GRINNELL COLLEGE

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March 28, 2016

Sen. Orrin G. Hatch
Senate Committee on Finance
219 Dirksen Senate Office Building
Washington, D.C. 20510-6200

Rep. Kevin Brady and
Rep. Peter J. Roskam
House Committee on Ways and Means
1102 Longworth HOB
Washington, D.C. 20515-0004

Dear Senator Hatch, Representatives Brady and Roskam:

Attached to this letter please find Grinnell College's responses to your letter of inquiry dated Feb. 8, 2016. The current document provides you with the requested information about Grinnell's endowment: our investment strategies, and spending policies, including, most importantly, our commitment to limiting the cost of a Grinnell education.

I direct your attention to several key points:

1) Grinnell is distinct from many national colleges and universities due to our combination of two characteristics: First, we are one of just 40 schools nationwide that admit domestic students without regard for their ability to pay the full cost of their education ("need-blind") and also meet families' full demonstrated financial need. Second, because a relatively large share of our endowment principal comes from strategic investment growth, rather than from donations restricted to a specific purpose, we are able to focus our resources on delivering an affordable, world-class education. Earlier this week, *The Washington Post* featured Grinnell as one of just a few schools nationally using endowments to keep college affordable to needy students.[1]

2) As explained in our response to Question 9, Grinnell's endowment contributes approximately 40 percent of the more than $47 million in annual financial aid awarded to our current students. For academic year 2015–16, our students received on average $38,612 in need-based grants and scholarships, the overwhelming majority of which came from College funds.

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[1] Accessed 3/17/2016 at https://www.washingtonpost.com/news/grade-point/wp/2016/03/16/these-colleges-expect-poor-families-to-pay-more-than-half-their-earnings-to-cover-costs.

More than 87 percent of our current students receive such aid. And their average indebtedness on graduation is just $15,982 — lower than any other public or private institution in Iowa and among the lowest in our class nationally. We believe their low debt burden is one reason why, contrary to national trends, Grinnell's low-income and middle-class students graduate at virtually an identical rate to their wealthier peers.

3) Another way to look at the issue is through the lens of discount rate — the share of the average student's tuition and fees that is offset by institutional aid. Grinnell's current discount rate is 60 percent. In other words, our average student pays just 40 percent of the list price, or $18,796 in tuition and fees.

   Note that room and board is not included in the discount rate calculation. But here, too, the College limits the burden on students and families. The average Grinnell student this year paid $11,408 for room and board, whereas the U.S. Department of Agriculture's online calculator estimates that a Midwestern family with an annual income of less than $61,000 would pay at least $13,000 to raise a 17-year-old child for one year.

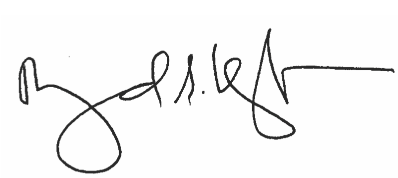
4) As part of our broad commitment to affordability, Grinnell also provides *additional* need-based aid for study abroad, internships, and other transformative learning opportunities outside the classroom. Very few colleges and universities nationally provide this additional layer of financial support for educational experiences. As a result, our students with financial need take part in such programs at roughly the same rate as their more well-off peers.

5) As the enclosed analysis shows, more than 55 percent of our annual operating budget comes from endowment. Grinnell's sustainable management of our resources enables us provide generation after generation of students with educational value far beyond what they are asked to pay for, without relying on public funding or asking families to assume crippling debt.

Grinnell's commitment to affordability, funded by our endowment, reduces the financial pressure on students and families while increasing educational opportunities. We are one of a relative few colleges and universities in the country where low-income and middle-class Americans can afford a high-quality college education of the type that makes our system the envy of the world.

I hope this summary is useful. Detailed answers to your questions follow. We would be happy to meet with the three of you or anyone on your committees or their staff, as you assess how higher education endowments benefit American students, their families, and our nation as a whole.

Respectfully,



Raynard S. Kington, M.D., Ph. D.
President, Grinnell College

Contents

Response to Question 1

($ in thousands)

What categories of assets are included in your college or university's endowment?

