



**CONTRACT NO.  
13-01-15-04  
INVESTMENT ADVISORY SERVICES**

Responses to this RFP must be received by

3:00 p.m.  
February 18, 2013

Delaware State University  
Room 321  
Administration Building  
1200 North DuPont Highway  
Dover, DE 19901-2277

Point of Contact  
Jessica Wilson  
(302) 857-6272  
(302) 857- 6278

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# 1. Introduction

## 1.1 PURPOSE

Delaware State University (the “University”) and the Office of Finance and Administration is seeking Proposals from qualified firms (“Proposers”) to provide investment advisory services for the University’s Endowment Fund.

## 1.2 BACKGROUND

Delaware State University (previously known as Delaware State College) is a public, comprehensive 1890 land-grant university established by the Delaware General Assembly on May 15, 1891. The University has since developed into a 460-acre complex (originally from 100 Acres) and has undergone two name changes. The name was changed from the State College for Colored Students to Delaware State College in 1947 and to Delaware State University in 1993. In addition to its main campus in the State capital of Dover, it has additional locations in Wilmington and Georgetown, Delaware, and Hanoi, Vietnam. Currently, the University consists of five Colleges and one school:

1. Agriculture and Related Sciences
2. Arts, Humanities, and Social Sciences
3. Business
4. Education, Health, and Public Policy
5. Mathematics, Natural Sciences, and Technology and
6. School of Graduate Studies and Research

Fifty-two baccalaureate, 26 masters, and five doctoral degrees are offered through 21 academic departments. There is also an Honors Program with an Honors Curriculum. Instruction is delivered in classes with an average 14:1 student-to-faculty ratio. Global connections include more than 20 formal international partnerships that facilitate student exchanges and research. For the third consecutive year, Delaware State University has broken its enrollment record with a fall semester 2012 total enrollment of 4,425 students – which marks the first time the institution has gone over the 4,400 threshold. The record 4,425 enrollment surpasses the previous record of 4,178 set in in the fall of 2011. The 2012 enrollment figures include a record 3,955 undergraduates and a record 470 graduate students (master and doctoral students).

Delaware State University received its first in accreditation in 1945 from Middle States. The Middle States Commission on Higher Education (MSCHE) has reaffirmed the accreditation of Delaware State University for demonstrating that it continues to consistently meet the standards of excellence expected of universities. The reaffirmation through which DSU’s accreditation will be ensured through 2022 (the next scheduled evaluation year) comes after a team of evaluators representing MSCHE reviewed the University’s Self-Study Report and visited the DSU campus in April 2012.

Delaware State University has moved up to 13<sup>th</sup> among 80 Historically Black Colleges and Universities in the country in the annual ranking by *U.S. News & World Report*. When *U.S. News & World Report* first published its HBCU ranking in 2008, DSU ranked #22, and then rose to #17 in 2009 and 2010, before rising to 15<sup>th</sup> last year.

The Delaware State University Foundation, Inc. is a not-for-profit corporation devoted to the welfare and future development of Delaware State University and its affiliated organizations. The Foundation exists solely for the purpose of securing and administering private funds in support of academic programs, student scholarships, faculty development, public service initiatives, and other priorities of Delaware State University. Gifts of cash, securities, and other property are given to the Foundation absolutely or in trust by individuals, corporations and philanthropic foundations solely for the benefit of the University. Gifts received through annual, capital and planned giving programs are used to supplement, but not replace, support from the State of Delaware.

The University is seeking an investment advisor to oversee the assets of the Delaware State University Endowment Pool. Candidates should be able to clearly define their capabilities in assisting the endowment as per University Statement of Investment Objectives and Guidelines for Investment Managers as per attachment “A” of this RFP and Endowment Spending Rate Policy as per attachment “B” of this RFP. As of August 31, 2012, the University Endowment & Foundation Fund had a portfolio balance of \$20,876,178 (including \$4,886,289 Federal match). The Endowment Fund cash sources are in receipt of gifts, donations and bequests during any given year. The University Endowment will primarily use its assets to support scholarships, faculty development, facilities and make grants as needed. Currently, custody services of endowment assets are provided by Bank of New York Mellon.

