
2216 CREATING A NEW FUND POLICY

Effective: July, 2003
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Last Reviewed: April, 2018
Resp. Office: Treasurer
Approval: Treasurer

PURPOSE

To meet donor intent and to ensure accurate accounting treatment of gifts, the University must create new operating, capital gift, endowment or agency funds. This is the responsibility of the Investment Services Unit of the Treasurer's Office.

POLICY

The minimum amount required to establish an endowed fund is determined by individual schools. There are no dollar limits to establishing operating or capital gift funds. All pledges above \$25,000 require a pledge agreement, signed by the donor and the Vice President of Development and Alumni Relations, and must include a schedule of payments, dates and amounts.

Below is a description of each of these types of funds.

ENDOWMENT FUNDS

Provide long term support for the maintenance of the University. There are different types of endowment funds. True endowments, also known as permanently restricted endowments, are generally established with donor-restricted gifts and bequests to provide a permanent source of income. A term endowment, also known as a temporarily restricted endowment, provides support for a specific time period or when specific conditions are met. Time or a specific event prompts the release of restrictions. A fund functioning as endowment, or quasi-endowment, also considered an unrestricted endowment, is a fund that generates income for a specific purpose but is not donor-restricted. The donor has imposed no restriction, but the board has designated this fund for investment.

CURRENT RESTRICTED FUNDS

Are gifts received from a donor, temporarily restricted for a specific purpose.

CAPITAL GIFT FUNDS

Are gifts received from a donor which are restricted to a capital project, such as building renovation or construction.

AGENCY FUNDS

Are resources held by the University as an agent for a third party. The University has little or no discretion over the use of these resources.

To request the establishment of a new fund, a new fund request form must be completed and signed by the school senior business administrator and an Atlas designation request form must be completed and signed by Development and Alumni Relations. The forms must be submitted to Investment Services, Suite 300, 2929 Walnut Street. Appropriate documentation must accompany the request. (For example: a signed pledge agreement, donor letter, and/or solicitation letter) All original documentation including fund agreements must be sent to Investment Services for safekeeping. For capital funds, a project related program code is also required to establish the fund.

All requests for new grant funds should be referred to the Office of Research Services. Unlike gifts, grants involve a quid pro quo transfer of goods or services or property rights.