Exhibit I - Investment and Spending

(Policy 6.6, Bloomsburg University Foundation, Inc. Policy Manual – June 2017)

1. **Definitions**
    a. Asset Allocation – distribution of funds across a variety of assets and investments.
    b. Endowed Funds – permanent gifts to the University that will produce an income stream to support the University as appropriate.
    c. Market Value – the market value of endowed funds available in any given fiscal year.
    d. Total Returns – the sum of all interest and dividends and realized/unrealized gains/losses on investments less any investment management costs.
    e. Spending Policy – percent of market valued of endowment funds allocated for programs and activities in any given fiscal year. Generally, the spending policy is targeted at an amount lower than the total returns to ensure asset protection and growth.

2. **Purpose**

   The spending policy is designed to utilize income generated from the endowed funds while the allocation policy protects and grows the endowed principal. To ensure the long-term protection and growth, foundation assets shall be distributed based on a prudent investment strategy designed to safeguard our holdings while growing the endowment.

   A spending policy for foundation funds will be based on the market value of endowed accounts including scholarship endowments for the previous fiscal year. A percentage will be made available to fund specific programs and activities in any given year. Currently, the spending policy is set at 4%; this percentage is evaluated annually by the finance committee and may be revised to reflect an appropriate amount based on investment returns.

   For athletic scholarships, due to NCAA regulations on award amounts, athletic scholarships will be calculated based on the annually approved spending rate, then rounded to the nearest $25. The dollar amount may be fixed based on the recipient's matriculation, based on these regulations.

3. **Objective of the Foundation**

   To gather, manage, and distribute gifts for investment that will provide a dependable and reasonably predictable stream of income to the Foundation for the benefit of the University. The Foundation Board is comprised of volunteers with ties to the community and University; in addition all Foundation members are also donors and share the same concerns of any donor that their funds be used sensibly. Management of the Foundation's assets is done in accordance with sound business practices and utilizes the guidance of professional fund managers. Because the Foundation seeks to be supportive of the University over the long term, investment strategies are designed to ensure fiscal health over a longer time horizon. In addition, investments are designed to be supportive of the University's short and long-term educational goals. Since economic and market conditions change over time, it is important that periodic reviews of the spending policy and asset allocation be conducted to best capitalize on the current environment while safeguarding our future.

4. **Scholarship Endowments**
The prior fiscal year's market value is the basis on which the spending policy will be applied for each endowed scholarship. Thus, amounts for scholarships are determined approximately fourteen (14) months in advance of when the actual awards are made to students. This schedule also ensures that funds have been participating in the investments at least one year prior to distribution of the scholarships.

5. **Academic and Other Endowments**
The prior fiscal year's market value is the basis on which the spending policy will be applied for endowed accounts (non-scholarship).

6. **Spending Policy – Unspent Amounts**
Any unrestricted funds (including discretionary funds allocated by the Foundation to specific projects within the University) unspent by June 30th are returned to the Foundation. An individual department wishing to carry unutilized restricted monies over into the following fiscal year must make this request in writing to the Foundation by May 31.

7. **Bloomsburg University Foundation Investment Policy**

A. Introduction

The purpose of this policy is to provide the basis for the Bloomsburg University Foundation to manage responsibly the funds in its custody in accordance with the investment philosophy and objectives herein articulated.

B. Investment Philosophy

The Foundation, in keeping with its legal status, recognizes a fiduciary responsibility to invest all funds prudently in accordance with ethical and prevailing legal standards. In addition, the Foundation recognizes that the funds in its custody can be classified according to purpose, time frame for use, source, and other similar classifications. Differential investment guidelines and objectives are required to manage various funds classifications appropriately and optimally.

Regardless of funds classifications, certain general tenets apply. Investments in all classifications should seek to minimize investment risks while maximizing asset value. Adequate liquidity should be maintained so assets may be held to maturity. Reasonable portfolio diversification should be pursued to ensure that no single security or investment or class of securities or investments will have a disproportionate or significant impact on the total portfolio. Investments may be made in U.S. dollar-denominated debt of high quality U.S. and non-U.S. corporations. Investment performance in all classifications should be monitored on a frequent and regular basis to ensure that objectives are attained and guidelines are followed.

