



## *International Union of Pure and Applied Chemistry*

### ***FUND POLICY STATEMENT***

#### **1. PURPOSE**

Biennium Operating Reserve Fund This fund shall contain an amount of money equal to the currently approved biennium budget minus the operating funds for the publications. It is the prime financial protection for the Union in the event of a severe worldwide economic downturn.

General Assembly Special Fund This fund is to be used to supplement the expense of holding General Assembly meetings in locations where the costs are considerably more expensive than the norm. General Assembly meetings such as the recently held one in Brisbane, Australia and the upcoming 2005 General Assembly in Beijing, China will draw on this fund.

IUPAC Endowment Fund This will be treated as an "endowment fund", that is, only the interest earned on the principal in this fund will be used for special projects of a broad nature that enhance the stature of the Union. For example, the recently established IUPAC Prize for Young Chemists will be supported by the proceeds from this fund. Other projects approved by the Executive Committee and the Finance Committee may be supported by this fund..

#### **2. INVESTMENT OF FUNDS**

The aggregate of the three funds is managed as a single long term portfolio according the IUPAC Investment Policy and the guidelines contained therein.

#### **3. ALLOCATIONS TO FUNDS**

Biennium Operating Reserve Fund This fund shall contain an amount equal to the total approved budget for the next biennium.

General Assembly Special Fund The level of this fund shall be set by the Finance Committee at its annual meeting. The maximum held in this fund is \$250,000 USD. (At the present time, 1 March 2002, it totals \$150,000 since \$100,000 was approved to be used to support the higher expenses of the 2001 General Assembly in Brisbane, Australia

IUPAC Endowment Fund The level of this fund shall be the residual long-term portfolio after allocations for the Biennium Operating Reserve Fund and General Assembly Special Fund are subtracted.

#### **4. DISBURSEMENT GUIDELINES FROM FUNDS**

Disbursement of funds from these accounts must be approved by the Finance Committee, or the Treasurer and Chairman acting on behalf of the Finance Committee.

As needed funds from the Biennium Operating Reserve Fund and General Assembly Special Fund may be approved for disbursement, decreasing these funds until new levels are established at the annual Finance Committee meeting.

The IUPAC Endowment Fund will maintain its principal and the funds available for disbursement will not exceed the annual yield on this fund at the fixed interest rate (bonds and fixed funds). Currently that is 6.0%.