



Approved by: Chancellor's Cabinet

Date: 8-21-2024

Michael Alexander, Chancellor

UW-Green Bay Policy on Budget Allocation of Endowed Funds

OP-11-24-01

Endowed funds are any funds which have been established by the commitment of resources either from a donor or from university designated sources and contain a corpus of the gift. Within the development of its annual budget, an area may determine to allocate endowed funds to a position's salary and fringe costs or supplies and expenses.

Use of endowed funds to support a position, including the payment of salary and fringe are determined by the gift agreement. However, it is important that a broad view of all accounts be used to be strategic and fiscally responsible to our mission. When endowed funds are used for the direct support of a position's annual salary allocation, it is essential to ensure there is transparency and a cohesive strategy on the use of endowed funds.

The purpose of this policy is to outline acceptable allocation of endowed funds with the annual budget and the procedures to be followed to ensure that the use of these funds aligns with the strategic and fiscally responsibilities of the University and follow the intent of purpose of the funds. This policy will provide guidance for the use of any endowed fund over \$1 million dollars without specific restrictions to support scholarships or endowed professorships.

- 1) When determining the allocation of endowed funds for the support of a position's salary, attention must be paid to the donor gift agreement. While it is permissible in certain gift agreements to return unused funds in any given year back to the corpus, such an approach should not be used as routinely as part of the budget strategy of a College or Unit.
- 2) Annually the Dean or Division Head must provide the Provost, CFO, and Chancellor, not later than March 1, a plan outlining the use of any endowed funds that will be allocated in the following Fiscal Year. This plan should include a specific annual budget and a multi-year strategy for how the funds generated from the corpus will be spent. This review is not to determine how the funds are allocated, but to ensure that the use of the funds is consistent with institutional strategy and in a manner that benefits the mission of the university and our students, faculty, and staff.
- 3) Once endowed funds have been allocated through the annual budget for direct support of a position's salary or other budgeted items exceeding \$50,000, the leader responsible for the distribution of the gift may not amend the sources of funding without permission of the area leader within the fiscal year of the allocation.