By choosing various types of investments, the Foundation seeks to diversify its holdings such that total returns can be maximized and investment volatility can be minimized. The investment committee will review the allocation every year considering total portfolio returns, market conditions, and peer analysis in determining the appropriate allocation levels. Allocation ranges shall be provided for each major class of investment. These levels will help us to capitalize on current economic conditions (equity), provide a stable income stream (fixed income), and help us to develop alternative income opportunities and/or address University needs (alternative/real estate).

The guidelines have been listed below.

Equities	40-70%
Fixed Income/Cash	20-40%
Alternative	0-20%

C. Definitions

- Locally Managed Funds—Those funds which, by covenant or preexisting conditions, must be managed by the university or other designated representative.
- Long-Term Investment Funds—Those funds which comprise the endowment, quasi- endowment, and life-income groups, as defined by the National Association of College and University Business Officers (NACUBO); further, this shall mean those funds which are not current in nature, i.e., the principal of which is not needed to finance current operations.
- Operating Funds—Those current funds that generally accrue as a function of fees, auxiliary operations, contracts and grants, and gifts and donations. These funds shall be invested and comprised of two portfolios—the Short-Term Portfolio and the Intermediate-Term Portfolio. "Operating Funds" are further classified as follows:

  - Short-Term Operating Funds—Those funds which will be required to satisfy projected expenditures during the fiscal year; they are further identified as those funds between the high point and the low point of the annual cash projections. These funds will comprise the Short-Term Portfolio of the Fund.

  - Intermediate-Term Operating Funds—Those funds which are not projected as being required to satisfy expenditures during the fiscal year; they are further identified as the low point on the annual cash flow projections These funds will comprise the Intermediate-Term Portfolio of the Fund.

D. Investment Oversight

The Foundation Board delegates direct authority of the funds to it Finance Committee (the "Committee") and Foundation staff (the "Staff") shall be charged with the responsibility of monitoring the performance of all investments and reporting on a quarterly basis to the Board.

The performance of the Fund's investment manager(s) will be actively monitored by the Staff, who will report any meaningful observations and performance deviations to the Committee in a timely manner. Quarterly performance will be evaluated versus appropriate benchmarks, but emphasis will be placed on relative performance over longer investment periods. In addition to performance measurement, the Staff will monitor for consistent implementation of investment strategy and philosophy, appropriate risk controls, adherence to stated guidelines, and any material changes in the investment manager's organization and/or investment personnel.

E. Duties and Responsibilities of the Investment Manager(s)

Investment managers are expected to comply with the following list of duties and responsibilities; these items will be communicated in writing to all investment managers, along with any specific guidelines or constraints to the investment mandate.

1. Promptly inform the Staff in writing regarding all significant and/or material matters and changes pertaining to investment of the Funds, including, but not limited to, investment strategy, portfolio structure, tactical approaches, ownership/organizational structure, professional staff, financial condition, guideline changes, and all Securities and Exchange Commission (SEC) and other regulatory agency proceedings affecting the investment management firm.

2. Promptly execute all responsibilities associated with the investments in a manner consistent with long-term interests and objectives of the Fund. Each investment manager shall keep a record of actions required in the management of the portfolio and comply with all regulatory obligations related thereto.
3. Use the same care, skill, prudence, and due diligence under the circumstances then prevailing that experienced investment professionals acting in a similar capacity and fully familiar with such matters would use in similar activities for similar investment portfolios with similar aims in accordance and in compliance with applicable local, state, and federal laws, rules, and regulations, including, but not limited to, those pertaining to fiduciary duties and responsibilities.

F. Investment Objectives and Guidelines for Operating Funds

Safety of principal and liquidity are the top priorities for the investment of the Fund. Within those guidelines, income optimization should be pursued. Speculative investment activity is not allowed. Speculative investment activity includes, but is not limited to, investing in asset classes such as commodities, equities, or venture capital; investing in futures, private placements, letter stocks, or unlisted securities; or entering into short sales, option contracts, or utilizing leverage. The operating funds shall be invested and reinvested in the following types of instruments with qualifications as provided.

