



THE UNIVERSITY OF NEW MEXICO

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# Understanding Endowed & Non Endowed Spending Indices

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(This information has been updated from a similar document prepared in 2009)



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## GIFTS TO THE UNIVERSITY

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Private support is extremely important to the teaching, research and public service mission of the University. Through private support, the University can enhance current programs and develop resources to support future programs. To ensure effective development and management of private support and compliance with Internal Revenue Service (IRS) regulations, the University coordinates all efforts to obtain and increase private support through the University of New Mexico Foundation, a non-profit corporation.

The Foundation was chartered by the University of New Mexico Board of Regents in 1979 to solicit, accept, and manage private contributions for the purpose of promoting the educational, research, and service commitments of the University. The University staffs the Foundation under the oversight of the Foundation Board of Trustees and the President of the UNM Foundation.

All gifts received by the University, including gifts to colleges, schools, departments, and/or programs, must be reported to the UNM Foundation. Policy 1030 applies to the receipt and investment of all gifts from private sources made to benefit the University's education, research, or public service mission irrespective of who actually receives the contribution. Gifts may come in many forms including:

- cash, checks, and credit card payments;
- securities;
- real estate;
- bequests, wills, trusts, and other forms of planned gifts;
- art and collectibles;
- equipment, supplies, and other types of tangible personal property;
- intangible gifts such as copyrights, royalties and easements; and
- private grants.

IRS regulations now require donors to have receipts in order to deduct charitable gifts on their tax returns. UNM Foundation is responsible for mailing these receipts to donors. Donor gifts must be reported to the Foundation in order for these receipts to be generated.

This policy does not apply to grants from governmental agencies or to contracts from governmental agencies, corporations, or other entities for research or service projects where the funding agency initiates the project, specifies processes, methods, and benchmarks, and/or derives direct substantial economic benefits from the results. Such contracts are handled by Sponsored Projects on Main or HSC Campus.

## UNM FOUNDATION

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The UNM Foundation is an entity separate from UNM, established in 1979. The UNM Foundation is a 501c3 organization whose mission is to increase private gifts for UNM by developing long-term relationships with donors and matching their interests with the University's priorities, creating unique opportunities for our students, faculty and alumni.

The UNM Foundation website may be found at <https://www.unmfund.org>.

## UNM FOUNDATION SURCHARGE

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UNM Foundation is supported in part by charging a Consolidated Investment Fund (CIF) fee. The remainder of their support is provided by a cost distribution to UNM organizations based on their Endowed Corpus Balances at year end. Unrestricted Accounting HSC distributes these costs via FUPLOAD quarterly to the indices provided by the departments for accumulating these costs.

## DONOR RECEIPTS

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An official University/UNM Foundation receipt is issued to the donor at the time of the gift or as soon as possible after receipt of the gift. For donations for which the donor receives a benefit, the Foundation will note the value of any benefit received on the receipt. This is true of all gifts, Endowed and Non Endowed.

## RESPONSIBILITY TO DONOR

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To ensure that donors and prospective donors have confidence in the University, they are entitled to:

- be informed of the University's mission and the intended use of the donated resources;
- receive appropriate acknowledgment and recognition;
- access to pertinent information about the University; and
- receive stewardship on the uses and beneficiaries of their gift(s). Donors are told who is hired if they fund an endowed chair, or the names of scholarship recipients if they fund a scholarship.

## FUND-RAISING PROGRAMS

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All solicitations of gifts from individuals, corporations, and foundations must be coordinated by the UNM Foundation and development professionals in colleges, schools, and programs. Any literature, including brochures, booklets, and newsletters used to attract private funds must be approved by the UNM Foundation in order to present a unified voice and image and to ensure that the most accurate, up-to-date information appropriate to a particular fund-raising effort is reflected. All gifts received by the University or faculty, staff, volunteers, or student organizations for support of any University program or activity, irrespective of source or gift type, shall be deposited in and expended through University accounting systems in accordance with University Administrative

Policies and Procedures. The use of outside bank accounts is prohibited. The UNM Foundation will ensure that all University fund-raising events comply with local, state, and federal laws.

All gifts of all types should be deposited by the Foundation. This includes revenue from non-gift fundraising, such as golf tournaments or charity walks. If a gift amount is small in amount and expected to be non-repeating, the Foundation may deposit the revenue in the department's public service index in a non-gift revenue account. Funds raised by students generally are deposited in a fund/index set up for Student Government. If the amount is large or expected to be repetitive, the Foundation may open a Foundation index for the department.

## FOUNDATION FUNDS

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There are two basic types of gifts, Endowed and Non Endowed. Each of these can have indices for public service, research, education, or clinical use. On Main Campus spending indices will be found in the public service area. For Branch campuses, they will also be in the public service area, their public service fund. Additionally, these indices can be discretionary in either endowed or Non-Endowed.

HSC Endowed Spending indices will be listed under the following funds. HSC = Health Sciences Center

<b>Endowed Fund Number</b>	<b>Location</b>	<b>Endowed Fund Name</b>
3U0003	HSC	HU Endowed Spending Education
3U0081	HSC	HU Endowed Spending Research
3U0302	HSC	HU Endowed Spending Clinical Services

Your Non Endowed Spending indices will be listed under these funds.

<b>Non Endowed Fund Number</b>	<b>Location</b>	<b>Non Endowed Fund Name</b>
3U0001	HSC	HU Non Endowed Spending Research
3U0002	HSC	HU Non Endowed Spending Education
3U0301	HSC	HU Non Endowed Spending Clinical Service

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## ENDOWED FUNDS

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Endowed funds require a minimum of two indices. One index is for the corpus, which is donated funds that are invested and may not be spent. The program for all corpus funds is P504. This is a general ledger program that does not impact State format reporting.

The second index is the spending index. This index quarterly receives a spending distribution from the invested funds. These are the funds that may be spent by the department.

Each college, school, or department that is the recipient of an endowment receives a quarterly statement from the Foundation. The statement lists the fund title, value at the beginning and end of the fiscal year, additions to the principal, total investment returns for the fiscal year, and the total spending distribution. Departments are emailed this Endowment Activity Report.

The spending distribution (the amount that can be spent) is transferred to the spending index quarterly and is based on predetermined percentages set forth by the *Regents' Endowment Investment Management Policy*. Both donors and departments receive an annual report in October which shows endowment performance. Generally, these funds have donor restrictions on how they may be spent, in addition to the standard UNM Policy restrictions. The department report is the *Endowment Spending Distribution Report*.

