short period of time.

The Endowment, Reserve and Fund Policy will be implemented in concert with the other governance and financial polices of Maryhill Museum of Art and is intended to support the goals and strategies contained in these related policies and in strategic and operational plans.

**ACCOUNTING**
All funds will be recorded in the financial records as either Endowment or Board Designated Reserves or Funds. Each will be maintained in a segregated bank account or investment fund, in accordance with the museum’s Investment Policy.

**FUNDING**
The Endowment will be funded with donor designated gifts to the endowment.

The Reserves and Funds may be funded with unrestricted donations or surplus operating funds. The Board of Trustees may from time to time direct that a specific source of revenue be set aside for reserves. Examples may include one-time gifts or bequests, special grants, or special appeals.
USE
1. Identification of appropriate use of funds: The Executive Director will identify the need for access to funds and confirm that the use is consistent with the purpose of the endowments or reserves as described in this Policy.
2. Authority to use funds: The Executive Director will submit a request to use to the Board of Trustees. This may be through the annual budgeting process or through a specific request. The request will include the analysis and determination of the use of funds and plans for replenishment (if any).
3. Reporting and monitoring: The Board of Trustees and the Executive Director are responsible for assuring that all funds are maintained and used only as described in this Policy.

RELATIONSHIP TO OTHER POLICIES
Maryhill Museum of Art shall maintain the following board approved policies, which may contain provisions that affect the creation, sufficiency, and management of these funds.

1. Disaster Preparedness Emergency Response Plan
2. Investment Policy
3. Collections Management Policy
4. Fundraising, Gifts and Membership Policy

REVIEW OF POLICY
This Endowment, Reserve and Fund Policy will be reviewed every other year, by the Finance Committee, or sooner if warranted by internal or external events or changes. Changes to the Policy will be recommended by the Finance Committee to the Board of Trustees.

ADOPTION
This statement of Endowment, Reserve and Fund Policy was revised on by the Finance Committee of the Maryhill Museum of Art during its meeting March 30, 2019. This policy supersedes the previous policy adopted by the Board of Trustees November 19, 2011.