

**MEMORANDUM OF UNDERSTANDING**  
**CONCERNING THE ESTABLISHMENT OF THE**  
**[ \_\_\_\_\_ SCHOLARSHIP FUND][ENDOWMENT FOR TEACHER**  
**EDUCATION][OTHER TITLE]**

It is the intention of \_\_\_\_\_ (Donor) to establish an endowment fund (the Fund) [in memory of/ in appreciation of/ as a tribute to] \_\_\_\_\_ through the University System of Maryland Foundation, Inc. (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:

[Insert Fund Title]

2. **PURPOSE**: The purpose of the Fund shall be to [provide scholarships for students who] [support] \_\_\_\_\_ [insert Purpose language].

3. **FUNDING**: The Fund is being established with a [gift/pledge/planned gift] by the Donor, in the amount of \$\_\_\_\_\_. The Fund shall be an open fund, capable of receiving additional contributions at any time.

4. **ADMINISTRATION**:

The Fund shall be managed and invested by the USM Foundation in accordance with its Investment Policy Statement, as in effect from time to time, and under other applicable guidelines established by the USM Foundation. 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. The assets of the Fund may be commingled with other endowment assets managed by the USM Foundation for the purpose of investment, and separate accounting shall be maintained so that the amount of the original gift and of any additional gifts shall be clearly identified at all times.

In order to constitute an "endowment fund" under University policy, the Fund must have

a fair market value of at least \$\_\_\_\_\_ [insert minimum endowment amount]. Until the Fund reaches and maintains that threshold value for one full fiscal year (July 1-June 30), no distributions will be made from the Fund. Once the Fund satisfies the condition set forth in the immediately preceding sentence, then distributions from the Fund will be made in accordance with the USM Foundation Spending Policy, as in effect from time to time.

In the event that the Fund does not reach the University endowment level by July 1, 20\_\_\_ [date that is five full fiscal years from donation date], then the Fund shall be converted from an endowment fund to a current use fund and used in accordance with the purposes set forth in Section 2.

All distributions from the Fund shall be used in accordance with the purposes described in Section 2 of this document. The \_\_\_\_\_ [insert applicable office/function] will determine eligibility, 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 the Fund so as to most nearly fulfill the Donor's original intent.

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

**ACCEPTED BY THE UNIVERSITY:**

\_\_\_\_\_  
[name]  
President

Date: \_\_\_\_\_

\_\_\_\_\_  
[name]  
V.P., Institutional Advancement

Date: \_\_\_\_\_

\_\_\_\_\_  
[name]  
Director of Financial Aid

Date: \_\_\_\_\_

**ACCEPTED BY THE USM FOUNDATION:**

\_\_\_\_\_  
Leonard R. Raley  
President and CEO

Date: \_\_\_\_\_

**ACCEPTED BY THE DONOR:**

\_\_\_\_\_  
[name]

Date: \_\_\_\_\_