

2020-2021 Year-End Distributions from NCHSAA Endowment Interest Earnings

Background Details:

- In spring 2021, the NCHSAA Board of Directors approved:
 - o A formal Spending Policy to utilize as a guide for determining annual distribution amounts from NCHSAA Endowment Funds. (NOTE: Typical endowment spending policies direct that between 3-5% of total fund value be distributed per year for the needs identified.)
 - o Establishment of an Endowment Advisory Committee to review endowment fund values annually and make recommendations to Board of Directors regarding distribution amounts. (NOTE: Committee members were appointed by NC Coaches Association and NC Athletic Directors Association, representing all 8 regions of the state and across levels of administration (coach, athletic director, principal, superintendent/retiree).

General Endowment Fund distribution: The Endowment Advisory Committee determined a distribution amount of 7% of a 3-year average of General Endowment total values to be distributed as follows:

Distribution formula:

Determine the Constant

1. Take 2020-2021 ADM number and add \$100 admin. fee for each school = 'Membership Dues'.
2. Add total 'Membership Dues' amount and subtract from determined distribution amount.
3. Split the resulting balance evenly between all schools to determine the 'Constant'.

Determine the Adjusted Base

1. Using ISP% for each member school for last three years (2017/18, 2018/19 2019/20), determine 'Average ISP%'. (Note: ISP data from SDPI; if a school did not have an ISP, 1.0 was used in calculations.)
2. Multiply ISP% by .01 and add 1 to get 'ISP Multiplier'.
3. Multiple the 'Constant' by 'ISP Multiplier' to determine 'Adjusted Base' amount.
4. Add Adjusted base amount to Membership Dues amount for Distribution per school.

Education/Health & Safety Endowed Fund: The Endowment Advisory Committee determined a distribution amount based on 5% of a 3-year average of Education/Health & Safety Endowment total values. The distribution amount was split evenly between all 421 schools resulting in \$276.00/school.

Example:

All American HS: Total distribution= \$3,531.19

School	ADM	Membership Dues (ADM plus \$100 admin fee)	Constant (total funds available less member dues costs, split between 421 schools)	3 year ISP% average (years 2017/18, 2018/19, 2019/20)	ISP Multiplier (3 year average x .01 + 1)	Adjusted Base (ISP multiplier x Constant)	Membership Dues Adjusted Base (Adjusted Base + Membership Dues amount)	Education/Health and Safety Endowed Fund Distribution
Example: All American HS	875	\$ 885.00	\$ 2,116.24	12	1.12	\$ 2,370.19	\$ 3,255.19	\$ 276.00