## **2. SCHEDULE, SCOPE, EVALUATION AND SELECTION**

### **2.1 PROPOSAL PACKAGE**

Please submit your proposal (original plus 5 copies) along with an additional soft copy on CD in a SEALED envelope, clearly marked with the following:

**“INVESTMENT ADVISORY SERVICES, CONTRACT #13-01-15-04”**

## 2.2 SCHEDULE OF IMPORTANT DATES

	Task(s)	Date
1.	Issue RFP	January 9, 2013 (5:00 pm)
2.	Pre-Proposal Conference	January 23, 2013 (2:00 pm EST) Room 300 Administration Building
3.	Deadline for advance RFP Questions	January 28, 2013 (12 noon EST)
4.	Deadline for answering advance RFP questions	February 5, 2013 (12 noon EST) via online
5.	Proposals Due	February 18, 2013 (3:00 pm EST)
6.	Interview with selected Respondents	To be disclosed
7.	Award contract	March 2013

## 2.3 SCOPE OF SERVICES

In the development of its investment advisory program, the University is looking to balance a desire to maximize investment returns on its portfolio while maintaining a prudent level of risk. University currently uses Barclays Capital Aggregate for bonds as a benchmark. Bond funds should outperform by 1% (100 basis points) per annum (net of fees) as compared to the benchmark, on a risk adjusted basis.

The investment objective of the equity fund is to outperform by 1% (100 basis points) per annum (net of fees) the S & P 500 on a risk adjusted basis. University also uses MSCI All World equity fund as an additional benchmark for equities.

The investment objective for the real estate fund is to outperform (net of fees) the blended “Alternatives” benchmark, adjusted for risk.

The University is interested in an advisory firm that can provide the following services:

- Investment Policy Statement review and ongoing compliance
- Asset allocation—per policy
- Spending policy analysis
- Manager search and selection

- On-going performance analysis and evaluation
- On-going communication and review process

## 2.4 EVALUATION OF RESPONSES

A selection committee consisting of Development and Investment Management Committee Members will evaluate the proposals. This selection committee will make its recommendations(s) to the Board of Trustees for final approval. The selection committee will consider the following:

- a. Experience and qualifications(**60 points**):
  1. Ability to meet the needs of the University as outlined herein.
  2. Depth of experience as an investment manager/advisor with the types and amounts of assets typical of the endowment profile described herein and with institutions of similar size.
  3. Qualifications, experience and availability of the team to be assigned to this account.
- b. Financial terms (fees) and the total cost to the University for Proposed Services(**20 points**). Please explain your proposed management fee structure, prepare a spreadsheet that shows DSU's yearly fees and how they are calculated (basis points, graduated scale, etc.) based on the current endowment figure of about \$21 million and its allocation. The review committee will not calculate the fees, they must be shown. Your fee must be an all inclusive fee of the services your firm will provide. The financial terms are subject to negotiation.
- c. Quality of products and services, with emphasis on innovative solutions and technologies(**20 points**).

The University reserves the right to conduct interviews as part of the selection process. Evaluations will then be based on information obtained in the interview, as well as information contained within the proposal.

Before final selection, the University may evaluate comments from the references provided or obtained by other means.

## 2.5 Selection Process

The selection committee will initially review all proposals to determine responsiveness. Any proposal that does not address all requested requirements or is incomplete may be rejected. The selection committee will evaluate all responsive and responsible proposals based on the criteria referenced herein. The selection committee may afford firms the opportunity to clarify proposals for the purpose of assuring a full understanding of their response to the RFP.

The selection committee may conduct interviews of Proposers found to be most qualified to perform the services required, based upon the criteria listed in the RFP. If so, Proposers will be notified in advance of the proposed interview date.