Asset Allocation[1]:

Fiscal Year	**2013**	**2014**	**2015**
Cash/Fixed Income	12.0%	10.0%	8.8%
Marketable Equities			
Domestic	32.5%	32.9%	30.0%
International	11.8%	10.5%	9.7%
Alternative Strategies			
Marketable[2]	16.1%	18.8%	22.9%
Non-marketable[3]	27.6%	27.7%	28.4%
Other	0.0%	0.1%	0.2%
Total	100.0%	100.0%	100.0%

[1]As reported to NACUBO
[2]Includes equity and credit strategies
[3]Includes private equity, venture capital, private real estate, and distressed strategies

For each category, please indicate the amount of funds that are:

a. Unrestricted;
b. Permanently restricted by donors;
c. Temporarily restricted b donors;
d. Permanently restricted by your college or university (quasi-endowments); and
e. Temporarily restricted b your college or university.

Endowment net asset restrictions:

Fiscal Year	**2015**			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor Restricted		$98	$549,334	$549,432
Board Designated	$1,238,343	-	-	$1,238,343
Total Endowment Net Assets	$1,238,343	$98	$549,334	$1,787,775

Fiscal Year	**2014**			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor Restricted		-	$563,108	$563,108
Board Designated	$1,266,413	-	-	$1,266,413
Total Endowment Net Assets	$1,266,413	-	$563,108	$1,829,521

Fiscal Year	2013			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor Restricted		-	$475,092	$475,092
Board Designated	$1,078,537	-	-	$1,078,537
Total Endowment Net Assets	$1,078,537	-	$475,092	$1,553,629

Note: The restrictions above were set by donors and not reclassified according to UPMIFA rules. The endowment is unitized and invested as one pool, thus cannot be broken down by restriction into the asset allocation categories above.

f. ***For each restricted asset, please describe the uses for which the funds are restricted and the amount of the fair market value of the endowment apportioned to each use. How and why were the restrictions put into place?***

Endowment net asset restrictions by use:

Fiscal Year	2013	2014	2015
Restricted			
General Purposes	$86,720	$101,217	$98,434
Instruction	$160,358	$191,785	$180,628
Academic Support	$35,249	$41,252	$40,540
Student Services	$49,410	$59,868	$58,417
Institutional Support	$20,094	$23,449	$22,802
Scholarships, Grants, and Loans	$123,052	$145,294	$148,376
Facilities Operations	$208	$243	$235
Total Restricted	$475,092	$563,108	$549,432
Unrestricted			
General Purposes	$1,078,537	$1,266,413	$1,238,343
Total Unrestricted	$1,078,537	$1,266,413	$1,238,343
Total Endowment	$1,553,629	$1,829,521	$1,787,775

Restrictions were established by donors at the time of the gift. Unrestricted funds, or quasi-endowment, originated from unrestricted gifts that the Board of Trustees determined should be invested in the endowment long-term, rather than be expended in the year in which they were received.

Response to Question 2

($ in thousands)

Does your college or university hold any investments that are not included in the endowment? If so, what are they, and what are their fair market values and basis? How are they used to further the educational purpose of the college or university?

Fiscal Year	**2013**		**2014**		**2015**	
	Basis	**Market**	**Basis**	**Market**	**Basis**	**Market**
Annuity Funds	$19,508	$20,686	$11,920	$13,542	$11,859	$13,290
Operating Reserve	$9,920	$9,907	$10,010	$10,012	$15,505	$15,536
Strategic Reserve	$18,868	$18,790	$17,249	$17,133	$15,275	$15,141
Other	$1,275	$1,299	$1,271	$1,480	$1,320	$1,455

Endowment assets represent nearly 98 percent of total College investment assets as of June 30, 2015. The College has one other pool of long-term investment assets consisting of annuity funds which represent less than 1 percent of total investment assets. The balance of the College's investment assets (less than 3 percent) are classified as operating and reserve funds pursuant to the *Investment Policy*.

- Annuity and life income funds represent assets transferred to the College subject to life income interests established by the donor and for which the College serves as trustee. The College has a remainder interest in these assets. The use of funds upo maturity is either restricted by the donor at the time of the gift or unrestricted, to be used as the Board of Trustees directs at that time.
- Operating funds consist of financial resources available to satisfy the College's daily cash requirements (including capital project commitments). These funds are invested to provide safety of principal and maintain liquidity to match expected liabilities.
- Reserve funds consist of financial resources that position the College for strategic agility. These funds are also invested to provide safety of principal and maintain liquidity to match expected liabilities.
- Other investments primarily consist of agency funds, resources for which the College has little or no discretion.

