

FUND/PROJECT TYPES

All activity through the USM Foundation is maintained through funds/projects. Each fund/project is managed as a separate account. However, accounts may be grouped together for accounting, investing and reporting purposes.

The USM Foundation Investment Committee sets investment policy.

Information about specific funds/projects is made available only to donors, to those persons serving as account administrators, to Deans, and to persons who are legally entitled to receive information, such as federal or System auditors.

Account Administrators: receive monthly statements and Spendable Income Reports.

Vice Presidents: may receive monthly statements and account balance information. They may also receive market value and Spendable Income information.

Deans: may receive monthly statements and account balance information. They may also receive market value and Spendable Income information.

Donors: may be provided with information on market values, Spendable Income, names of scholarship recipients or information on the program funded and/or the performance results of endowment funds.

*** OPERATING FUNDS/PROJECTS**

Donors may specify that their gifts be spent entirely for a designated objective or program. In addition, departments sell merchandise, sponsor conferences and seminars, and hold special fundraising events to support their activities. This money is deposited in expendable accounts and used for current operations.

*** ENDOWMENT FUNDS/PROJECTS**

Donors may specify that their gifts be endowed, which means that the principal is retained "in perpetuity." Only the Spendable Income is available for the program or activity they have designated.

(See section on POLICY – ENDOWMENT SPENDING for more information on Spendable Income.)

*** QUASI-ENDOWED FUNDS/PROJECTS – DONOR DESIGNATED**

Quasi-endowed funds are administered under the same policies and guidelines as endowed funds. Donors may stipulate that Spendable Income be used to support a designated activity or program. However, if the Spendable Income is insufficient, the corpus of their gift may be used.

* ***QUASI-ENDOWED FUNDS/PROJECTS – DEPARTMENT DESIGNATED***

The Account Administrator may request that a fund be administered like an endowed fund for an indefinite period of time even though the donor did not so restrict the gift. In such cases, only income is spent.

Note: Quasi-endowed funds must maintain a \$10,000 balance or the monies will be transferred to the operating portfolio. If a decision is made to change the nature of the fund from a quasi-endowed fund to an operating fund, the USM Foundation must be given three (3) months notice.

* ***AGENCY FUNDS/PROJECTS***

The USM Foundation may manage and administer funds for other University System of Maryland affiliated foundations. In these circumstances, the affiliated foundation retains ownership of its fund assets and the USM Foundation has no fiduciary responsibility for expenditures. Affiliated foundation funds are invested with the endowment funds or the operating funds as appropriate.

Note: Due to the long-term investment philosophy for endowment funds, the USM Foundation requires notice to withdraw agency funds. The required time for notice is specified in the contract signed between the USM Foundation and the affiliated foundation.