

COLLEGE OF THE ENVIRONMENT

ENDOWMENT OPERATING ACCOUNT BALANCE POLICY

PURPOSE

In an effort to achieve responsible fiscal stewardship now and in the future, the College of the Environment is implementing a policy to address endowment operating account balances. This policy will help ensure that the College and its units utilize endowment funds on a regular basis aligned with the endowment purpose. Endowment operating funds must be integrated into unit spending plans for careful and strategic use of all our resources. The university and the state look carefully at our carryover of funds, and large balances affect our ability to attract new state funds for our programs.

In addition, it is critical to steward the donors to these funds by spending the funding and reporting back the impact of their gift. Finally, we have a responsibility and legal requirement to adhere to prudent fiscal stewardship practices.

POLICY DETAILS

The policy applies to all endowment operating accounts within the College with the exception of named Chairs, Professorships or Fellowships currently assigned to faculty members¹ and student fellowship operating accounts with balances less than one full quarter of funding. Unassigned or vacant Chairs, Professorships or Faculty Fellowships are included in this policy.

At the end of a fiscal year (June 30th), and commencing June 30, 2021, an endowment operating account balance should not exceed the previous four quarters' income distribution from the Consolidated Endowment Fund (CEF). If an account balance exceeds this amount, the difference between the current balance and the four quarters' income distribution will be reinvested into the original endowment account.

APPEAL PROCESS

If Directors or Chairs have a strategic purpose for retaining a larger gift balance than what is outlined above, they may seek a waiver for one or more endowment operating accounts within their unit. Chairs/Directors must submit waiver requests by May 1st to the Dean for approval. For each endowment operating balance waiver request, please include the following information:

- Endowment operating account name and budget number(s)
- Annual income distribution (four quarters' income from the CEF)
- Current balance
- Purpose of endowment
- A one to two paragraph spending plan, outlining how the balance will be used within a time frame that aligns with the endowment's purpose

The Dean will notify the Chair/Director as well as the Dean's Office F&A Team of the decision.

¹ Named Chairs, Professorships and Faculty Fellowship appointments already include guidelines and deadlines for spending.

RE-INVESTMENT PROCESS

At the beginning of each fiscal year, the Dean's Office will review endowment operating accounts ending balances subject to this policy. The Dean's Office will initiate re-investment into the original endowment accounts as previously described except in cases of an approved waiver request(s). The re-investment will be effective fiscal quarter starting October 1st (QE2).