Response to Question 3

($ in thousands)

What is your endowment size, as measured by total fair market value of its assets? What has been the net growth and net investment return o your endowment each year?

Fiscal Year	**2012**	**2013**	**2014**	**2015**	**9/30/2015***
Endowment	$1,383,856	$1,553,629	$1,829,521	$1,787,775	$1,659,734
Net growth [1] $		$169,773	$275,892	($41,746)	($128,041)
Net growth [1] %		12.3%	17.8%	(2.3%)	(7.2%)
Investment return [2]		16.6%	20.4%	0.5%	(6.2%)

[1] Net growth includes endowment return, gifts to endowment, endowment spending, and other additions and transfers.
[2] As reported to NACUBO and net of all fees and investment costs.
*Three months of activity.

Response to Question 4

($ in thousands)

How much has your college or university spent each year to manage the endowment, and how many staff and contractors are employed to manage the endowment?

Direct investment costs[1]:

Fiscal Year	2013		2014		2015	
	$	**Bps***	**$**	**Bps***	**$**	**Bps***
Internal staff	$1,473	10	$1,742	10	$2,015	11
Custody/performance	$204	1	$301	2	$318	2
Marketable equity manager fees	$5,676	39	$7,155	42	$7,204	40
Other direct costs (travel, software services, etc.)	$781	5	$795	5	$831	5
Total direct investment costs	$8,134	55	$9,992	59	$10,368	57

[1]As reported to NACUBO.
*Basis points (bps): calculated as a % of average (beginning/ending) endowment market value and provided in order to ease comparison among other institutions.

Staff and contractors[1]:

Fiscal Year	2013	2014	2015
Staff (FTE)	4.4	6	6
Marketable equity managers	5	5	5
Alternative managers (hedge funds, private equity, and real assets)	32	35	38
Total separate contractors	37	40	43

[1]As reported to NACUBO.

For any fees paid to nonemployees for investment advice, asset management, or otherwise, please provide detail on the amounts paid, to whom, and the fee arrangement.

Fees by category are as follows:

- Cash/fixed income is managed internally by investment office staff.
- Marketable equity manager fees average from 75 basis points to 140 basis points annually (calculated as a percentage of assets under management) and are paid directly by the endowment to the manager.
- Alternative investment manager fees are described in further detail below.

Fees associated with alternative investments are paid within the respective investment structure and are not accumulated within the College's accounting system (i.e. not included in the above direct costs). Management fees typically range from 1.0 percent to 2.5 percent annually and are based upo either the total amount of capital committed to the investment vehicle or the amount of capital actually invested by the investment vehicle. These fees generally decline following the end of a fund's investment period. Carried interest (incentive fees) for the general partner of a fund range from 10 percent to 30 percent of net profit and normally include a "high water mark". In addition, the College's private equity, private real estate, and distressed investments have preferred return provisions (typically 8 percent).

Response to Question 5

If your endowment is required to file a Form 990 separately from your college or university's Form 990, please provide the endowment entity name(s) and Employment Identification Number.

Not applicable.

Response to Question 6

How does your college or university determine what percentage of the endowment will be paid out each year?

The College's Endowment Spending Policy (copied below) specifies a 4.0 percent annual payout, to be calculated using the formula set forth in the policy.

If any, what has been the target endowment payout as a percentage of the endowment's beginning balance each year? If that answer differs from the percentage paid out, please explain why.

The College does not determine its payout on the basis of the endowment's beginning balance each year. It is our practice, per the board-approved Endowment Spending Policy, to calculate the annual payout o the basis of a 12-quarter moving average. This is done to smooth the impact of market value volatility over time.

Please attach any payout policies or guidance.

