



TEXAS VETERINARY MEDICAL FOUNDATION  
Exhibit A: Endowment Regulations

These Regulations shall govern, in all respects, the funding, management, and operation of the Texas Veterinary Medical Foundation Endowment (the "Fund") established effective July 24, 2021 by the Board of Trustees (the "Board") of the Texas Veterinary Medical Foundation (the "Foundation")

**I. Definitions**

1. The Fund. The total endowment fund created by this resolution. The Fund may contain both Donor Designated Endowment and Board Designated Endowment, and may have separate Named Endowments within both Donor Designated Endowment and Board Designated Endowment.
2. Donor Designated Endowment. Any gift in which the donor, at the time of making the gift, imposes a limitation permitting use only of income received from the gift, and preventing the use of the principal from the gift. The Board may not use the principal of any Donor Designated Endowment Funds, except as provided in this Resolution.
3. Restricted. Any Donor Designated or Board Designated Endowment gift that places restrictions upon the particular use for the income derived from investing the principal. Example: A gift "to the Endowment to be used for scholarships".
4. Unrestricted. Any Donor Designated or Board Designated Endowment gift that places no restrictions on the purpose for which the income is to be used.
5. Donor Directed but Unrestricted. Includes a gift in which the donor wishes that the income, and if necessary principal, be directed to a specific area or program.
6. Board Designated Endowment. Includes any gift or other asset that the Board may place in The Fund and that includes no donor restriction on the use of Principal. Example: A donor gives money without specifying that it be for the Endowment. The Board places it in The Fund. The Board may, or may not, restrict the use of the income for any particular purpose. Later, the Board may remove and use the Principal and/or income from Board Designated Endowment for any purpose it chooses. This use may be for general funds or may be for just a specific area, purpose, or program.
7. Named Endowment. Any portion of the Principal within The Fund that is segregated from the other moneys within The Fund under a separate name. Examples: The Smith Scholarship(s); The Post Collegiate Studies.
8. Principal. The initial amount of any gift or Board designated contribution to The Fund.



TEXAS VETERINARY MEDICAL FOUNDATION  
Exhibit A: Endowment Regulations

**II. Creation of The Fund**

The Board hereby establishes The Fund shall contain initially the following Named Endowments:

1. Donor Designated Endowment
  - a. Restricted Donor Designated Endowment
  - b. Unrestricted Donor Endowment
  - c. Donor Directed but Unrestricted
2. Board Designated Endowment

No gift shall be added to The Fund without Board acceptance of the gift and approval of the donor designated use of the gift.

**III. Funding**

1. The Fund shall be funded from the following sources:
  - a. All contributions to the Foundation designated for deposit into the Endowment by the donor;
  - b. All bequests to the Foundation not specified for another use by the donor;
  - c. Earnings on the Endowment's funds as provided by these Regulations;  
and
  - d. Such other amounts as the Trustees may determine from time to time.

**IV. Investment Management**

1. The Fund shall be managed by the same outside professional financial manager as the Foundation's other investments. The financial manager shall be directed by the Foundation's Investment Committee.
2. The Investment Committee shall report regularly to the Board of Trustees regarding the Fund and its investments.

**V. Expenditures**

1. Except to the extent required by law, no funds deposited in the Fund (other than investment earnings as provided below) shall be expended for any purpose. For purposes of these Regulations, "investment earnings" for any period shall mean (i) interest, dividends, capital gains, rents, royalties, premiums, and similar



TEXAS VETERINARY MEDICAL FOUNDATION  
Exhibit A: Endowment Regulations

earnings realized on or with respect to funds in the Fund and the investment of such funds, less (ii) any investment losses and expenses (such as broker fees, fund management, or commissions) incurred during that period with respect to the Fund's investments. Each year the Fund will transfer its interest earnings to the general operating fund of the Foundation in an amount equal to 4% of the Fund's value. The Fund's value will be calculated on a 12-quarter rolling average. Such transfers shall not reduce the then current value of the endowment below \$1,000,000.00.

**VI. Amendment**

1. These Regulations may be amended only by the affirmative vote of three fourths (3/4) of the Trustees then in office at a meeting of the Trustees called for that purpose or by electronic mail.

**VII. Dissolution**

1. The Fund may be dissolved only if approved by a vote of three fourths (3/4) of the Foundation Trustees then in office and then approved by a vote of three fourths (3/4) of the Membership.
2. If the Fund is dissolved in connection with the dissolution of the Foundation, assets in the Fund shall be distributed in accordance with the Foundation's Certificate of Formation and bylaws. In no event shall the assets of the Fund be used for purposes other than those purposes permitted under Section 501(c)(3) of the Internal Revenue Code.

**VIII. General**

1. It is the intent of the Trustees to strictly comply with all requirements pertaining to the Foundation's exemption from federal income taxes and the deductibility from income of contribution to the Foundation. Any provision of these Regulations inconsistent with such requirements shall be void and of no force or effect.