### 3. Project Definitions and Objectives

- a. The committee's management objective for the fund is to preserve and enhance its real (inflation-adjusted) purchasing power while providing a relatively predictable stream of income in line with the University's spending needs.
- b. The committee's investment objective for the fund is to attain an average annual real total return<sup>1</sup> (net of investment management fees) of at least 5% over the long term, as measured over rolling five year periods.
- c. The committee's risk tolerance can be characterized as medium to medium low.
- d. *Institutional funds shall be managed in accordance with Delaware Title 12, Chapter 47, Uniform Prudent Management of Institutional Funds Act, "Uniform Management of Institutional Funds Act" (UMIFA) (59 Del Laws, c. 572, &1).*
- e. Assist the University in the execution of investment strategies of all investment portfolios.
- f. Manage to the University's guidelines pursuant to the investment policy.
- g. Review cash flow projections with University's staff to ensure investments are consistent with cash requirements.
- h. Provide monthly reports that include mark-to-market valuation, beginning balance, amount and description of transactions, investment earnings earned and accrued.
- i. Maintain accurate records for all investments and can be viewed by the University at any time.
- j. Prepare quarterly performance reports and be available at applicable meetings to conduct presentation
- k. Be available to respond to inquiries as deemed by internal and/or external auditors

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<sup>1</sup> Real return is the sum of capital appreciation (or loss) and current income (dividends, interest and rents) adjusted for inflation (as measured by the Consumer Price Index).

## **4. Proposal Requirement(s)**

### **4.1 Threshold Criteria**

Proposals submitted which do not meet both of the following minimum threshold requirements will not be considered by the University:

- Proposers must have at least five (5) year experience in providing the services proposed.
- Proposers must have prior experience providing the services proposed to higher education, not-for-profit 501 (c)(3) organizations.

### **4.2 General Information**

- 4.2.1 Provide the name, title, address, telephone number, email address, and fax number of the individual the University should contact with respect to your proposal.
- 4.2.2 Provide a brief description of your firm and its ownership structure. Also include any significant developments, organizational, ownership, or financial structure changes that have occurred since January 1, 2011 or that you anticipate in the future.
- 4.2.3 Provide number of offices, number of clients, type of clients, assets under management.
- 4.2.4 Describe the team that would be assigned to this engagement. Identify the individuals who would be involved and the primary role and responsibilities of each member. Provide current resumes of these individuals in an appendix that will not count against page limitations.
- 4.2.5 Provide a summary of your firm's experience with clients similar to the University.
- 4.2.6 Discuss investment philosophy
- 4.2.7 Discuss number of years, types of client, etc in non-profit sector
- 4.2.8 Provide the name, title, address, and telephone number of three (3) references with whom you have worked in the last three (3) years (specifically non-profit).

### **4.3. Client Services**

- 4.3.1 Indicate the frequency of portfolio review, market letters, and other communications.
- 4.3.2 Form of reports (please provide sample).
- 4.3.3 Frequency of reporting to the University (or other clients)
- 4.3.4 How often would you be available for reviews? Are these reviews at the client site?
- 4.3.5 What unique educational or client service capabilities can you offer a client?

#### **4.4 Qualifications to Provide Advisory Services**

- 4.4.1 Provide a summary of your firm's experience in providing advisory services to clients similar to the University. In particular, please discuss your firm's experience in the higher education sector.
- 4.4.2 Please provide a historical performance of your strategies/accounts/funds for the past one, three, five and ten year periods against the S & P 500 or other relevant indices you would suggest.
- 4.4.3 What is the average duration (in terms of years) of your client relationships? What is the average size of portfolios for which your firm provides investment advice?
- 4.4.4 Describe your approach to providing advisory services and the value-added services that you would provide to the University.

#### **4.5 Investment Selection**

- 4.5.1 Please provide viewpoints on investing in alternative asset classes (i.e., private equity, high yield, hedge fund, etc.), suggested allocation, and minimum entry.
- 4.5.2 If alternative asset classes are recommended in your proposed asset allocation, what experience does your firm have in dealing with alternative investments including negotiating investment agreements with provisions favorable to the investors?
- 4.5.3 Would you recommend any changes to the University's investment policy, if so what's the rationale for the recommendation, pros and cons of recommended changes
- 4.5.4 Discuss your investment decision making process (committee, portfolio manager, external advisory, etc.)