1. United States Government Securities, which includes obligations issued or guaranteed by the United States Treasury, United States Federal Agencies and United States Government Sponsored Enterprises (GSEs). At all times, at least20% of the market value of the Fund shall be invested in U.S. Government Securities including repurchase agreements. However, debt obligations issued directly by GSEs that are not explicitly guaranteed by the United States Government are limited to 5% of the Fund's assets, as measured on a market-value basis; GSE guarantor obligations related to mortgage-backed securities are not included in the 5% limitation.
2. Repurchase Agreements
   a. Such agreements shall require that the underlying collateral be direct obligations of the United States Treasury, excluding interest-only and principal-only Treasury securities (IO and PO Strips), and the collateral be in the custody of the State System or its agent. At all times, the market value of the collateral plus the accrued interest on the security to the date of valuation

must equal at least 102% of the invested principal. Repurchase agreements with maturities beyond 30 days should comprise less than 10% of the Fund, as measured on a market-value basis.

b. Reverse repurchase agreements, used to take advantage of unique market opportunities, where the relative value of securities with similar terms can be exchanged for gain only, and not to leverage the Fund or speculate on interest rate directions. Proceeds of the transaction are to be reinvested in highly liquid securities with minimal credit and duration risk.

c. Repurchase agreements and reverse repurchase agreements may be entered into only with parties having a short-term credit rating of "Prime-1" ("P-1") by Moody's Investors Service, or the equivalent by Standard & Poor's, and a long-term rating of "A" or above by Moody's Investors Service, or the equivalent by Standard & Poor's. No more than 5% of the market value of the Fund may be invested with a single repurchase agreement dealer.

d. The total allocation to repurchase agreements in the Fund shall be limited to 30% of the market value of the Fund.

3. Commercial Paper, which shall mean unsecured promissory notes issued either in discount or interest-bearing form by a corporation and which carries a Moody's Investors Service "P-1" or "Prime-2" ("P-2") rating, or the equivalent by Standard & Poor's subject to the restrictions below.
   a. For issues rated "P-1," no more than 5% of the market value of the Fund shall be invested in any single issuer of commercial paper at any given time.
   b. For issues rated "P-2," issuers must be U.S. corporations with a long- term debt rating of "Baa2" or better by Moody's Investors Service; no more than 3% of the market value of the Fund shall be invested in any single issuer of commercial paper that is rated "P-2;" the "P-2"-rated commercial paper must have a maximum maturity of 30 days; and no more than 5% of the market value of the Fund assets may be invested in commercial paper and corporate bonds in which the issuer has a long-term credit rating of "Baa2" or "Baa1" from Moody's Investors Service, or the equivalent by Standard & Poor's.
   c. The Fund shall not invest in asset-backed commercial paper (ABCP) that carries a rating below "A-1/P-1."
4. Certificates of Deposit and Bank Notes from commercial banks with a maturity of up to and including two years, provided that any such issuing bank shall have a Moody's Investors Service "P-1" rating, or the equivalent by Standard & Poor's. No more than 5% of the market value of the Fund shall be invested in any single issuer of certificates of deposit.
5. Bankers Acceptances, defined as short-term financing agreements secured by the accepting bank and the goods purchased, which shall be limited to banks whose parent companies bear a Moody's Investors Service "P-1" rating, or the equivalent by Standard & Poor's, provided that no more than 5% of the market value of the Fund shall be invested in any single issuer or guarantor of Bankers Acceptances.
6. U.S. Money Market Funds that are substantially of the same kinds, classes and investment grades as those eligible for investment under the provisions of this Policy.
7. Municipal Bonds with a long-term debt rating of "A" or better by Moody's Investors Service, or the equivalent by Standard & Poor's. Investments in municipal bonds will not exceed 20% of the market value of the Fund. No more

than 5% of the market value of the Fund shall be invested in any single municipal issuer, and municipal bond investments must be diversified by geography. On a combined basis, no more than 10% of the market value of the Fund shall be exposed to a single municipal bond guarantor.

