

**MEMORANDUM OF UNDERSTANDING  
CONCERNING THE ESTABLISHMENT OF THE  
ENDOWMENT FOR TEACHER EDUCATION**

It is the intention of the \_\_\_\_\_ to establish a scholarship fund in memory of \_\_\_\_\_ through the University System of Maryland Foundation, Inc., e.g. (USM Foundation), for the benefit of the (Institution Name) (University) to be used according to the following terms and conditions:

1. **NAME**: The name of the Fund shall be the:

**ENDOWMENT FOR TEACHER EDUCATION (Fund)**

2. **PURPOSE**: The purpose of this Fund shall be to provide scholarships for students from Southeastern Virginia who demonstrate financial need.

3. **FUNDING**: The Fund is being established with a gift by the donor and others, with the first payment received February 2007. The Fund shall be an open fund, capable of receiving additional contributions at any time.

4. **ADMINISTRATION**:

The Fund shall be invested in accordance with the investment policies of the USM Foundation. The assets of the fund may be commingled with other endowment assets for the purpose of investing same, but separate accounting shall be maintained so that the principal and the appreciation shall be clearly identified at all times.

Fund shall be managed by the USM Foundation under guidelines established by the Board of Directors. These guidelines may provide for the assessment of reasonable administrative fees and expenses to be charged against the fund and other charges and assessments deemed necessary and appropriate for the advancement of the Fund and the advancement of the University.

Distributions (Spensible Income) from the Fund will commence at the beginning of the fiscal year (July 1) following one year's investment after reaching endowment level (\$10,000) and will

continue each new fiscal year thereafter. Spendable Income will be computed in accordance with the then current spending policy of the USM Foundation. *If the market value of the fund falls below "historic dollar value" and there are insufficient earnings to fund the annual payout, distributions may be made from the Fund's principal or the donor will supplement the amount available. Historic dollar value means the total of the donor's contributions.*

All distributions from the Fund shall be used in accordance with the purposes described in Section 2 of this document. The Director of Financial Aid will review and approve all expenditures and administer the Fund.

5. **RECOGNITION, PROMOTION, AND REPORTING:** To express the appreciation of the University to the donor, to enhance the Fund, and to help attract gifts for similar purposes, the University and the USM Foundation may make appropriate announcements through internal and external publications and to the media and give other recognition as suitable.

6. **CHANGED CONDITIONS:** If, in the unlikely event that at some time in the future it becomes impossible, impracticable, illegal or wasteful to fulfill the requirements of this Memorandum of Understanding, the Board of Directors of the USM Foundation, in consultation with the University and the Donor, if available, shall utilize this fund so as to most nearly fulfill the donor's original intent.

7. **FORMAL ACCEPTANCE:** The foregoing terms and conditions shall become effective upon an acceptance thereof by the University, the USM Foundation, and the donor.

**ACCEPTED FOR THE UNIVERSITY  
OF MARYLAND:**

\_\_\_\_\_  
President

\_\_\_\_\_  
Date

\_\_\_\_\_  
V P, Institutional Advancement

\_\_\_\_\_  
Date

\_\_\_\_\_  
Director of Financial Aid

\_\_\_\_\_  
Date

**ACCEPTED FOR THE UNIVERSITY  
SYSTEM OF MARYLAND FOUNDATION,  
INC.:**

\_\_\_\_\_  
President and CEO

\_\_\_\_\_  
Date

**ACCEPTED FOR THE DONOR:**

\_\_\_\_\_  
Donor

\_\_\_\_\_  
Date