

CALA Endowment Fund Policy

Approved on August 2, 2017, by the Board of Directors

CALA Endowment Fund is to secure CALA and its future operation. The CALA \$100,000 endowment fund will be invested into a carefully selected mutual fund approved by EC and Board. In any good year, 5% of the earnings will be reinvested into the principal. The 5% reinvestment to the principal is to keep the fund with the inflation and with the fluctuation of the market, especially for any year that has a downside. The remaining earnings can be used for operation or scholarship use. This is recommended according to literature regarding endowment funds managed by non-profit organization. The bank should be instructed to return the 5% of the earnings into the principal and the remaining earnings into a separate account. This account can be cash reserve or the same mutual fund.