8. U.S. dollar-denominated Corporate Bonds, whose allocation shall not exceed 20% of the market value of the Fund. Within the corporate bond allocation, 15% of the securities must carry a long-term debt rating of "A" or better by Moody's Investors Service, or the equivalent by Standard & Poor's; 5% of the corporate securities may be rated between "Baa2" and "Baa1" by Moody's Investors Service or the equivalent by Standard & Poor's. Corporate bond issues rated below "A," or the equivalent by Standard & Poor's, shall be restricted to a maximum final maturity within five years of the date of purchase.
9. Collateralized Mortgage Obligations (CMOs) and mortgage pass-through securities rated "Aaa" by Moody's Investors Service, or the equivalent by Standard & Poor's, and composed entirely of securities guaranteed by U.S. Government Agencies or U.S. GSEs, excluding interest-only, principal-only, and inverse floating-rate securities.
   The combined total of CMOs and mortgage pass- through securities shall not exceed 20% of the market value of the Fund. CMOs and mortgage pass-through securities held within the Short-Term Portfolio must have an estimated average life of less than 15 months; and CMOs and mortgage pass-through securities held in the Intermediate-Term Portfolio must have an estimated average life of less than seven years.
10. Asset-Backed Securities, rated "Aaa" by Moody's Investors Service, or the equivalent by Standard & Poor's. The total of asset-backed securities shall not exceed 20% of the market value of the Fund. No more than 5% of the market value of the Fund shall be invested in any single commercial paper conduit issuer.
11. System Investment Fund Loans
    a. System Notes, defined as an intermediate debt obligation of one of the PASSHE universities. System Notes may be issued as an intermediate- term project-financing alternative to tax-exempt bonds. The term of the loan is not to exceed five years.
    b. There shall not, at any time, be more than 20% of the market value of the Fund invested in System notes nor more than 5% of the market value of the Fund invested in System Notes of any single entity, unless a waiver to these limitations is expressly approved by the Committee.
    c. Bridge Notes, defined as a short-term obligation of one of the PASSHE universities. This security is issued as needed to meet project construction cash flow needs in anticipation of permanent future financing through the issuance of tax-exempt bonds managed by the Treasury Office of the Office of the Chancellor. These notes are usually issued for 12 months or less.
12. With prior written approval from the Committee, the Fund may invest in publicly traded debt securities, which:
    a. Are direct obligations of affiliates of System member institutions; and
    b. Possess a Committee on Uniform Securities Identification Procedures (CUSIP) number; and
    c. Total investment in the debt of said affiliates is limited to a maximum of 0.5% of the market value of the Fund.

In all securities types, variable rate notes are allowed; however, investment in variable rate demand notes (VRDN), variable rate demand obligations (VRDO), or auction rate securities (ARS) is prohibited. The interest rate on the variable rate notes must reset at least annually. The interest rate must be based on a well-known, readily published, generally accepted index, such as the London Inter-Bank Offer Rate (LIBOR), U.S. Treasury Bills, or Fed Funds. The interest rate must be directly related to the index not leveraged, deleveraged, or inversely related. Securities with interest rate caps are not permitted.

With regard to select permitted investments described above, the following limitations apply.

1. The combined total investments in commercial paper, certificates of deposit, bank notes, and bankers acceptances may not exceed 30% of the total market value of the Fund
2. The combined total of commercial paper issued by financial institutions, certificates of deposit, bank notes and bankers acceptances and corporate obligations issued by financial institutions may not exceed 40% of the total market value of the Fund.

The Fund shall not engage in securities lending activity.

Commercial paper, certificates of deposit, bank notes, and bankers acceptances may be split-rated; however, the credit rating cannot be below quality levels indicated above and, when calculating quality exposure, the lower rating must be used. Securities that are rated acceptable by one rating agency and unrated by the other are acceptable for purchase.

Each security in the Intermediate-Term Portfolio will have an “interest rate risk value” of ten or less at the time of purchase. Interest rate risk value is defined as follows. For securities with a positive or zero convexity, the “interest rate risk value” is equal to the duration measured in years. For securities with negative convexity, the “interest rate risk value” is equal to the duration measured in years plus the absolute value of the convexity measure. All securities that comprise the Intermediate-Term Portfolio shall have a maximum final maturity of ten years or less, with the exception of corporate bond issues rated below “A” by Moody’s Investors Service, or the equivalent by Standard & Poor’s, which shall be restricted to a maximum final maturity of five years, measured at the date of purchase.

