

City of Marshall

Policy Number: 1-305

Minnesota

Adopted: June 26, 2012

ADMINISTRATIVE POLICY

Revised:

MARSHALL CAPSTONE ENDOWMENT FUND SPENDING POLICY

4-4a. Background

The City of Marshall has created the Marshall Capstone Endowment Fund, hereafter referred to as the "Fund," per City Charter Section 7.11 Subd. 2 and the City Code Section 2-121.

4-4b. Purpose.

The City of Marshall has chosen to implement a spending policy based on annual interest earned less administrative expenses. The purpose of this spending policy is to establish the procedures for the annual granting allocation. The City Council is entrusted with the investments and management of the Fund as they determine to be in the best interest of the City of Marshall. The spending policy is designed to:

1. Preserve purchasing power resulting in perpetuity in spending; and
2. Allow for reinvestment of excess earnings; and
3. Provide a means for future board members to follow a consistent path for spending and budgeting.

4-4c. Financial Review.

The Finance Director/City Clerk will complete a 6-month (January through July) and a 12-month annual report (January through December) for presentation to the Ways and Means for review and thereafter to the full City Council.

4-4d. Spending Allocation.

The endowed principal balance will be calculated as of December 31 of each fiscal year. The amount of funds dedicated toward the library contribution restricted through 2026 shall be made by the Finance Director/City Clerk and transferred prior to payment. The amount determined eligible for spending for discretionary projects shall be determined following the 12-month annual report as described in Section 4-4c. The amount determined at year end shall be a fixed number that will accumulate if unspent to future years. However, any interest earned from unspent discretionary funds shall be included in the overall interest earning calculation for the Fund.

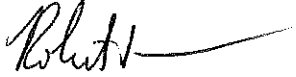
4-4e. Project Selection.

The Council shall identify projects for potential funding through the annual city budget process or as identified as appropriate by the Mayor and City Council. Selection of projects shall be approved by a majority vote of the Council.

Projects that have other private or city funds may receive additional consideration for funding. Additionally, projects are expected to be consistent with the goals and objectives of the City Comprehensive Plan. Lastly, extra consideration will be made to those projects that demonstrate community support through leveraged private funds or other demonstrated means.

Passed and adopted by the Common Council this 26th day of June, 2012.

THE COMMON COUNCIL



Mayor of the City of Marshall, MN

ATTEST:



Finance Director/City Clerk