Grinnell College Endowment Spending Policy:
(Last revised at the Feb. 22, 2014, board meeting)

> The annual endowment distribution is calculated as 4.0 percent of the 12-quarter moving average endowment market value determined annually as of the December 3 immediately prior to the beginning of the fiscal year.
>
> The College shall not allocate 100 percent of this distribution to the operating budget. Factors in determining the allocation include:
> 1) Revenue balance.
> 2) Expenditure discipline.
> 3) Facility requirements (including debt service) and strategic initiatives.
>
> In the rare instance an exception to established policy is deemed prudent and necessary, both the president and the board must authorize such departure in advance and document the terms in the board minutes.

Endowment Spending Policy Oversight and Governance:
(Excerpted from the College's bylaws, as revised and restated in May 2014)

ARTICLE VI -- DUTIES OF COMMITTEES

7. **Finance Committee.** The Finance Committee oversees and monitors the College's annual operating and ongoing capital budgets, issuance and repayment of debt, management of financial reserves, and long-range strategies toward financial sustainability. To accomplish this, the Finance Committee shall receive and evaluate regular reports from the College's

Treasurer providing (a) comparisons of actual/forecast revenues and expenditures to budget, accompanied by an explanation of variances; (b) updates o the structure and status of the College's debt obligations;(c) updates on the status of reserve funds; and (d) other financial reports as requested by the Committee. The Finance Committee shall be responsible for ensuring that the Board of Trustees receives the information necessary for the Board to oversee the safeguarding of the College's financial stability, long-term economic health, and prudent use of financial resources in manner consistent with the mission and the stated aims and goals of academic departments, administrative units, and ancillary programs. The Finance Committee shall work collaboratively with other Board committees, in consultation with the President, to make recommendations to the Board regarding financial policies, decisions and actions, including but not limited to spending and endowment payout policies; sources of income appropriate to meeting the College's needs; debt capacity, issuance and repayment; and capital expenditures and financing.

8. **Investment Committee** The Investment Committee shall be responsible for maintaining a policy of prudent investment in stocks, bonds, real assets, non-marketable securities such as private placements and limited partnerships, and other similar financial instruments, interests and/or securities, subject to the approval of the Board of Trustees. The Investment Committee shall approve sub-policies under the investment policy and review and approve investment transactions pursuant to the approved investment policy and sub-policies. The Investment Committee shall have the authority to delegate investment decisions to the Chief Investment Officer and/or independent investment managers pursuant to the approved investment policy and sub-policies. The Chief Investment Officer shall have the authority to, in turn, delegate investment decisions to other officers and employees of the College pursuant to the approved investment policy and investment sub-policies. The Investment Committee shall report to the Board of Trustees on the performance and asset allocation of the College's investment portfolio as requested by the Board Chair, provided that such investment report shall be given at least once each fiscal year. The Investment Committee shall work collaboratively with the Finance Committee, in consultation with the President, to make recommendations to the Board of Trustees regarding the endowment payout policy, debt capacity and issuance, and capital financing.

Response to Question 7

Does your college or university have policies regarding spending the endowment principal? Has your college or university ever spent endowment principal? If so, under what circumstances?

As stated in Note 1 of the Grinnell College audited financial statements, the College follows the guidance in the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) and the Iowa Uniform Prudent Management of Institutional Funds Act (IUPMIFA). The Board of Trustees of Grinnell College has interpreted IUPMIFA as requiring the preservation of the historic value of the original gift absent explicit donor stipulation stating otherwise.

The College has never spent the endowment principal unless specifically directed to do so by a donor, e.g. time-restricted endowment contribution.

Response to Question 8

($ in thousands)

How much and what percentage of the endowment's beginning balance has your college or university spent each year?

Fiscal Year	2013	2014	2015	2016
Beginning balance	$1,383,856	$1,553,629	$1,829,521	$1,787,775
Endowment spending	$54,400	$55,800	$59,243	$73,818*
of beginning balance spent	3.9%	3.6%	3.2%	4.1%

**Expected*

As noted in our response to Question 6, the College's Endowment Spending Policy allows the president and the board to authorize exceptions from the established 4 percent payout when circumstances warrant. Such an exception was authorized at the October 2015 meeting of the board.

Under the terms of the board-approved exception, the endowment payout for the six-year period FY 201 through F 202 will include an additional $9.3 million per year, over and above the standard 4 percent payout of $64.5 million. The additional payout is structured to address number of high priority strategic initiatives.