Callable bonds, excluding mortgage-backed securities, shall comprise no more than 10% of the market value of Fund assets. Reporting should identify callable bonds in the portfolio and list the call date for each bond. Duration and convexity of the mortgage- backed security allocation should be reported on a monthly and quarterly basis.

Securities that fall below the minimum standards for purchase, as described herein, should be noted on the monthly report and monitored closely. Dispensation of the monitored security will depend upon the relative risk presented to the portfolio and market conditions at the time. Any action regarding the security shall be documented and reported to the Committee at its next quarterly briefing.

G. Further Investment Objectives and Guidelines for the Short-Term Portfolio and the Intermediate-Term Portfolio

1. Short-Term Portfolio
   a. All securities that comprise the Short-Term Portfolio shall have a maximum final maturity of 15 months or less.
   b. The Short-Term Portfolio shall be maintained at a level sufficient to fund the System's operations plus an amount to cover any unforeseen emergency. Cash flow forecasts should be maintained and updated on an ongoing basis and submitted monthly along with other reporting requirements.
   c. The Short-Term Portfolio shall be measured against the Standard & Poor's U.S. Commercial Paper Index, U.S. 3-month LIBOR, the Three-Month Treasury Bill Index, and the Barclays Capital Short-Term Government/Credit Index, or then prevailing, comparable, generally accepted market indices that have been approved by the Committee and Staff.
2. Intermediate-Term Portfolio
   a. A portfolio duration target of 1.8 years should be maintained with an upper limit of 2.5 years. The portfolio's weighted average convexity shall be greater than -0.5. The duration of the Intermediate-Term Portfolio may be maintained outside the target range or in excess of the upper limit with the approval of the Staff.

   b. The portfolio will be measured against the Barclays Capital 1–3 Year Government/Credit Bond Index and the Barclays Capital 1–3 Year Government Bond Index, or the then prevailing; comparable, generally accepted market indices that have been approved by the Committee and Staff.
   c. The portfolio will be accounted for on a constant dollar-in, dollar-out basis, and the yield and income will be reported monthly. The portfolio also will be marked-to-market monthly, and the monthly data will be reported on a quarterly basis.

H. Investment Reporting

1. Along with the requirements mentioned herein, the investment manager shall submit a monthly report that describes significant events that occurred in the portfolio and what actions were taken, and a general narrative discussing the portfolio's activities and general direction.
2. The investment manager shall report total return performance of the investments and their respective benchmarks on a monthly basis, and detailed investment and performance reports will be provided on a quarterly basis. In addition to customary reporting requirements, monthly and quarterly reports shall include yield to maturity, weighted average maturity, convexity, quality distribution, duration distribution, duration by sector, sector allocations, and spread duration for the investments and benchmarks.
3. Monthly and quarterly reporting should include details on the types of instruments classified as cash; risk and sector reporting should look to the underlying issuer of each instrument and include investments in the cash segment of the portfolios.

4. Reports should include the Short-Term and Intermediate-Term Portfolios on a separate and consolidated basis.
5. Equivalent metrics shall be reported for the benchmark indices of the Short-Term and Intermediate-Term Portfolios and shall be included in the monthly and quarterly reports.
6. The investment manager shall promptly report any material changes to the financial or business condition of the investment management firm, as well as any changes to the investment team or investment process. The investment manager must promptly notify The Staff of any material litigation or investigations involving the investment management firm
7. The investment manager will certify, with each monthly report, their compliance with this Policy.

I. Investment Objectives and Guidelines for Long-Term Funds

The long-term funds shall consist of a multi-year corpus which could have either or both a growth and income orientation. The investment objective for long-term funds is to produce the highest total return without undue risk. For funds with primarily a growth orientation, the annual total rate of return should be measured against the Standard & Poor's 500 annual rate of return; for funds with primarily an income orientation, the annual total rate of return should be measured against the Barclays Capital Bond Index or the then prevailing, comparable, generally accepted market indices. **Total return is defined as conventional income plus capital gain (loss) or appreciation (depreciation), whether realized or unrealized.**

Other permissible investment options are as follows: the Common Fund, the American Association of State Colleges and Universities (AASCU) Capital Fund, a professional investment manager. The professional manager/affiliated organization will be required to operate within the principles contained within this policy.