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## NON ENDOWED FUNDS

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A Non Endowed account requires one index. All of the funds in a Non Endowed account can be spent. Non Endowed accounts are not invested. Generally, these accounts have donor restrictions on how they may be spent in addition to the standard UNM Policy restrictions.

The gifts to non-endowed funds are updated in Banner weekly. Reports are run in MyReports. The foundation does not send any non-endowed reports to departments.

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## FOUNDATION DISCRETIONARY FUNDS

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These are Non Endowed funds that have been given to a department or to the president of the University for distribution with no donor restrictions. UNM policies apply to spending these funds.

- 1) UNM Policy is reviewed. Purchases not allowed by UNM Policy will not be approved. Unrestricted Accounting collaborates with the Foundation when reviewing spending documents and approving or disapproving spending exceptions.



## FINDING ALL YOUR FUNDS

Some departments have Endowed or Non Endowed spending accounts and are not spending the money. Donors expect the money they donate to be used.

Make sure you are aware of all the funds available to your department. During budget season, each department should budget to spend these funds, as the donor intended.

You can use MyReports report FORURBH-*Unrestricted Balance* to list all the indices in any fund. To run this report sign into MyReports. The report is found in MyReports under Finance/F HSC Reports/FORURBH HSC *Unrestricted Balance*. To find your Non Endowed fund spending indices balances, use fund 3U0001, 3U0002, or 3U0301. To find your Endowed fund spending indices balances, run fund 3U0003, 3U0081, or 3U0302.

## REPORTING

In this example we will look at 099A: Cancer Research Treatment Center Level 5. We could have selected a level 6 or 7 fund. We chose the Endowed Education fund 3U0003, and a PDF format.

This is the report produced. Note that it lists the limits placed on the report (099A, 3U0003), and shows all the indices that fit these limits.

**FORURBH Unrestricted Balances by Index**

Hyperion Report Equivalent:  
FORH004 Unrestricted Balance by Index  
FORH005 Deficit Balances in Unrestricted Indices

Enter the starting part of the search value, then click on Find to get the list of values. Click on an organization in the li

Organization Code:  Find

099A : Cancer Research Treatment Ctr CRTC Level:5  
099B : CRTC Director Level:6  
099B0 : CRTC Directors Ofc Administration Level:7  
099B1 : CRTC Directors Ofc Special Projects Level:7  
099C : CRTC Administration Level:6  
099C0 : CRTC Administration Level:7  
099D : CRTC Fiscal Services Level:6

Calendar Month/Year: JUN 2015

☐ All Unrestricted Funds ☒ HSC Unrestricted Funds Only

☒ All Balances ☐ Deficit Balances Only

Data Entry Fund (Optional):

Select Type of Display Output

☐ HTML ☒ PDF ☐ Excel 2007 ☐ HTML Active Report

Fund Limit: 3U0003

1 of 1  
Report generated on October 15, 2015 12:36 pm

Organization Budget Status Form FGIBDST 8.5 (BANP)						
<b>Chart:</b>	U		<b>Organization:</b>	099Q19		CRTC Research Support Faculty #226
<b>Fiscal Year:</b>	15		<b>Fund:</b>	3U0003		HU Endowed Spending Education
<b>Index:</b>	0991IN		<b>Program:</b>	P3E074		HE TRU Calas Endowed Fund
<input type="checkbox"/> Query Specific Account			<b>Account:</b>			
<input checked="" type="checkbox"/> Include Revenue Accounts			<b>Account Type:</b>			
<b>Commit Type:</b>	Both		<b>Activity:</b>	099QBJ		CC Pilot Projects
			<b>Location:</b>			

  

Account	Type	Title	Adjusted Budget	YTD Activity	Commitments	Available Balance
1901	R	Budgeted Use of Reserves	50,000.00	0.00	0.00	50,000.00
1903	R	Change in Reserves	0.00	50,000.00	0.00	-50,000.00
31S0	E	Lab Supplies Gen	0.00	23,477.60	0.00	-23,477.60
49Z0	E	Other Research Costs Gen	50,000.00	0.00	0.00	50,000.00
80K0	E	Banner Tax	0.00	234.77	0.00	-234.77
<b>Net Total:</b>			0.00	26,287.63	0.00	

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FOROLDH – *Operating Ledger Summary Report* will show the activity by index for your endowed or non endowed indices. To run the report use the following criteria: Your Org level, the endowed (or non-endowed) funds by level 3. The endowed and non-endowed funds are listed on page 5.

A page of the report the above criteria produce is below:

FOROLDH Operating Ledger Summary-HSC Format Through the Month of Jun 2015 10/26/15 10:19 AM										
Organization Level 5: 099A - Cancer Research Treatment Ctr CRTCC Fund Level 3: 3U0001 - HU Non Endowed Spending Research Contra Program Codes are excluded										
Account Description	Budget (FYTD) Adopted	Budget (FYTD) Adjustments	Budget (FYTD) Accumulated	Actuals Current Month	Actuals Pct	Actuals Fiscal YTD	Actuals Pct	Encumbrances	Balance Available	Balance Pct
80K0 - Banner Tax	\$0.00	\$0.00	\$0.00	\$0.00	.00%	\$0.01	.00%	\$0.00	(\$0.01)	.00%
TOTAL Operating Expense Other	\$0.00	\$0.00	\$0.00	\$0.00	.00%	\$0.01	.00%	\$0.00	(\$0.01)	.00%
TOTAL Expense	\$0.00	\$25,000.00	\$25,000.00	\$3,381.61	13.53%	\$25,000.00	100.00%	\$0.00	\$0.00	.00%
Operating Net	\$0.00	\$0.00	\$0.00	(\$3,381.61)		\$0.00		\$0.00	\$0.00	
Net Margin	\$0.00	\$0.00	\$0.00	(\$3,381.61)		\$0.00		\$0.00	\$0.00	
Index: 0991H2	\$0.00	\$0.00	\$0.00	(\$3,381.61)	.00%	\$0.00	.00%	\$0.00	\$0.00	.00%
Index: 0991HS - 202640 Gillson Longenbaugh Cancer Revenue										
Nonoperating Revenues										
1000 - Gifts Gen	\$0.00	\$0.00	\$0.00	\$0.00	.00%	\$100,000.00	.00%	\$0.00	(\$100,000.00)	.00%
TOTAL Nonoperating Revenues	\$0.00	\$0.00	\$0.00	\$0.00	.00%	\$100,000.00	.00%	\$0.00	(\$100,000.00)	.00%
TOTAL Revenue	\$0.00	\$0.00	\$0.00	\$0.00	.00%	\$100,000.00	.00%	\$0.00	(\$100,000.00)	.00%
Expense										
Operating Expense Other										
3180 - Non Capital Equipment <\$5,001	\$0.00	\$0.00	\$0.00	\$4,157.00	.00%	\$17,142.33	.00%	\$0.00	(\$17,142.33)	.00%
3150 - Lab Supplies Gen	\$0.00	\$0.00	\$0.00	\$610.80	.00%	\$610.80	.00%	\$234.40	(\$845.20)	.00%
4800 - Animal Expense Gen	\$0.00	\$0.00	\$0.00	\$7,426.00	.00%	\$7,426.00	.00%	\$0.00	(\$7,426.00)	.00%
8000 - Telecom Charges Gen	\$0.00	\$0.00	\$0.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$0.00	.00%
8370 - Printing/Copying/Binding Gen	\$0.00	\$0.00	\$0.00	\$0.00	.00%	\$262.00	.00%	\$0.00	(\$262.00)	.00%
83F4 - Page Charges	\$0.00	\$0.00	\$0.00	\$0.00	.00%	\$5,000.00	.00%	\$0.00	(\$5,000.00)	.00%
70C1 - Equip Warranties/Service Contracts	\$0.00	\$0.00	\$0.00	\$3,809.52	.00%	\$8,529.52	.00%	\$0.00	(\$8,529.52)	.00%
80K0 - Banner Tax	\$0.00	\$0.00	\$0.00	\$736.17	.00%	\$970.85	.00%	\$0.00	(\$970.85)	.00%
TOTAL Operating Expense Other	\$0.00	\$0.00	\$0.00	\$16,542.49	.00%	\$39,941.50	.00%	\$234.40	(\$40,175.90)	.00%
TOTAL Expense	\$0.00	\$0.00	\$0.00	\$16,542.49	.00%	\$39,941.50	.00%	\$234.40	(\$40,175.90)	.00%
Operating Net	\$0.00	\$0.00	\$0.00	(\$16,542.49)		\$60,058.50		(\$234.40)	(\$59,824.10)	

## ENDOWED FUNDS

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### DEFINED

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The terms “Endowed” and “Non Endowed” both refer to funds established at UNM or the UNM Foundation.

“Endowed” refers to gifts totaling over \$25,000 that continue on in perpetuity. This means the gifts are invested, and only the total spending allocation from the gifts can be spent. The original amount donated cannot be spent. The donor specifies how the income can be spent, which is included in the Endowment Agreement document. The spending allocation from the funds can only be spent in accordance with the donor’s intent. The UNM Foundation handles the investment of these funds, and reports to the department and donor annually.

These gifts have two indices. The corpus index, which is invested, and the spending index, which the department can spend. Do not get these two indices confused.

New endowments can be funded over three years if the donor so chooses. With new endowments in the process of being funded over several years, there may be no funds available to spend. Revenue that would have gone to a spending index will be returned to the corpus index immediately after year end until the endowment is completely funded. Only after the endowment is fully funded will spending distributions be allowed. See appendix 8 for more detailed information.

An estimated spending distribution for Endowed funds is recorded quarterly. The spending distribution is trued up at the end of the fiscal year. The spending distribution is computed based on a complex formula used by the Foundation Trustees.

### IDENTIFYING CORPUS FUNDS & INDICES

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You will have your spending indices from your FORURBH report. What if you need to identify the Corpus (general ledger investment fund for that specific Endowment) that is associated with a spending index? The easiest way to obtain this fund number is to obtain a copy of the most recent Endowment Activity Report sent to your department each year. It contains all Corpus indices and their related spending index. Another way is:

- 1) Go to Banner form FGIBDST. Insert the Index number and select “Next Block”. Write down the program number. In the example below, the program number is P3E074. Each Endowed spending index has a unique program number.

Oracle Developer Forms Runtime - Web: Open > FGIBDST

File Edit Options Block Item Record Query Tools Help

Organization Budget Status Form FGIBDST 7.4.0.1 (BANP)

Chart: U  
Fiscal Year: 09  
Index: 0990DY  
☐ Query Specific Account  
☒ Include Revenue Accounts  
Commit Type: Both

Organization: 099Q80 CRTC Research Faculty #284  
Fund: 3U0003 HU Endowed Spending Education  
Program: P3E074 HE TRU Calas Endowed Fund  
Account:  
Account Type:  
Activity: 099QA1 CRTC FIGS Award 2008  
Location:

Account	Type	Title	Adjusted Budget	YTD Activity	Commitments	Available Balance
1600	R	Allocations Earned Revenue	13,250.00	13,250.00	0.00	0.00
2040	L	Technician Salary Detail Ge	5,300.00	5,437.50	3,262.50	-3,400.00
20R0	L	Accrued Payroll and Benefit	0.00	0.00	0.00	0.00
2110	L	Fica Gen	0.00	409.35	0.00	-409.35
2140	L	Retirement Gen	0.00	633.47	0.00	-633.47
2160	L	Group Insurance Gen	0.00	36.27	0.00	-36.27
2180	L	Unemployment Compensati	0.00	13.60	0.00	-13.60
21A0	L	Workers Compensation Ger	0.00	166.72	0.00	-166.72
21J0	L	Other Staff Benefits Gen	1,330.00	190.26	0.00	1,139.74
31S0	E	Lab Supplies Gen	5,354.00	1,954.35	0.00	3,399.65
70F0	E	Equipment Rent Expense G	1,200.00	1,620.00	0.00	-420.00
80K0	E	Banner Tax	66.00	31.94	0.00	34.06
Net Total:			0.00	2,756.54	3,262.50	

- 2) Go to Banner form FGITBAL. Remove the "P" from the program number. Put the rest in the "Fund" field. Select "Next Block". The balance of \$570,850.39 in AOCC-Claim on Cash is your current Endowment Corpus amount (1). Remember that while this fund has an index, you can see your balance by looking at the fund here on FGITBAL. This is the amount that is invested and is not available to spend.