How much and what percentage of the endowment's return on investment each year has your college or university spent each year?

Fiscal Year	2013	2014	2015
Investment return	$222,322	$316,329	$8,756
Endowment spending	$54,400	$55,800	$59,243
of investment return spent	24.5%	17.6%	676.6%

Response to Question 9

($ in thousands)

What percentage of your endowment does your college or university devote to financial aid for student tuition?

The College does not award or allocate financial aid based specifically o tuition. Financial aid is awarded based on the comprehensive fee and other allowable expenses.

Financial aid support to students and the related amount funded by the endowment are shown below:

Fiscal Year	2013	2014	2015	2016*
Financial aid support to students	$40,349	$45,126	$47,090	$47,324
Financial aid funded by endowment	$16,893	$17,934	$18,965	$20,014
of financial aid funded by endowment	**42%**	**40%**	**40%**	**42%**

**Projected*

The market value of the endowment restricted to use for financial aid is:

Fiscal Year	2013	2014	2015
Market value of endowment restricted to financial aid support for students	$121,998	$144,054	$147,164
Total endowment market value	$1,553,629	$1,829,521	$1,787,775
of endowment restricted to financial aid support for students	**8%**	**8%**	**8%**

Endowment spending restricted to use for financial aid is:

Fiscal Year	2013	2014	2015	2016*
Spending restricted to financial aid support for students	$4,174	$4,266	$4,651	$5,134
Total endowment spending	$54,400	$55,800	$59,243	$64,518
of total endowment spending used for financial aid	**8%**	**8%**	**8%**	**8%**

**Projected*

As is shown above, while only a small percentage of the endowment is specifically restricted for financial aid, Grinnell elects to use a significant portion of its quasi-endowment to fund financial aid support for students.

The table below, which uses information from Schedule D of the IRS Form 990, shows the total endowment funding allocated to financial aid support for students:

Fiscal Year	2013	2014	2015	2016*
Endowment spending used for financial aid support for students	$16,893	$17,934	$18,965	$20,014
Endowment spending used for other purposes	$37,507	$37,866	$40,278	$44,504
Total endowment spending	$54,400	$55,800	$59,243	$64,518
of total endowment spending used for financial aid	**31%**	**32%**	**32%**	**31%**

**Projected*

How much for other forms of student financial aid? Please specify the types of non-tuition financial aid provided.

The College provides many forms of assistance to students beyond financial aid including prizes, fellowships, internships, and student employment.

Financial aid and other student support are shown below:

Fiscal Year	2013	2014	2015	2016
Financial aid support to students	$40,349	$45,126	$47,090	$47,324
Other student support to students	$2,742	$2,688	$2,763	$2,855
Total financial aid and other student support	$43,091	$47,814	$49,853	$50,179
Financial aid and other student support funded by endowment	$18,123	$19,122	$20,207	$21,388
financial aid and other student support funded by endowment	**42%**	**40%**	**41%**	**43%**

**Projected*

The market value of the endowment restricted to use for financial aid and other student support is:

Fiscal Year	2013	2014	2015
Market value of endowment restricted to financial aid and other student support	$126,508	$149,611	$152,513
Total endowment market value	$1,553,629	$1,829,521	$1,787,775
of endowment restricted to financial aid and other student support	**8%**	**8%**	**9%**

Endowment spending restricted to use for financial aid and other student support is:

Fiscal Year	2013	2014	2015	2016*
Spending restricted to financial aid and other student support	$4,620	$4,736	$5,163	$5,701
Total endowment spending	$54,400	$55,800	$59,243	$64,518
of total endowment spending used for financial aid and other student support	**8%**	**8%**	**9%**	**9%**

**Projected*

As is shown above, while only a small percentage of the endowment is specifically restricted for financial aid and other student support, Grinnell elects to use a significant portion of its quasi-endowment to fund financial aid and other student support for students.

The table below, which uses information from Schedule D of the IRS Form 990, shows the total endowment funding allocated to financial aid and other support for students:

Fiscal Year	2013	2014	2015	2016*
Endowment spending used for financial aid and other student support	$18,123	$19,122	$20,207	$21,388
Endowment spending used for other purposes	$36,277	$36,678	$39,036	$43,130
Total endowment spending	$54,400	$55,800	$59,249	$64,518
of total endowment spending used for financial aid and other student support	**33%**	**34%**	**34%**	**33%**

**Projected*

Response to Question 10

Does your college or university have policies regarding whether it is allowed to accept funds restricted to a specific purpose?