## **4.6 Strategic Recommendations**

- 4.6.1 What would be the key strategies that you would recommend for the Endowment Fund in general? What would be the key strategies that you would recommend for the Endowment Fund, given the current market environment?
- 4.6.2 How would you recommend balancing the Endowment Fund's liquidity needs with its desire to maximize yield?
- 4.6.3 What benchmarks would you use to evaluate performance?
- 4.6.4 Please indicate any alternative or additional services that you are capable of providing that may benefit the University.
- 4.6.5 Recommended asset allocation and estimated annual rate of return for one, three, five and ten years

## **5. Cost**

Indicate all fees involved for each of the services you are proposing to provide. Provide any initial and ongoing consulting fees and the custodial and management fees as a percentage of the dollar value of the assets

**Investment Advisory Services  
Contract Number: 13-01-15-04**

\_\_\_\_\_  
Vendor

\_\_\_\_\_  
Authorized Signature      Date

\_\_\_\_\_  
Address

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Zip Code

\_\_\_\_\_  
Telephone Number

\_\_\_\_\_  
Federal EI Number

**Attachment A**

**DELAWARE STATE UNIVERSITY**  
**Statement of Investment Objectives and**  
**Guidelines for Investment Managers**  
**(Amended by the Development and Investment Committee on September 12, 2011)**

This statement is issued by the Board of Trustees of the Delaware State University for the guidance of its investment managers in the investment and reinvestment of endowment assets held either by the University or the Delaware State University Foundation, Inc.

**MANAGEMENT AND INVESTMENT OBJECTIVES**

1. The Board’s management objective for the fund is to preserve and enhance its real (inflation-adjusted) purchasing power while providing a relatively predictable stream of income in line with Delaware State University’s spending needs.
  
2. The Board’s investment objective for the fund is to attain an average annual real total return<sup>2</sup> (net of investment management fees) of at least 5% over the long term, as measured over rolling five-year periods.
  
3. The Board’s risk tolerance can be characterized as medium to medium low.
  
4. Institutional funds shall be managed in accordance with Delaware Title 12, Chapter 47, Uniform Prudent Management of Institutional Funds Act, “Uniform Management of Institutional Funds Act” (UMIFA) (59 Del Laws, c. 572, §1).
  
5. In the case of endowment funds whose investment is donor restricted, the objectives and guidelines provided herein shall be adjusted as appropriate to comply with such restrictions.

**PORTFOLIO COMPOSITION AND RISK**

The University and the Foundation endowments are managed distinctly; each will independently follow DSU’s overall investment guidelines of 60% stocks /30% bonds +/-10%, to increase our Alternatives allocation to approximately 10% of the portfolio, and to invest the DSU Fed matching funds more conservatively to the extent possible in 55% stock/35% bonds +/-10%. It cannot be invested in real estate. This allocation is based upon the following assumptions:

1. Over the long-term, traditional equities, and alternatives, have historically provided a greater total return than bonds or cash;
2. A long-term perspective is appropriate for a perpetual organization such as Delaware State University;
3. DSU has no compelling operating or legal requirements to support a contrary app

<b><u>Asset Class</u></b>	<b><u>Target %</u></b>	<b><u>Minimum %</u></b>	<b><u>Maximum %</u></b>
Traditional Equity Investments			
U.S. Large Capitalization	40%	35%	45%
U.S Mid Capitalization	3%	0%	5%
U.S. Small Capitalization	2%	0%	3%

<sup>2</sup>Real total return is the sum of capital appreciation (or loss) and current income (dividends, interest, and rents) adjusted for inflation (as measured by the Consumer Price Index).

International Developed	9%	7%	11%
Emerging Markets	4%	2%	6%
Alternative Investments			
Hedge Funds/HFOF	7%	6%	10%
Private Equity/Venture	3%	0%	6%
Fixed Income			
Investment Grade	15%	12%	18%
High Yield	4%	2%	6%
Global Bonds	4%	2%	6%
Real Estate (REITs)	4%	2%	6%
Cash & Cash Equivalents	3%	2%	4%

The investment committee has adopted this allocation in recognition of the primary objective of the endowment-- to preserve real purchasing power over time. It is expected that long-term (five to ten years) the total investment return will at least meet, and preferably exceed, the overall investment objective, and respective, benchmark return.