Your Corpus balance is adjusted monthly to reflect market value at fiscal year-end. Throughout the rest of the year the value reflects current year additions from additional gifts. Unrealized gains, losses, and other adjustments made to Market value can affect your balance significantly at year end.

Your spending index will receive a distribution quarterly, with a true up at fiscal year-end. This amount is computed using a complex formula and cannot be anticipated accurately. The distribution reflects market adjustments, and 3 year rolling average balances in your corpus.



Oracle Developer Forms Runtime - Web: Open > FTMACCI [Q]

File Edit Options Block Item Record Query Tools Help

Account Index Code Maintenance Form FTMACCI 7.0 (BANP)

Chart of Accounts: 099676 Active Status Last Activity Date: 17-JUN-2004

Account Index: 099676 Account Index Title: 060393-CALAS ENDOWED -

Effective Date: 06-JUN-2004 Termination Date: Next Change Date:

Accounting Distribution

Fund: 3E074 HE TRU Calas Endowed Fund

Organization: 099H0 CRTC Development Office

Account: Endowment Programs

Program: P504 General Activity

Activity: GNACTV

Location:

Check to Override

The above is an example in Banner of a Foundation Endowed Index.

## NON ENDOWED FUNDS

### DEFINED

Non Endowed gifts differ from Endowed gifts in that the entire amount of the gift may be spent. The department given the gift does not have any recurring source of revenue from the gift. The donor specifies how the gift may be spent and the entire amount can be spent in accordance with the donor's intent.

The Foundation does not issue reports for non-endowed funds. For UNM the Banner accounting system is updated weekly with all pertinent information. Reports can be run at any time for the information you need by using the appropriate MyReport

### BANNER AND NON ENDOWED FUNDS

A non-endowed account has one index associated with it. While there may be additional indices associated with a non-endowed account, there is only one primary index. This primary index is where the Foundation transfers gifts. This index is the spending index. The amount available to spend can be viewed at any time on Banner form FGIBDST.

Go to **Banner, form FGIBDST**. Here is the FGIBDST form for Non Endowed spending index 9970FG. You may drill down for more detail on any account.

**Foundation Fund Number, found on the Fund Establishment form**

There is no corpus fund or index associated with this or ANY non-endowed index. Nothing has been spent from this index this fiscal year. Had there been any spending it would be detailed by expense account on the form above. Subsequent monthly MyReports will show when the \$799.35 in gifts was received during this year, or you can drill down on the amount and see all relevant detail.

In 2010 the Foundation implemented a new Foundation numbering system. All non-endowed Foundation Fund numbers now begin with a “2”, but if the fund was established before 2010, the “2” will be missing in Banner, as in the example above. To obtain the Foundation fund number, add a “2” in front of any five digit Foundation numbers found in Banner. Foundation fund numbers are all six digits long, and begin with a 2.

## GIFTS VERSUS CONTRACTS AND GRANTS



Gifts and donations go through the Foundation, as described above. Grants, however, go through Sponsored Projects, and are monitored by Contracts and Grants Accounting. Typically grants, including private grants, want the money not spent returned at the end of the grant period. They usually want such things as progress reports and a financial report. These are clues that you are dealing with a grant and not a gift.

See Appendix 9 detail on the difference between gifts, contracts, and grants.

If you have something you are unsure about, notify Sponsored Projects. Sponsored Projects and the Foundation will work together to see where the best fit for it is.

## APPENDIX 1 - ENDOWMENT GIFT AGREEMENT

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**ENDOWED GIFT AGREEMENT**  
**Between**  
**UNIVERSITY OF NEW MEXICO FOUNDATION, INC.**  
**And**  
**DONOR NAME(S)**

**NAME OF ENDOWED FUND**

This gift agreement sets forth the understanding between **Donor Name(s)** (the “Donor(s)”) and The University of New Mexico Foundation, a New Mexico nonprofit corporation organized and operated exclusively for educational, scientific, literary, and charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Foundation”), with respect to the Donor’s creation and the Foundation’s administration of the **Name of Endowed Fund** (the “Fund”).

1. Donor hereby donates, transfers and assigns to the Foundation an irrevocable gift for purposes of creating **Name of Endowed Fund** to support (Insert description of area of support and name of college, department or unit, along with any other specifications pertinent to the purpose of the fund.)

The Fund shall be administered by the UNM Foundation in accordance with its Articles of Incorporation and Bylaws and the laws of the State of New Mexico. The Fund shall be identified as the **Name of Endowed Fund** and all expenditures from the Fund shall carry the name of the Fund.

The University of New Mexico has appointed the following named University official and his or her successors to be responsible for the University ensuring that all expenditures made from the Fund are consistent with Donor’s intention as expressed in this Agreement.

\_\_\_\_\_  
University Official  
Typed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

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

***IF NAMED SPACE, PROFESSOR OR CHAIR:*** The establishment of this Fund is also subject to the approval of the Board of Regents under Regents’ Policy 2.11, “Naming University Facilities, Spaces, Endowments and Programs” and University Business Policy 1020, “Naming Facilities, Spaces, Endowments and Programs” and will be administered in accordance with these policies.

2. **Source of the Fund:** The Fund will be established with an initial gift of **\$Dollar Amount**. The **Donor(s)** or any interested individual, corporation, foundation, or

organization may make additional gifts to the Fund at any time. Information about Donor/Honoree is included in Attachment A to this Agreement.

**IF ENDOWMENT IS NOT FULLY FUNDED AT TIME OF SIGNING:** The Fund shall become effective on the date the minimum funding requirement of \$25,000 has been received and accepted by the Foundation. If the endowment minimum is not reached within three (3) years of the effective date of this Agreement, the Foundation, in consultation with the University and/or the Donor(s), has the option to transfer the balance of the Fund to another endowment fund with a similar purpose or another Foundation fund specified by the Donor(s) or appropriate University official(s).

**IF ENDOWMENT IS FUNDED BY BEQUEST:** If the bequest gift designated for this endowed fund does not amount to at least (minimum funding amount at time of signing), the Foundation, in consultation with the University, has the option to transfer the balance of the Fund to another endowment fund with a similar purpose or another Foundation fund specified by the Donor(s) or appropriate University official(s).