Grinnell College has adopted a Gift Acceptance Policy. *The Policy was endorsed by the Board of Trustees Advancement Committee an Audit an Assessment Committee.* The policy is designed to assure that all gifts to, or for the use of, Grinnell College are structured to benefit Grinnell College while ensuring fidelity to donor intent. Because some gift situations may be complex, or more costly than beneficial, or restricted in a manner not keeping with Grinnell College's goal of philanthropy that advances the College's mission, the policy has been developed to outline the procedures for assessing and accepting gifts to Grinnell College for the College's benefit.

Has your college or university ever declined a donation because it was restricted to a certain purpose? If so, please describe those specific scenarios in which your school rejected donation.

Grinnell College has three examples of gifts declined because the donor-imposed restrictions did not align with Grinnell's mission and board-approved strategic priorities.

1) donor approached Grinnell College about making a gift in the range of $250,000–$500,000 for the College to use to purchase and maintain residential property to be utilized as a faith-based center. At that time, such a project was not a priority and the College communicated that the needs of the student body were already being met. The College did not pursue the gift.
2) donor approached Grinnell College about the possibility of making a $1 million gift from a family foundation to support experiential student learning in a specific area of psychology. This area was not strength for the department and the department did not have plans to grow. The College did not pursue the gift.
3) donor approached Grinnell College near the end of a tax year with an interest in gifting land for the College's access and use. The College explored the possibility, but the donor's proposed restrictions were deemed too onerous. The College did not pursue the gift.

Response to Question 11

($ in thousands)

How much and what percentage of your college or university's endowment is invested in real property (not including REITs or other publicly-traded securities)?

Fiscal Year	2013	2014	2015
Endowment	$1,553,629	$1,829,521	$1,787,775
Real Estate Investments [1]	$59,801	$52,387	$51,694
%	3.8%	2.9%	2.9%

[1]Includes investments categorized as "other" in addition to "real estate" on the audited financial statements.

Please list and describe your college or university's real estate holdings, including real estate held by the college or university, the endowment, and all related entities.

		Fiscal Year	
Campus Property	**2013**	**2014**	**2015**
Land and Improvements	$11,771	$12,533	$13,406
Buildings and Improvements	$326,408	$327,774	$328,591
Construction in Process	$267	$35	$390
Total (Gross)	$338,446	$340,342	$342,387
Accumulated Depreciation	$108,170	$116,760	$125,270
Total (Net)	$230,276	$223,582	$217,117

		Fiscal Year	
Non-Campus Property [1]	**2013**	**2014**	**2015**
Limited Partnership Interests	$59,767	$52,353	$51,660
Non-Campus Community Property	$34	$34	$34
Oil Mineral Rights [2]	$3	$3	$3
Other Real Estate [3]	$754	$754	$54
Total Non-Campus Property	$60,558	$53,144	$51,751

[1]Includes investments categorized as "other" in addition to "real estate" on the audited financial statements.
[2]Including property owned via a related entity.
[3]Comprised of property owned via a related entity.
Note: Related entities include a C corporation 100 percent-owned by the College and annuity funds for which the College is trustee.

If the college or university has made any Payments in Lieu of Taxes, please provide the date and amount of the payment.

The College has not made any Payments in Lieu of Taxes. The College pays property taxes on any property that is not mission-central and pays unrelated business income tax, when appropriate.

Response to Question 12

Does your college or university grant naming rights to donors based on certain donation levels? If so, please describe the naming rights program, including how much and what percentage of any naming rights donations your college or university has used for tuition assistance.

Grinnell College has adopted the Fund Creation and Endowment Threshold Guidelines, which articulate the levels at which donors can name variety of funds (such as student scholarships, professorships and chairs, and programmatic funds). Donors can permanently endow named scholarship for a minimum of $50,000. Donors can create an expendable scholarship, meaning not endowed with the goal of fully spending annual gifts each year, for $5,000 per year. Donors can create scholarships that are unrestricted and available to all students or can create restricted scholarships. Restrictions on scholarships vary. Some donors restrict scholarship to those who demonstrate financial need, while others focus o academic performance, major of study, or the geographic origin of the student.

