

November 1, 2010

Attn: TPSD Board of Trustees

From: Mary Ann Plasencia

RE: Proposed Tupelo Public School District Endowment Fund

Purpose: To establish a charitable planned giving opportunity to citizens who value the educational opportunities offered by TPSD. The Endowment would serve as a perpetual source of support to augment, supplement, or complement programs and activities throughout the district.

Management: CREATE will serve as the administrator. Gifts are placed in a large pool, invested and then overseen by an experienced 10-member CREATE Investment Committee to build fund. 65% is invested in stocks and 35% in bonds. The current spending policy is 5% based on the principal value of fund. (For example, \$50,000 would be made available with a \$1M balance.) TPSD may request a disbursement once/year or elect to wait.

CREATE will provide administration for a 1% annual fee including record keeping, tax reporting and auditing. There are no accounting requirements for the district.

Support from CREATE: Credibility/stability of organization; assumes fiduciary and investment responsibilities; access to large endowment pool which could increase investment performance; included in CREATE marketing publications.

Types of Gifts: Cash, stock gifts, bequests, proceeds from an estate, and property

Distinction between endowment vs. AEE: While both support the district, funding sources will likely differ: endowment will be funded from planned giving sources and AEE funding will come from current discretionary income for current uses. Additionally, the endowment will not be limited to funding innovation or current needs like AEE.

Promotion/Publicity: Once fund is established, endowment information will be permanently placed on district website, published in CREATE materials, disseminated to wealth management and financial planning advisors,

Disbursement by Advisory Committee: The TPSD Board can name advisors, comprised of community leaders, teachers, parents and alumni, to recommend disbursement of funds.