3. **Announcement of the Fund:** The Foundation or the University of New Mexico may announce the fund, including Donor name, amount, descriptions of contributions, and pertinent details in any of their publications.
4. **Information on Use of Funds:** The Foundation will respond to requests for information made by the Donor, the Donor's immediate family or other individuals identified by the Donor about the activities and programs funded by the Fund.
5. **Investment Authority:** The Foundation is authorized to maintain, invest, and reinvest the Fund in accordance with the investment policies of the Foundation as established from time to time by the Foundation's Board of Trustees and the Regents of the University of New Mexico. For purposes of investment only, the monies of this Fund may be commingled with other endowment funds held by the Foundation. At all times, the Fund shall be separately accounted for in the Foundation's books and records.
6. **Duration of the Fund:** The Fund is established as a true endowment in perpetuity, and shall be prudently administered, invested and distributed to the University by the Foundation to accomplish Donor's purpose as stated herein, in accord with applicable state and federal laws, and the policies and procedures of the Foundation. If the purpose for which the Fund has been instituted becomes impossible to perform or impractical to the extent that the University is unable to use the support generated by the Fund under the existing terms of the Agreement or if the University President concludes that carrying out the purpose exposes the University to an unacceptable risk of legal exposure, the Foundation shall consult with the Donor to modify the Fund. If the Donor is not available, the Foundation's President, in consultation with the University Official and the University President, may recommend to the Foundation's Board of Trustees for approval an alternative purpose for the Fund as close to and consistent with the Donor's original intent as it can at that time devise.
7. **Assessment of Normal Fees and Costs:** Normal fees associated with the collection and disbursement of gifts and gift income may be assessed by the Foundation, as well as any

costs incurred by the Foundation to establish, invest, administer, protect or defend the Fund.

8. **Representatives and Successors Bound:** This Agreement shall be binding upon and inure to the benefit of the parties hereto, their representatives and their lawful successors. As a result, this gift cannot be drawn back into Donor's estate, be undone or changed by Donor's heirs, beneficiaries, creditors or the personal representative of Donor's estate.

**[Alternative Section Reserved for Donor Corporations]: This Agreement shall be binding on and inure to the benefit of the parties hereto. If Donor Corporation ceases to exist, the Fund shall continue to bear the Donor's name unless Donor informs the Foundation of its intent to rename the Fund in the name of its successor corporation.**

9. **Governing Law:** This Agreement shall be governed by and interpreted in accordance with the laws of the State of New Mexico, excluding that body of law concerning choice of law. This means that all aspects of the Donor's gift are subject to New Mexico law, even if the choice of law rules might otherwise mean that another state's laws might otherwise be applicable.

10. **Modification of Agreement:** The terms and conditions of this Agreement may not be orally amended, modified, or altered but may be amended, modified, or altered only in writing signed by the Donor(s) and the Foundation.

**This Agreement will be effective when executed by the Donor and the Foundation.**

**DONOR**

Draft – please do not sign  
[Donor Name]

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

Draft – please do not sign  
[Donor Name]

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

**UNIVERSITY OF NEW MEXICO FOUNDATION, INC.**

Draft – please do not sign  
**Henry Nemcik, President & CEO**

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

**APPENDIX 2 - FUND ESTABLISHMENT FORM**

---

<b>University of New Mexico Foundation, Inc.</b> <small>Phone: 277-4503 Fax: 277-1695  Address: Two Woodward Center/700 Lomas NE, Suite 203 Albuquerque, NM 87102</small>		<b>Fund Establishment Form</b>	
This form is required to establish a new fund at the UNM Foundation. A fund is required for gifts to be deposited correctly with the UNM Foundation. Please make a copy for your records.			
<b>Fund Name</b>			
	<b>Fund Type</b> <input type="checkbox"/> Current Operations <input type="checkbox"/> Quasi Endowment <input type="checkbox"/> Endowment	<b>Revenue Sources</b> Check all that apply: <input type="checkbox"/> Gifts <input type="checkbox"/> Private Grants <input type="checkbox"/> Other (specify)	<b>Fund Number from UNM Foundation</b>  <b>Banner Index</b>
<b>Purpose code (select only one)</b> <input type="checkbox"/> Academics <input type="checkbox"/> Athletics <input type="checkbox"/> Faculty/Staff Compensation <input type="checkbox"/> Library <input type="checkbox"/> Student Financial Aid <input type="checkbox"/> Property, Buildings & Equipment <input type="checkbox"/> Public Service & Extension <input type="checkbox"/> Research <input type="checkbox"/> Other restrictions			
Please describe how the funds will be used:			
The following information is required to establish a new Foundation account: <b>Banner Org Code (Not a Parent Org, and accepts data entry):</b> <b>Banner Activity Code:</b>			
<b>Signature Authorization</b> The following personnel are authorized to sign on this account :			
<b>Typed Name &amp; Title-Organization Financial Manager</b>		<b>Signature</b>	
<b>Typed Name &amp; Title-Account Administrator</b>		<b>Signature</b>	
UNM Mailing Address of Account Administrator:		Phone Number:	Email:
Department Name		Department Org Code:	
<b>Authentication of Dean or Director, Chair and Constituent Development Officer</b>			
<b>Typed Name of Chair</b>		<b>Signature</b>	<b>Date</b>
I understand that, although the above-mentioned people are authorized to sign for this account, as the Dean or Director, I am ultimately responsible for all transactions and ensuring that expenditures are in compliance with donor restrictions.			
<b>Typed Name of Dean/Director</b>		<b>Signature</b>	<b>Date</b>
<b>Typed Name of Constituent Development Officer</b>		<b>Signature</b>	<b>Date</b>

### APPENDIX 3 - ENDOWED AND NON ENDOWED COMPARED

---

Endowed and Non Endowed funds are frequently confused. Here is some comparative information.

	<b>Endowed</b>	<b>Non Endowed</b>
Has a spending index showing money available to spend now.	Yes	Yes
Has a corpus Fund (Fund containing dollars to be invested not spent)	Yes	No
All new gifts are reported in Banner	Monthly	Weekly
Donor receives an annual Foundation report showing performance.	Yes	No
Quarterly report to Deans, Directors and Chairs showing previous corpus balance, new corpus balance, spending distribution and spending balance. (similar to Donor report)	Yes	No
Need to budget spending index.	Yes	Yes

### APPENDIX 4 - RELATED POLICIES

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These UNM policies directly relate to Endowed and Non Endowed funds. They may be found at <https://policy.unm.edu/university-policies/index.html> in the UNM Business Policies and Procedures Manual.