Gifts Received ($ in thousands)

Fiscal Year	**2013**	**2014**	**2015**	**2016***
Named funds restricted for scholarships	$986	$1,591	$7,511	$1,237
Named funds restricted for other use	$843	$6,603	$1,928	$930
Total named funds	$1,829	$8,194	$9,439	$2,167
of gifts received for named funds restricted for scholarships	53.91%	19.42%	79.57%	57.08%

**Projected*

Scholarships/Other Expenses ($ in thousands)

Fiscal Year	**2013**	**2014**	**2015**	**2016***
Named funds restricted for scholarships	$4,023	$4,096	$4,408	$5,357
Named funds restricted for other use	$11,082	$11,515	$12,451	$13,261
Total named funds	$15,105	$15,611	$16,859	$18,618
of spending from named funds used for scholarships	26.63%	26.24%	26.15%	28.77%

**Projected*

Response to Question 13

What conflict of interest policies does your college or university have in place to address financial interest in endowment investments (including potential conflicts of interest among and between governing boards, trustees, executives, internal employees tasked with overseeing the endowment, and external asset managers of endowment assets)?

The College's Conflict of Interest Policy was adopted on May 7, 2011, and applies to each member of the Board of Trustees and each officer of the College during such person's service to the College; in the case of a trustee, the Conflict of Interest Policy applies for a period of five years following the date of the trustee's completion of service to the College. Under the policy, a conflict of interest is defined as a transaction in which (1) the trustee or officer (or member of his/her immediate family) is a party; (2) the trustee or officer (or member of his/her immediate family) has a material economic interest, or (3) the trustee or officer (or member of his/her immediate family) is in control, or has the power to control management policies of an entity that is a party to the transaction, AND either the College is also party to, or otherwise involved in, the transaction or the involvement of the trustee or officer can reasonably be expected to give rise to an appearance of impropriety.

The Conflict of Interest Policy provides for various safe harbor transactions relating to investments. The purchase, sale, or holding of securities which are publicly traded by any trustee or officer shall not constitute a conflict of interest transaction solely because the College also owns securities of the same class or other securities of the same issuer in its investment portfolio. Also, an investment by any trustee or officer in limited partnerships, trusts, or similar non-marketable vehicles in which the College also is an investor shall not constitute a conflict of interest transaction provided that (1) the trustee/officer makes his/her own evaluation of the investment merits; (2) the trustee/officer does not utilize College resources or seek assistance from College employees in making the investment; (3) the trustee/officer does not "trade off" his/her relationship with the College for an investment allocation; (4) the investment of the trustee/officer does not lead to a material reduction in the College's investment ("crowding out"); and (5) the trustee/officer discloses in writing to the chief investment officer all material facts concerning the investment prior to participating in the transaction.

How do you vet board members' potential conflicts of interest?

The Conflict of Interest Policy also requires that each current member of the Board of Trustees and each officer of the College file statement in July with the treasurer certifying that he/she has read, and is familiar with the terms of, the Conflict of Interest Policy, and also requires that such trustee/officer (1) disclose any possible conflicts of interest which may have arisen or occurred in the fiscal year of the College ending June 30, or which may be expected to arise or occur during the fiscal year beginning July 1, or (2) knows of no such possible conflict of interest.

What are your policies if a conflict arises with a member of the board of trustees?

In the event of a conflict of interest under the policy, prior to entering into the transaction, the trustee/officer is required to fully disclose in writing to the Executive Committee of the Board of Trustees all material facts concerning the transaction and the extent and nature of his/her interest in the transaction, and promptly respond to any requests for clarification or additional information from the Executive Committee.   trustee/officer may not engage in a conflict of interest transaction unless the transaction is approved by an affirmative vote of at least two-thirds of the Executive Committee.

The College maintains   similar Conflict of Interest Policy for (non-officer) employees of the College. This policy requires that any employee with an actual or potential conflict of interest complete a disclosure statement which is reviewed by a committee with representation from the office of human resources, the treasurer's office and the dean's office. The committee then determines an appropriate course of action.