



GUIDELINES TO CREATE A TRUE ENDOWMENT WITH GIFTS FROM MULTIPLE DONORS

From the Development Office and Office of the Controller

Updated 8/28/2015

1. Draft the solicitation

The solicitation must be in writing, using a letter/form letter (with or without a buckslip), a website, or other method. This will be used to document both the donor's intent and the necessary external party requirement for establishing the true endowment without a gift agreement.

2. Use Required Language: (all three must be included)

- Use language that clearly communicates to the donor that their gift will be used to create an endowed fund. The word "endowed" must be included in either the name or description of the fund. While the name of the fund does not need to include the word "endowed," the solicitation *must* indicate that the fund will be endowed.

NOTE: "Memorial" Fund \neq "Endowed" Fund

- Provide an explanation of what will be done with the donor's gift in the event that the minimum threshold to establish that type of endowed fund is not reached within the stated timeline. There is a maximum timeline of **two years** for reaching the minimum. Currently, the thresholds are as follows, but may change from time to time:

Regular Endowed Fund	\$25,000
Lectureship	\$50,000
Professorship	\$500,000
Chair	\$1,000,000
Presidential Chair:	\$1,500,000

- Briefly explain the purpose of the fund, what it will be used for, and how it will be used. This allows the solicitation piece to take the place of a gift agreement. Note however, that the use does not need to be detailed. For example, "scholarships" is sufficient. Keep in mind that the use of the fund should be flexible enough to be sustainable in perpetuity.

3. Submit a draft of the solicitation to Karin Hardy, Jessica Nelson, or Kirsten Dorius.

4. Send the solicitation to donors.

5. Attach a copy of the solicitation document(s) to the activity setup form.

What happens if I don't follow these guidelines?

Before a fund can be set up, the Development Office will require the area to contact each donor that contributed to verify that the donor understands how their gift will be used. Otherwise, a department can choose to create a quasi endowment if the minimum amount for a quasi endowment has been received, currently \$50,000.

Why these guidelines are important:

1. True endowments are established at the direction of an external party rather than as a result of a decision made within the University.
2. Donors must know their gifts are intended to create an endowment. By “answering” the solicitation with a gift, the donor is directing the University to establish an endowment.
3. Donors must know the University's intention if the endowment minimum is not reached.
4. One donor cannot speak for many; therefore a gift agreement is not appropriate in situations where multiple donors have contributed.

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