<b><u>Name of Policy</u></b>	<b><u>Policy Number</u></b>
Allowable and Unallowable Expenditures	4000
Endowments	7500
Gifts made to the University	1030
Gifts of tangible Personal Property	7110
Investment Management	7610
Naming Facilities, Spaces, Endowments, Programs	1020

## APPENDIX 5 - ENDOWMENT MINIMUMS

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### **The UNIVERSITY OF NEW MEXICO ENDOWMENTS**

#### SUGGESTED MINIMUM FUNDING LEVELS

Distinguished University Chair	\$2,500,000 (HSC)
University Chair	1,500,000
University Chair	1,000,000 (Junior Faculty)
Distinguished Professorship	500,000
Scientist in Residence	500,000
Visiting Professorship	250,000
Distinguished Lectureship	250,000
Research Fellowship	250,000
Regents' Endowed Scholarship	200,000
UNM Faculty Fellowship	100,000
UNM Graduate Fellowship	100,000
Named Endowment for Academic Excellence	50,000
Presidential Endowed Scholarship	50,000
Named Endowment (any purpose other than above)	25,000

## APPENDIX 6 - TERM DEFINITIONS

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**Corpus:** Principal; capital as contrasted with the income derived from it.

**Endowed:** To furnish with money or its equivalent, as a permanent fund for support.

**Non-endowed:** Money or its equivalent, received as a gift for the purpose of being spent, as per the donor's restrictions.

**Fully Funded Endowment:** The amount the donor agreed to donate has been completely collected.

**Partially Funded Endowment:** The donor is paying the endowment over a period of time, and not all payments have been received.

**True Endowment:** True endowments are those funds subject to restrictions in gift instruments permitting only the income to be used as specified by the donor and that the principal be held in perpetuity.

**Term Endowment:** Term endowments are funds similar to true endowment funds except that upon the passage of a stated period of time or a particular occurrence, all or part of the principal may be expended.

**Quasi Endowment:** Quasi-endowment funds are internally designated by the Board Regents for similar purposes as true endowment funds; however, the gifts are donor unrestricted and any portion of the principal of quasi-endowment funds may be expended at the discretion of the Board of Regents.

**Spending Distribution:** The Spending Distribution is the funds moved into an Endowed spending index quarterly and trued up annually. It is the amount of money that may be spent. The spending distribution originates from the Endowed Corpus account.



## APPENDIX 7 - FOUNDATION REPORTS

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The Foundation emails departments and other interested parties two reports on a regular basis. The Endowment Activity is emailed quarterly about two months after each quarter ends. The first report is for July through September, mailed in November.

An Endowment Spending Distribution Report is emailed annually, in March. No Non-Endowed reports are produced by the foundation for departments. The Non Endowed reports can be run in MyReports.

An example of an Annual Foundation Endowment Activity Report follows.



UNIVERSITY OF NEW MEXICO FOUNDATION  
 CONSOLIDATED INVESTMENT FUND  
 ENDOWMENT PROGRAM - 6/30/2015  
 ENDOWMENT ACTIVITY REPORT

School of Medicine  
 Administered by the Dean's Office

Endowment Name	Purpose	UNMF Account	Principal Index	Spending Index	Fair Market Value 7/1/2014	Additions (Withdrawals)	Net Investment Earnings (Loss)	Spending Distribution	Fair Market Value 6/30/2015
Albert V. Vogel Endowed Lecture Series	Faculty Support	605000	043338	043096	15,123.01	0.00	(79.23)	0.00	15,043.78
Beth Hodgson Berkowitz Scholarship Fund	Scholarship	604360	914064	914045	173,787.98	0.00	(852.90)	(6,339.71)	166,595.37
Burton H. and Carmelita B. Bell Endowed Scholarship	Scholarship	638100	914119	914029	8,459.12	0.00	(41.71)	(303.18)	8,114.23
Carpenters' Educational Program	Program Support	658010	914096	043093	259,374.77	0.00	(1,278.63)	(9,296.27)	248,799.87
Clifford Oliver Memorial Scholarship in Cardiology	Scholarship	601550	914079	914036	17,535.72	0.00	(86.46)	(628.50)	16,820.76
Daniel E. Cordova Memorial Scholarship	Scholarship	678010	914095	914047	21,634.73	0.00	(106.62)	(775.41)	20,752.70
** Dean Uhl Memorial	Scholarship	630150	043313	043026	1,099,402.25	0.00	(5,419.63)	(39,403.76)	1,054,578.86
Diane J. Klepper, M.D. Matching Scholarship Fund	Scholarship	624250	914301	914295	0.00	583,906.95	2,986.05	(22,423.34)	564,469.66
Diane J. Klepper, M.D. Student Affairs Endowment	Program Support	610233	914321	914319	0.00	246,329.93	1,735.32	(9,093.95)	238,971.30
Diane J. Klepper, M.D. Student Affairs Endowment	Program Support	638310	914318	914319	290,813.15	0.00	(1,433.60)	(10,423.06)	278,956.49
Donald Caughran Endowed Memorial Scholarship for the School of Medicine	Scholarship	608030	914154	914155	89,888.35	0.00	(443.10)	(3,221.70)	86,223.55
Doris Barker School Endowment	Scholarship	678310	914065	914054	117,507.40	0.00	(579.24)	(4,211.59)	112,716.57
Dr. Alonzo Atencio Medical Scholarship	Scholarship	602880	914087	914046	77,080.37	0.00	(379.99)	(2,762.64)	73,937.74
Dr. and Mrs. Emil Amberg Memorial Scholarship Fund	Scholarship	638000	914104	914022	4,965.61	0.00	(24.45)	(177.97)	4,763.19
Dr. C. Pardue and Marjorie Bunch Family Scholarship	Scholarship	610226	914299	914300	1,464.50	52,625.00	136.55	(1,987.90)	52,238.15
Dr. Eric Anthony Baca Endowed Memorial Scholarship	Scholarship	604930	043335	043167	9,277.89	0.00	(48.62)	0.00	9,229.27
Dr. Eric P. Hausner Memorial	Scholarship	638020	914076	914024	48,767.85	0.00	(240.41)	(1,747.89)	46,779.55
Dr. J. R. Van Atta Memorial Scholarship Fund	Scholarship	638040	914075	914025	39,509.19	0.00	(194.75)	(1,416.05)	37,898.39
Dr. Joseph V. Scaletti Memorial Lecture Fund	Program Support	610020	043466	043467	36,879.61	5,000.00	(146.58)	(1,506.39)	40,226.64
Dr. Michael R. Spence Endowed Scholarship	Scholarship	610112	914266	914267	32,274.91	1,000.00	(152.04)	(1,193.69)	31,929.18

\*\*Your endowment is shared with other schools/colleges or programs.