If the value of any asset class is to exceed the maximum level, approval from the Board of Trustees is needed.

It should be noted that the division of the fund's assets by asset class need not necessarily be related to the division of assets by its outside investment managers.

The purpose of dividing the fund in this manner is to ensure that the overall asset allocation between these three major asset classes remains under the regular scrutiny of the Board of Trustees.

1. The purpose of the fixed income fund is to provide a hedge against deflation, to provide more stable returns relative to an all equity fund, and to reduce the overall volatility of the fund.

2. The percentage of total fund assets allocated to the fixed income fund at any time should be sufficient to ensure that neither the current income nor the capital value of the total fund declines by 20% during an extended period of inflation. The fixed income fund should normally represent approximately 25% of the total fund assets at market value. Although the actual percentage will fluctuate with market conditions, levels less than 25% or in excess of 45% shall be closely monitored by the Development and Investment Committee. To ensure that the ratio does not fall below 20% or rise above 50% level, periodic rebalancing should be carried out as needed. Portions of the fixed income fund (up to 25% of the fixed income fund) may be allocated by the Development and Investment Committee to separately managed portfolios of global bonds.

## **GUIDELINES FOR FIXED INCOME MANAGERS**

1. The investment objective for the fixed income fund is to outperform by 1% (100 basis points) per annum (net of fees) the Lehman Aggregate Bond Index, on a risk-adjusted basis.
2. Money market instruments as well as bonds may be used in the fixed income fund, but equities and convertible bonds are excluded.
3. Investments in corporate bonds shall be primarily in securities rated investment grade or higher by Moody's or Standard & Poor's. Tax exempt obligations shall not be purchased except in unusual circumstances.
4. In general, the fixed income portfolio shall be diversified with respect to type, industry, and issuer in order to minimize risk exposure. However, obligations issued or guaranteed by the U.S. Government may be held without limitation.

### **GUIDELINES FOR REAL ESTATE MANAGERS**

1. The investment objective for the real estate fund is to outperform (net of fees) Wilshire Real Estates Index, adjusted for risk.
2. Real estate managers are expected to emphasize high quality, income-producing real estate with lease structures which ensure that the real value (i.e., purchasing power) or rental income streams will remain reasonably constant or increase during periods of rapidly accelerating inflation.
3. Decisions as to property type, location, and size are left to broad manager discretion, subject to the usual standards of fiduciary prudence.

### **GUIDELINES FOR EQUITY MANAGERS**

1. Investments should focus on high quality companies with an established and profitable operating record, be in sound financial condition, and have competent management.
2. Portfolios should be well diversified in order to mitigate risk of loss:
  - a. To achieve an optimal risk/return profile, the overall equity portfolio should be diversified across market segments, as per the overall asset class ranges.
  - b. Investment in any single industry or economic sector may generally not exceed 25% of each equity portfolio market value.
  - c. Equity holdings in any one company may generally not exceed 5% of the market value of each equity portfolio.
  - d. *Ex-US Portfolios*: Allocations to any specific country shall not be excessive relative to the Morgan Stanley Capital Index (MSCI) Europe, Australia, Far East (EAFE) and Emerging Markets (EMF) Indices.
3. Holdings of individual securities shall be large enough for easy liquidation.
4. Equity investments may be effected through high quality mutual funds, as appropriate, to achieve effective diversification.

### **GUIDELINES FOR ALTERNATIVE MANAGERS**

1. The purpose of investing in alternative investments is to enhance diversification through non-market-dependent strategies and to provide positive absolute rates of return regardless of the general direction of equity and fixed-income markets. The manager may make alternative investments only to the extent consistent with the manager's investment style and only if authorized to do so.
2. Alternative investments are defined as strategies that include, but are not limited to, the following: private equity funds, hedge funds, commodities, managed futures, convertible securities, mortgage-backed derivatives, merger arbitrage, real estate, oil and gas investments, bonds (both investment-grade and non-investment grade, including high yield debt, distressed or other securities), short selling of equity securities, futures contracts on market indices or commodities and options contracts on market indices or individual securities. Allowable hedge fund strategies include: statistical arbitrage, equity market neutral, convertible arbitrage, distressed securities, merger arbitrage, fixed income arbitrage, equity long/short, global macro and short selling. Alternative investments are to be used by a manager in a manner consistent with providing enhanced diversification and positive absolute rate of return.

