**Resolution of the Board of Directors of the Carver Center**

*Whereas the Carver Center, a New York not-for-profit organization (“Carver”), maintains an endowment fund (the “Endowment”), from which it has customarily made an annual withdrawal in an amount deemed appropriate by the Finance Committee as authorized by the Carver Board of Directors (the “Board”).*

*Whereas Anne Bradner, Carver’s Chief Executive Officer, and the Finance Committee believe that Carver had sufficient cash on hand to meet its operating needs without use funds from the Endowment in this 2024 Fiscal Year; and*

*Whereas the Anne Bradner and Finance Committee recommend that funds available for withdrawal from the Endowment would best be utilized at this time as an investment in the Endowment;*

*The Board hereby* ***RESOLVES*** *as follows:*

1. *The Board authorizes a $100,000 withdrawal from Carver’s Endowment, which withdrawal shall be treated as a Board designated contribution to Carver’s Endowment; and*
2. *The Board directs Anne Bradner, as CEO, to accept this Board designated contribution as an investment in the Endowment at this time, subject to future withdrawal as deemed appropriate by the Finance Committee for use by Carver to fund its operations.*

Dated: September 25, 2024:

By:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Stephen O’Connor

Secretary of the Board

**Backgrounder for Carver Endowment Withdrawal Resolution**

**Carver Endowment Overview**:

* The Carver Center endowment was started with $1.40M in donations from the Moore Foundation (in 2002) and United Hospital Foundation (in 2011).
* Investment earnings from the principal are intended to provide ongoing funding for the Carver Center to meet its stated mission.
* This is achieved through an annual withdrawal as permitted by the NY Prudent Management of Institutional Funds Act (NYPMIFA), which sets standards for the prudent management of investments held by not-for-profit organizations.

**Resolution Proposed to Board Members:**

* Anne Bradner and the Carver Finance Committee have proposed a resolution to withdraw $100,000 from the endowment and reclass these funds as board designated to support the Carver mission when needed. In other words, the funds will be held in reserve rather than made available for immediate use.
* If approved, this would increase the total board designated funds to $300,000.
* Given the expansion of Carver programs and operations, increasing use of government reimbursement grant funding (e.g., LEAPS for $900k/year, RECOVs for $1.2M for 2 years), and upcoming capital investments, these board designated funds provide a potential source of income if/when needed.
* Note that there is $200,000 in board designed funds (approved in 2021 and 2022) also invested along with the $1.90M balance. If approved, the endowment balance will decrease to $1.80M and the board designated portfolio will increase to $300,000.

**NYPMIFA Withdrawal Test**:

* The endowment investment balance is currently $1.90M of which ~$0.5M are investment earnings above the principal. The 5-year rolling fair market value is $1.83M. A withdrawal of $100,000 represents 5.5% of the 5-year rolling average.
* NY Prudent Management of Institutional Funds Act or NYPMIFA “creates a presumption of imprudence if an institution appropriates more than 7% of the fund’s fair market value (averaged over a period of not less than the preceding five years) in any year.”
* See attached “Endowment Withdrawal Summary” for additional details on past withdrawals from the Carver endowment.