Friday, August 07, 2015

If you need additional information, please e-mail Kenny Stansbury at [kenny.stansbury@unmfund.org](mailto:kenny.stansbury@unmfund.org).

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An Example of an Endowed Spending Distribution Report is below:

UNIVERSITY OF NEW MEXICO FOUNDATION  
ENDOWMENT SPENDING DISTRIBUTION FOR  
FY 2015

Page 1

School of Medicine  
Administered by the Dean's Office

Endowment Name	Purpose	UNMF Account	Principal Index	Spending Index	FY 2014 Spending Distribution	FY 2015 Spending Distribution	Donor Required Adjustments	Net Spending Distribution	Donor Required Spending Restrictions
Albert V. Vogel Endowed Lecture Series	Faculty Support	605000	043338	043096	0.00	551.68	(551.68)	0.00	No spending until principal reaches \$50,000
Beth Hodgson Berkowitz Scholarship Fund	Scholarship	604360	914064	914045	6,035.78	6,339.71	0.00	6,339.71	No spending if underwater
Burton H. and Carmelita B. Bell Endowed Scholarship	Scholarship	638100	914119	914029	288.82	303.18	0.00	303.18	
Carpenters' Educational Program	Program Support	658010	914096	043093	8,855.88	9,296.27	0.00	9,296.27	
Clifford Oliver Memorial Scholarship in Cardiology	Scholarship	601550	914079	914036	598.72	628.50	0.00	628.50	
Daniel E. Cordova Memorial Scholarship	Scholarship	678010	914095	914047	738.68	775.41	0.00	775.41	
Dean Uhl Memorial	Scholarship	630150	043313	043026	33,537.08	35,403.76	0.00	35,403.76	**Split Distribution
Diane J. Klepper Endowed Scholarship Fund	Scholarship	610233	914294	914295	0.00	9,093.95	(9,093.95)	0.00	No spending until principal reaches \$1,000,000
Diane J. Klepper, M.D. Matching Scholarship Fund	Scholarship	624250	914301	914295	0.00	22,423.34	0.00	22,423.34	
Diane Klepper, MD Endowed Scholarship Fund	Scholarship	638310	914302	914295	(6,683.73)	10,423.06	0.00	10,423.06	
Donald Caughran Endowed Memorial Scholarship for the School of Medicine	Scholarship	608030	914154	914155	3,069.07	3,221.70	0.00	3,221.70	
Doris Barker School Endowment	Scholarship	678310	914065	914054	4,012.08	4,211.59	0.00	4,211.59	
Dr. Alonzo Atencio Medical Scholarship	Scholarship	602880	914087	914046	2,631.77	2,762.64	0.00	2,762.64	
Dr. and Mrs. Emil Amberg Memorial Scholarship Fund	Scholarship	638000	914104	914022	169.54	177.97	0.00	177.97	
Dr. C. Pardue and Marjorie Bunch Family Scholarship	Scholarship	610226	914299	914300	0.00	1,987.90	0.00	1,987.90	
Dr. Eric Anthony Baca Endowed Memorial Scholarship	Scholarship	604930	043335	043167	0.00	338.45	(338.45)	0.00	No spending until principal reaches \$15,000
Dr. Eric Hauser Memorial	Scholarship	638020	914076	914024	1,665.09	1,747.89	0.00	1,747.89	
Dr. J. R. Van Atta Memorial Scholarship Fund	Scholarship	638040	914075	914025	1,348.97	1,416.05	0.00	1,416.05	

\*\*Your endowment is shared with other schools/colleges or programs, each participant's share is reflected by the amount shown.

If you need additional information, please e-mail Kenny Stansbury at [kenny.stansbury@unmfund.org](mailto:kenny.stansbury@unmfund.org).

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2/20/2015

## APPENDIX 8 - ENDOWED & NON ENDOWED BANNER REPORTING

The MyReports FORURBH – *Unrestricted Balance* and FOROLDS – *Operating Ledger Summary* are useful when run for these funds. Here are examples of both reports. FORURBH will be found in the F HSC Reports subfolder of MyReports. FOROLDS will be found here, and in the F All Campus Reports subfolder.

FORURBH Sample page:

FORURBH Unrestricted Balances by Index												
099A : Cancer Research Treatment Ctr CRTC Level:5												
Jun 2015												
HSC Unrestricted Fund Only												
Fund Limit: 3U0301												
Index	Index Title	Org	Prog	Activity	Reserves	Revenues	Transfers	Expenditures	Net Balance	Commitments	Balance Available	Termed Date
3U0301 - HU Non Endow Spending Clinical Svc												
0990CW	02099 ACS Patient Navigat!	099H0	P3IH170	099H01	451.39	.00	.00	.00	451.39	.00	451.39	
0990DX	02115 Traver Family-Healt!	099H0	P3IH201	GNACTV	12,878.47	380.00	.00	.00	13,258.47	.00	13,258.47	
0990ET	02120 CRTC Las Cruces Ge!	099H1	P3IH212	GNACTV	275.00	.00	.00	.00	275.00	.00	275.00	
0990HI	02160-Schoeppner, Janet !	099H0	P3IH250	099H01	1,295.00	.00	.00	.00	1,295.00	.00	1,295.00	
0990HJ	02163-HM Women's Mobile!	099H1	P3IH251	GNACTV	5,028.17	.00	.00	.00	5,028.17	.00	5,028.17	
0990HW	02167-Art in Healing Fund	099H0	P3IH253	GNACTV	16,597.19	.00	.00	2,031.80	14,565.39	.00	14,565.39	
0990JL	02177-Garcia, Eugene Chal	099H0	P3IH255	099H29	140,888.14	22,214.04	.00	.00	163,102.18	.00	163,102.18	
0991F6	202595 NM House Senate !	099H1	P3IH480	GNACTV	13,376.00	18,645.00	.00	.00	32,021.00	.00	32,021.00	
0991IW	202669 AYA Cancer Surviv!	099H1	P3IH505	099H29	.00	5,000.00	.00	.00	5,000.00	.00	5,000.00	
099875	246114-1321 CRTC PT CAR!	099H1	P3IH178	GNACTV	-19.47	31,505.41	.00	10,422.74	21,063.20	1,155.00	19,908.20	
099885	01321 CRTC Patient Care-I	099H1	P3IH178	099H26	895.61	.00	.00	.00	895.61	.00	895.61	
*TOTAL 3U0301 - HU Non Endow Spending Clinical Svc					191,665.50	77,744.45	.00	12,454.54	256,955.41	1,155.00	255,800.41	
TOTAL					191,665.50	77,744.45	.00	12,454.54	256,955.41	1,155.00	255,800.41	
1 of 1												
Report generated on October 26, 2015 9:56 am												

