

**AUROVILLE INTERNATIONAL - UNITED STATES OF AMERICA
BOARD-DESIGNATED ENDOWMENT FUND POLICY**

(Approved by the Board of Directors on Nov. 13, 2023)

1. Name. The name of this fund is the AVI-USA Board-Designated Endowment Fund (the “**Fund**”). The Fund holds the “board-designated endowment assets of Auroville International - United States of America (the “**Charity**”). Board Designated endowment assets are assets that are unrestricted as to spending, but which the Board of Directors of the Charity (the “**Board**”) has decided to treat as endowed.

2. Rollovers from Current Needs Fund. The Charity has established a Current Needs Fund, the purpose of which is to provide general support for the Charity’s current operating and program-related needs. The assets in the Current Needs Fund are unrestricted as to use and spending. Any contributions to the Charity’s Current Needs Fund that are not allocated or used within the current and subsequent annual budget cycles shall be rolled over to the Fund and treated as Board-designated endowment assets.

2. Management. Assets of the Fund shall be owned and managed by the Charity in accordance with the terms of this Policy and other applicable Charity policies. The Board may amend this Policy from time to time.

3. Purpose. The purpose of this Fund is to further the charitable purposes of the Charity by providing general support for its operating and program-related needs, as determined by the Board. The goal of the Fund is to preserve and grow funds for the long-term needs of the Charity.

4. Annual Spending from the Fund. The Charity may appropriate for expenditure so much of the Fund as the Board determines is prudent (the “**Annual Spending Amount**”); provided, however, that the Board may determine that it will not appropriate for expenditure any amount from the Fund for a particular fiscal year. Notwithstanding the foregoing, if during a particular fiscal year the Board determines that additional funds are needed for an emergency of the Charity or for a capital project that the Board has determined furthers the exempt purposes of the Charity, the Charity may spend additional amounts, including the principal of the Fund, in addition to the Annual Spending Amount (if any) for such year.

5. Investment Guidelines. Assets of the Fund shall be invested according to the standards set forth in California’s Uniform Prudent Management of Institutional Funds Act, as amended from time to time, and the Charity’s Investment Policy Statement, as adopted by the Board and amended from time to time. Assets of the Fund may be commingled for purposes of investment with other assets of the Charity.

6. Costs. The Charity's costs to hold and invest the Fund shall be charged to the Fund, and shall not diminish the Annual Spending Amount to be spent from the Fund.