At the end of each fiscal year, a statement of operations reflecting beginning of year value, end of year value, income, disbursements, realized and unrealized gains (losses) will be prepared for locally managed long-term investments. A copy of the statement of operations will be submitted to the Committee.

The asset mix of the funds invested should be congruent with the purpose for which the funds were donated and/or are to be utilized. For example, funds with a predominant income orientation (e.g., scholarship funds) may be invested primarily in government and/or corporate securities with a predictable income stream. Funds with a greater emphasis on long-term growth or appreciation should be more heavily weighted toward equities.

Long-term funds shall be invested and reinvested in the following types of instruments with qualifications as provided:

1. United States Treasury and United States agency obligations.
2. Corporate Bonds with a long-term debt rating of "Baa2" or better by Moody's Investors Service, or the equivalent by Standard & Poor's.
3. Taxable-municipal bonds with a long-term debt rating of "A" or better by Moody's Investors Service, or the equivalent by Standard & Poor's.

4. Corporate equities in U.S. dollar-denominated, high quality U.S. and non-U.S. corporations listed on one of the three stock exchanges—New York Stock Exchange, American Stock Exchange, and NASDAQ Stock Exchange—that meet the following minimum criteria:
   a. At least five million shares outstanding and at least $100 million in equity market value and
   b. A “3” or better safety rating by Value Line.
   c. Items I.4.a. and I.4.b. will not be applied to item I.5.b.
   d. Equity holdings are restricted to:
      i. a. U.S. dollar-denominated, high quality U.S. and non-U.S. corporations listed on the New York Stock Exchange, American Stock Exchange, and NASDAQ Stock Exchange that meet the minimum criteria in I.4.a. and I.4.b.
      ii. Mutual funds/exchange-traded funds.
5. Valuation of equity holdings will be measured on a cost basis. The specific asset classes and strategies to be employed by the investment manager will be approved by the Chancellor or his/her designee in consultation with the chair of the Committee.
6. Covered Call Option, which shall mean to write an option to sell corporate equities owned for more than 30 days at a stated price.
7. Commercial paper, which shall mean unsecured promissory notes issued either in discount or interest-bearing form by a corporation that carries a Moody’s Investors Service “P-1” or “P-2” rating, or the equivalent by Standard & Poor’s, subject to the following provisions:
   a. For issues rated “P1,” no more than 5% of the total invested long-term investment funds shall be invested in any single issuer of commercial paper at any given time.
   b. For issues rated “P-2,” issuers must be U.S. corporations with long-term debt ratings of “Baa2” or better by Moody’s Investors Service, or the equivalent by Standard & Poor’s. No more than 3% of the total invested long-term investment funds shall be invested in any single issuer of commercial paper that is rated “P-2.”
   c. No more than 10% of the long-term investment funds may be placed in combined direct commercial paper, letter-of-credit commercial paper, corporate bonds, or corporate equities of a single issuer. There shall not, at any time, be invested in commercial paper more than an aggregate of 25% of the total long-term investment funds of the State System.
8. Certificates of deposit from commercial banks, provided that any such issuing bank shall be rated “C” or better by Keefe, Bruyette and Woods and be insured by the Federal Deposit Insurance Corporation. No more than 5% of the total long- term investment funds shall be invested in any single issuer of certificates of deposit. There shall not, at any time, be invested in certificates of deposit more than an aggregate of 25% of the total long-term investment funds.
9. Bankers Acceptances, defined as short-term financing agreements secured by the accepting bank and the goods purchased, which shall be limited to banks whose parent companies bear a Moody’s Investors Service “A Rating,” or the equivalent by Standard & Poor’s, on long-term securities, provided that no more than 5% of the total investable long-term funds shall be invested in any single issuer or guarantor of Bankers Acceptances. There shall not, at any time, be

invested in Bankers Acceptances more than an aggregate of 20% of the total long-term investment funds.