## **MONITORING OF OBJECTIVES AND RESULTS**

1. All objectives and policies are in effect until modified by the Board of Trustees. The Board of Trustees will review these at least annually for their continued appropriateness. The Board may revise these guidelines at any time.
2. If, at any time, an investment manager believes that any policy guideline inhibits his/her investment performance, it is his/her responsibility to communicate clearly this view to the Chairman of the Development and Investment Committee.
3. Each investment manager will report to the Development and Investment Committee the following information quarterly: total return (on a time-weighted basis) net of all commissions and fees, additions and withdrawals from the account, current holdings at cost and market value, and purchases and sales for the quarter. Regular communication concerning investment strategy and outlook is expected. Additionally, managers are required to inform the Board of Trustees of any change in firm ownership, organizational structure, professional personnel, account structure (e.g., number, asset size, account minimum), or fundamental investment philosophy.

## **Authority to Act**

In any case under these Guidelines where authority to act is placed in the Board of Trustees, if the Board's Development and Investment Committee determines that action must be taken before the next regularly scheduled meeting of the Board, that Committee shall have the

authority to act for the Board, provided that the Committee shall report such action at the next meeting of the Board at which time the Board shall approve or modify such action taken.

In any case under these Guidelines where authority to act is placed in the Board of Trustees, any investment manager may take directions from the Chairman of the Development and Investment Committee or his or her designee, acting on behalf of the Committee.

**Attachment B**

**DELAWARE STATE UNIVERSITY**  
**ENDOWMENT SPENDING RATE POLICY**  
**Revised January 15, 2009**

**Preface**

This policy statement is issued by the Board of Trustees of the Delaware State University (the University) for guidance in the spending of endowment funds of the University and the Delaware State University Foundation, Inc.

Gifts are critical to the support of Delaware State University. The Board of Trustees recognizes the importance of establishing policies and procedures to meet the development needs of the University and of directing vigorous efforts to attract private fund support.

An endowment is established by a gift to the University which is restricted by the donor so that the corpus or principal of the gift must be maintained in perpetuity and only the income or capital gain from the gift corpus may be expended by the University. The corpus remains intact in perpetuity, thereby continuing to generate funds to be used by the University. Endowments are divided into the following three categories:

**Permanent endowments**

Permanent endowments are sometimes referred to as "true" or "pure" endowments and are assets designated by the donor to be held in perpetuity. The corpus of these endowments may never be spent. Earnings and capital gains must be expended in accordance with the terms and conditions established by the donor. However, it must be recognized that the corpus may decline during unfavorable market conditions.

**Term endowments**

Term endowments are established when the donor specifies that the endowment shall terminate following a particular date or event and that the corpus of the endowment may be expended in accordance with the terms and conditions specified by the donor. Until the passage of the specific date or event, term endowments operate in a manner similar to permanent endowments with expenditures made in accordance with the conditions established by the donor.

**Quasi-endowments or Board designated endowments**

The Board of Trustees may designate certain institutional funds to be maintained as endowments and will specify the qualifications and set other terms and conditions relating to the fund. The Board of Trustees may change the terms and conditions of the endowment or terminate the endowment.

**Unitization of Endowments**

The commingled endowment funds, excluding endowments not permitted to be invested in equities shall be unitized and each new endowment gift added to the Fund shall receive units in the fund based upon the market value of the gift and the unit value of the Fund for the preceding quarter. The unit value of the endowment fund shall be determined at least quarterly. Income determined under this spending policy shall be calculated on a unit basis for distribution purposes.

### **Spending Policy for Unitized Endowments**

Delaware State University recognizes the need for spendable income by the beneficiaries of the endowment funds under their custodianship. The following spending policy reflects an objective to distribute as much total return as is consistent with overall investment objectives defined herein while protecting the real value of the endowment principal.

