

Western Carolina University Division of Advancement
Policy #2
Endowment Amount Policy & Procedure

Approved by Advancement Leadership Team ____10/21/2019

The WCU Division of Advancement, in collaboration with the Division of Administration and Finance, will establish an endowed fund upon documentation of \$25,000 and a signed donor agreement. Funds will NOT be moved to the investment pool until such time that the amount equals \$25,000. Funds are transferred quarterly and a schedule of investment deadlines will be published on an annual basis.

Once invested, the fund shall be assessed a standard Foundation investment and management fee as determined in the Foundation Board of Director's policies on an annual basis. That fee is currently 1%. This fee is assessed on the fair market value of the Fund on June 30 of each year. No administrative fee is charged until the Fund reaches the endowment threshold.

Upon reaching the minimum endowment threshold, awards supported by the Fund may begin in the second academic year following the first annual valuation to determine investment earnings. Prior to the availability of earnings, awards may be made in the name of the Fund through gifts designated for such purpose on an annual basis.

Donor Gifts

A donor (or donors) seeking to establish an endowment should work through assigned development staff from the Division of Advancement. Pledges may be paid over a period of five (5) years. An extension of time beyond this period to reach this minimum level may be granted by the Vice Chancellor for Advancement in consultation with the gift acceptance committee.

Gifts made toward establishing an endowment will be held in the division's clearing fund until such time as the fund reaches \$25,000 **OR** until it is determined that the fund will not reach endowment level. Time in clearing shall not exceed one year from the day of the first gift without approval from the Vice Chancellor of Advancement.

Donor(s) should work with assigned staff to establish a timeline and strategy for reaching the \$25,000 minimum threshold. This minimum funding threshold serves to create a strong foundation on which to build the fund and increase the likelihood of successful funding of the endowment.

Prior to the establishment of a separate fund number, advancement staff will categorize gifts and revenue in a separate designation. This will allow for separate reporting and tracking of gifts received.