10. Repurchase Agreements. Such agreements shall require that the underlying collateral be direct obligations of the United States Treasury, and the collateral be in the physical possession of the State System or its agent. At all times, the market value of the collateral plus the accrued interest on the security to date of valuation must equal at least 102% of the invested principal. Additionally, the collateral may not have a maturity of more than four years.
11. With the exception of direct obligations of the United States Treasury, no more than 20% of the investable long-term funds may be concentrated in any single industry nor more than 6% in any single company.
12. Direct Investments in commodity futures, margin purchases, short sales, letter stock purchases, or purchase of securities with similar marketability are prohibited.
13. Alternative investments include real estate and new business ventures. Preferred real estate investments include desirable locations (i.e. properties that are contiguous to the university or provide access to university properties) or properties that (will) have strategic value to the University (i.e. housing, classroom/research/recreation facilities). Real estate investments may include land, rental property, and development properties. New business ventures should relate to activities with a strong relationship to the University. These may include businesses/products/services that are an outcome of faculty or student research (i.e. patent development). They may also include activities that provide an income stream to the Foundation. Alternative investments should be evaluated on both financial and strategic value terms.

Exhibit II - Administrative Fees and Foundation Funding
(Policy 6.5, Bloomsburg University Foundation, Inc. Policy Manual – June 2017)

The Bloomsburg University Foundation is a non-profit 501(c)(3) organization affiliated with the University. Our mission is to secure private philanthropic support for Bloomsburg University of Pennsylvania and to engage in other types of projects that require more flexibility. All gift support to BU is directed through the Foundation in order to protect donor privacy and to ensure that gifts are used solely for the benefit of Bloomsburg University of Pennsylvania.

The funds that flow through the Foundation are intended to be spent by the University or for its benefit, either immediately or at some time in the future. Some are given with perpetuity in mind – the endowed funds expenditures are approved annually by the Board of Directors, from which only earnings are spent. Some are spent immediately by the University to meet current needs. And some are directed to fund the operations of the Foundation; these funds cover operational expenses such as investment management, fund development and administration, the alumni relations program and fiscal oversight and stewardship.

The Foundation and its programs and operations are funded through a number of means. First are projects that produce contractual income. Second is a fee-for-service provided by the University, allowing us to provide certain services for its benefit. Finally, the University directs a portion of unrestricted gift income to off-set the remainder of our operations.

For that reason, the Board of Directors of the Foundation, in agreement with the administration of the University, has voted to implement a modest quarterly administrative fee of .625% on most endowed gifts. This fee, which is less than a penny from each dollar, will be charged against all restricted gifts, upon receipt, and on all endowment balances on a quarterly basis. This fee is considerably below the national average being charged by other university foundations. See Policy 6.7 for calculations and timing of payments.

We believe that this modest fee will help to more fairly distribute the costs of raising and managing the funds, which benefit Bloomsburg University of Pennsylvania, while directing virtually a donor's entire gift toward its intended purpose. We also believe that it will enable the Foundation to continue to operate in a fiscally prudent manner, which will enable us to continue funding the education of our students for generations to come.

Administrative Fees
(Policy 6.7, Bloomsburg University Foundation, Inc. Policy Manual – June 2017)

The fee structure which will be in effect as of July 1, 2012 for newly established and existing endowments is as follows:

Fees are to be assessed on the first day of the quarter based on the fund's market value as of the prior fiscal quarter's closing date.

Type of Gift	Size of Fund	Administrative Fee *
Non-Restricted Gifts	N/A	None
Restricted funds which continue to be held by the Foundation at the end of each fiscal year but are not endowed	N/A	None
Scholarship Endowments	All	Quarterly fee is equal to .625%
Academic or Other Program Support Endowments	Funds less than $500,000	Quarterly fee is equal to .625%
Academic or Other Program Support Endowments	Funds greater than $500,000 but less than $1,000,000	Quarterly fee is equal to .250%
Academic or Other Program Support Endowments	Funds greater than $1,000,000 but less than $3,000,000	Quarterly fee is equal to .125%
All types of Gifts	Funds Greater than $3,000,000	At the discretion of the Executive Director in consultation with the Chair of the Finance Committee

*Note: No fee is charged against gifts to endowment upon receipt