The following definitions are used:

“Total return” is defined as the accepted method of measuring the performance of equity and bond funds; it is the combination of income (interest and dividends) and appreciation/depreciation in the fund’s value for a specified period of time.

“Net current yield” is defined as the sum of total interest and dividends earned less investment management costs.

An endowment should be excluded from the target distribution until the endowment has been established for one year.

Unless otherwise determined by the Board of Trustees, the target annual distribution of spendable income to each unit of the endowment fund will be 4.5 percent of the average market value of a unit of the endowment fund for the preceding 12 quarters or the life of the unit, whichever is less. If, at any point of distribution, the fair market value of the endowment is below the corpus of the endowment the annual distribution shall be net current yield during the prior fiscal year. If, in any given fiscal year, the total return shall be less than the target annual distribution, the actual distribution shall be limited to the net current yield for that year, not to exceed the target distribution rate. The actual annual distribution, as determined by the Development and Investment Committee from year to year, shall vary from 0 percent to 5 percent of the average market value of a unit of the endowment fund for the preceding 12 quarters or the life of the unit, whichever is less.

Spendable Dollars is the term applied to the funds calculated and made available (allocated) as per this spending policy. The dollars are determined at March 31 of each fiscal year, for each qualified endowment, and can be accessed by the benefiting department after July 1 of the following fiscal year. The fiscal year runs July 1 through June 30.

The spending policy determines how much of the total return will be allocated and identified as spendable (amount available to distribute) and how much will be reinvested in the endowment investment pool. Total return is defined as the accepted method of measuring the performance of equity and bond funds; it is the combination of income (interest and dividends) and

appreciation/depreciation in the fund's value for a specified period of time. Spendable dollars accumulate from year to year, and remain invested until withdrawn from the endowment fund.

**Endowments not unitized**

Endowments that do not provide for investments in equities will not be unitized and they will receive interest and dividends on their funds invested in fixed income securities.

**Management of Funds**

**Endowment funds are to be managed in accordance with the Delaware State University Statement of Investment Objectives and Guidelines for Investment Managers** and Delaware Title 12, Chapter 47, Uniform Prudent Management of Institutional Funds Act, "Uniform Management of Institutional Funds Act" (UMIFA) (59 Del Laws, c. 572, §1).

**Management Fees**

The Development and Investment Committee is authorized to retain investment managers to manage the investment of endowment funds of the University and the Delaware State University Foundation, Inc. and to pay such managers such fees as it determines to be appropriate. In selecting each manager, the Committee shall follow procurement policies applicable to the University.

This is to certify that the undersigned vendor has neither directly nor indirectly, entered into any agreement, participated in any collusion or otherwise taken any action in restraint of free competitive bidding in connection with this proposal submitted this date to the Delaware State University.

This is to further certify that the signed delivery of this bid represents the vendor's acceptance of the terms and conditions of this invitation to bid including all specifications and special provisions. This statement is signed by an official of the contractor who is authorized to enter the contractor into a legal agreement with Delaware State University.

\_\_\_\_\_  
NAME OF CONTRACTOR

\_\_\_\_\_  
ADDRESS OF CONTRACTOR

\_\_\_\_\_  
AUTHORIZED OFFICIAL

\_\_\_\_\_  
TITLE OF OFFICIAL

\_\_\_\_\_  
PHONE NUMBER

\_\_\_\_\_  
FAX

\_\_\_\_\_  
SIGNATURE OF OFFICIAL

\_\_\_\_\_  
DATE

\_\_\_\_\_  
FEDERAL EMPLOYER IDENTIFICATION NUMBER

\_\_\_\_\_  
DELAWARE BUSINESS LICENSE NUMBER

FOLLOWING MUST BE SIGNED AND NOTARIZED FOR YOUR BID TO BE CONSIDRED

SWORN AND SUBSCRIBED before me this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_.

City of \_\_\_\_\_

County of \_\_\_\_\_

State of \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

This Statement must be completed and signed before contract is awarded.