

From: [Michael W. Grebe](#)
To: [Cynthia K. Friauf](#)
Subject: RE: Grant Budget
Date: Wednesday, February 09, 2011 2:06:51 PM

Finished meeting with Mike. With the new numbers, the budget each of the four program sectors will go from \$8,000,000 to \$7,580,000. That's in line with what I predicted for the directors in each of the committee meetings.

From: Cynthia K. Friauf
Sent: Wednesday, February 09, 2011 11:52 AM
To: Michael W. Grebe
Subject: RE: Grant Budget

We've rounded a little more liberally on the grant side than we would normally do with other accounts. I'll change that to establish method with the new fund. The grant budget will be \$33,240,000 less \$1,679,160, or \$31,560,840.

From: Michael W. Grebe
Sent: Wednesday, February 09, 2011 11:37 AM
To: Cynthia K. Friauf
Subject: RE: Grant Budget

But maybe I'm unfamiliar with our practice on rounding.

From: Michael W. Grebe
Sent: Wednesday, February 09, 2011 11:35 AM
To: Cynthia K. Friauf
Subject: RE: Grant Budget

I'm sorry, but the number to subtract is not \$1.6 million. It's \$1,679,160. \$1,600,000 of that will be granted to IEA. The remainder will stay in the Barder fund.

From: Cynthia K. Friauf
Sent: Wednesday, February 09, 2011 11:33 AM
To: Michael W. Grebe
Subject: RE: Grant Budget

The regular grant budget is \$31,640,000. It is the total grant budget of \$33,240,000 less \$1,600,000.

From: Michael W. Grebe
Sent: Wednesday, February 09, 2011 10:40 AM
To: Cynthia K. Friauf
Subject: RE: Grant Budget

OK. So when you subtract that from the 12 quarter trailing average for the entire portfolio (Bradley plus Barder) what is the Bradley grant budget for 2011? And could you please send down a copy of

the page of computations you showed me yesterday? I'll use it to walk Dan and Mike through this one more time and hope that they understand it.

From: Cynthia K. Friauf
Sent: Wednesday, February 09, 2011 10:37 AM
To: Michael W. Grebe
Subject: RE: Grant Budget

\$1,679,160. I could not have planned that any closer to \$1,600,000.

From: Michael W. Grebe
Sent: Wednesday, February 09, 2011 10:34 AM
To: Cynthia K. Friauf
Subject: RE: Grant Budget

FYI the \$1.6 million number is truly just a target. The cost of the scholarship program could be less or more in future, depending on lots of factors, including the number of scholarships and the level of tuition at participating schools. So what is the Bradley grant budget for 2011 after subtracting the precise number, rather than an even \$1.6 million?

From: Cynthia K. Friauf
Sent: Wednesday, February 09, 2011 9:44 AM
To: Michael W. Grebe
Subject: RE: Grant Budget

Yes and that \$1.6 million is the target for future years. \$1.6 million represents the operating needs of the programs Sarah Barder supports. So in future years, if the spending policy (5.5%) calculation produces a grant budget in excess of \$1.6 million, the budget will be capped \$1.6 million with the excess separately tracked and retained in the SDB fund. If actual SDB portfolio performance for the year results in income less than \$1.6 million on the fund the Foundation will make grants to the extent of the income earned. The unspent portion of the \$1.6 million SDB budget cannot be spent on unrestricted grants since SDB funds are restricted to certain programs. In other words, the unspent portion also cannot be spent by Dan.

From: Michael W. Grebe
Sent: Wednesday, February 09, 2011 9:11 AM
To: Cynthia K. Friauf
Subject: RE: Grant Budget

I have only one nitpick. Seems to me that the amount to be subtracted (last sentence) is the number larger than \$1.6 million that you computed by multiplying 5.5% times the value of the Barder fund. It was in excess of \$1.6 by a bit, and the remainder will stay in the Barder fund and should not be shifted to Bradley and "spent" by Dan. Agree?

From: Cynthia K. Friauf
Sent: Tuesday, February 08, 2011 5:25 PM
To: Michael W. Grebe
Subject: Grant Budget

The grant budget was calculated using the 12 quarter average on the total portfolio (Bradley and SDB funds combined). 5.5% of the total 12 quarter average is a grant budget of \$33,240,000. The grant from the SDB portfolio was calculated using the quarterly average for the number of quarters the portfolio existed. As of 9/30/10 the quarterly average assets were \$30,530,180. 5.5% of that is \$1,679,160. It was rounded to \$1,600,000 for the budget. The regular grant budget is \$31,640,000. It is the total grant budget less \$1,600,000.