

## **PROCEDURES – ENDOWMENT MEMORANDUM OF UNDERSTANDING**

Policy requires a signed Memorandum of Understanding (MOU) be on file for every endowment fund held by the University System of Maryland Foundation Inc. (USM Foundation).

### ***OUTRIGHT GIFTS / PLANNED GIFTS***

**The USM Foundation Business Office is the office of record for MOUs representing endowment funds established by outright gifts.**

- 1) The Development Officer or his/her designee at the appropriate institution coordinates production of a rough draft of the MOU (*see MOU SAMPLE format and MOU WORKSHEET on Appendix pages A-18 and A-22*).

Questions about the content detail/wording of the draft should be discussed with the USM Foundation. Calls or e-mails can be directed to the Assistant to the USM Foundation Vice President for Finance.

- 2) Revision suggestions and/or clarifications are gathered by circulating the draft to the donor and appropriate university officials, such as the dean and faculty chair in the department or school designated as the recipient.
- 3) A copy of the draft must be sent to the USM Foundation for review and approval by the USM Foundation Vice President for Finance before a final copy is produced. If it is to be established through a Planned Gift, the USM Office of Planned Giving reviews the MOU.

A completed ACCOUNT AGREEMENT FORM (*see Appendix page A-1*), must accompany the draft.

- 4) When all revisions to a draft have been approved, three (3) original copies of the final version of the MOU are produced and routed for signature to the donor, then to the institutional president and other designated institutional principles, and finally to the USM Foundation President.

**Note: Since endowment funds represent sizeable gifts, good quality bond paper should be used for these final copies to symbolize the value of the gift and to enhance the appearance of the finished product.**

- 5) The USM Foundation mounts the donor copy of the MOU in a burgundy cover once the documents have been signed by the USM Foundation President.

**EXCEPTION:** UMCP provides their own cover and will mount the donor copy themselves.

- 6) If a completed Account Agreement Form is on file at the USM Foundation, the signed MOUs are approved for release.

The USM Foundation will forward the donor copy and the copy for the institutional president to the appropriate Development Office for delivery. The third original is retained by the USM Foundation in a secure location, with a photocopy on file in the Business Office.

The Development Office may photocopy the signed document to provide copies for additional persons as appropriate.

- 7) **Planned Gift Endowments** remain inactive until such time as the defined terms of the gift are met. A completed ACCOUNT AGREEMENT FORM (*see Appendix page A-1*) must accompany notification to the USM Foundation when it is ready to be transitioned to an active account.