FOROLDH Criteria page:

**MyReports**  
myreports.unm.edu

**FOROLDH - Operating Ledger Summary Report-Health Sciences Center**

Modified from FOROLDS-Operating Ledger Detail & Summary for the business needs of

**Query Parameters**

1. Account code 1640 is appropriated over 12 month  
2. Reserves and Capital Expenditures are separated out  
3. Comparison between current and prior fiscal year activities  
4. Up to 5 years activities comparison for selected activity code  
5. For detail report, please use FOROLDS-Operating Ledger Detail & Summary Report

Report By: Fund | Level: Level 3 | Value: \*3u0001 | \* Fund Manager - Banner ID | Find Values

3U0001 - HU Non Endowed Spending Research

Select Values | Reset Values

Org Level 5: 099A  
Fund Level 3: 300001

**Grouping Options**

**Summary Report Type**

- ☒ Summary-HSC Format
- ☐ Summary-HSC Format No %
- ☐ Two Year Comparison Report

**Report Grouping:**

Index

**Run Options**

HSC Format Report | Schedule Report

Duration: ☒ Fiscal Year to Date

Period: JUN

Calendar Year: 2015

Exclude Contra Program Code: ☐ No ☒ Yes

Select Output: (Please print on Legal size paper in Landscape orientation.)

- ☒ PDF
- ☐ HTML
- ☐ Excel - Formatted

Notice that you select two criteria. One is the organization level where your indices reside, the other is the fund or funds on which you wish to run data. Select "Summary" and the time frame. Group by index.

FOROLDH Sample page from above criteria:

FOROLDH

Operating Ledger Summary-HSC Format  
Through the Month of Jun 2015

10/26/15 10:19 AM

Organization Level 5: 099A - Cancer Research Treatment Ctr CRTC  
Fund Level 3: 3U0001 - HU Non Endowed Spending Research  
Contra Program Codes are excluded

Account Description	Budget (FYTD) Adopted	Budget (FYTD) Adjustments	Budget (FYTD) Accumulated	Actuals Current Month	Actuals Pct	Actuals Fiscal YTD	Actuals Pct	Encumbrances	Balance Available	Balance Pct
80K0 - Banner Tax	\$0.00	\$0.00	\$0.00	\$0.00	.00%	\$0.01	.00%	\$0.00	(\$0.01)	.00%
*TOTAL Operating Expense Other	\$0.00	\$0.00	\$0.00	\$0.00	.00%	\$0.01	.00%	\$0.00	(\$0.01)	.00%
*TOTAL Expense										
Operating Net	\$0.00	\$25,000.00	\$25,000.00	\$3,381.61	13.53%	\$25,000.00	100.00%	\$0.00	\$0.00	.00%
Net Margin	\$0.00	\$0.00	\$0.00	(\$3,381.61)		\$0.00		\$0.00	\$0.00	
Index: 0991H2	\$0.00	\$0.00	\$0.00	(\$3,381.61)	.00%	\$0.00	.00%	\$0.00	\$0.00	.00%
Index: 0991HS - 202640 Gillson Longenbaugh Cancer										
Revenue										
Nonoperating Revenues										
1000 - Gifts Gen	\$0.00	\$0.00	\$0.00	\$0.00	.00%	\$100,000.00	.00%	\$0.00	(\$100,000.00)	.00%
*TOTAL Nonoperating Revenues	\$0.00	\$0.00	\$0.00	\$0.00	.00%	\$100,000.00	.00%	\$0.00	(\$100,000.00)	.00%
*TOTAL Revenue	\$0.00	\$0.00	\$0.00	\$0.00	.00%	\$100,000.00	.00%	\$0.00	(\$100,000.00)	.00%
Expense										
Operating Expense Other										
3180 - Non Capital Equipment <\$5,001	\$0.00	\$0.00	\$0.00	\$4,157.00	.00%	\$17,142.33	.00%	\$0.00	(\$17,142.33)	.00%
31S0 - Lab Supplies Gen	\$0.00	\$0.00	\$0.00	\$610.80	.00%	\$610.80	.00%	\$234.40	(\$845.20)	.00%
4600 - Animal Expense Gen	\$0.00	\$0.00	\$0.00	\$7,426.00	.00%	\$7,426.00	.00%	\$0.00	(\$7,426.00)	.00%
6000 - Telecom Charges Gen	\$0.00	\$0.00	\$0.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$0.00	.00%
6370 - Printing/Copying/Binding Gen	\$0.00	\$0.00	\$0.00	\$0.00	.00%	\$262.00	.00%	\$0.00	(\$262.00)	.00%
63F4 - Page Charges	\$0.00	\$0.00	\$0.00	\$0.00	.00%	\$5,000.00	.00%	\$0.00	(\$5,000.00)	.00%
70C1 - Equip Warranties/Service Contracts	\$0.00	\$0.00	\$0.00	\$3,609.52	.00%	\$8,529.52	.00%	\$0.00	(\$8,529.52)	.00%
80K0 - Banner Tax	\$0.00	\$0.00	\$0.00	\$739.17	.00%	\$970.85	.00%	\$0.00	(\$970.85)	.00%
*TOTAL Operating Expense Other	\$0.00	\$0.00	\$0.00	\$16,542.49	.00%	\$39,941.50	.00%	\$234.40	(\$40,175.90)	.00%
*TOTAL Expense	\$0.00	\$0.00	\$0.00	\$16,542.49	.00%	\$39,941.50	.00%	\$234.40	(\$40,175.90)	.00%
Operating Net	\$0.00	\$0.00	\$0.00	(\$16,542.49)		\$60,058.50		(\$234.40)	(\$59,824.10)	

## APPENDIX 9 – DISTINGUISHING BETWEEN GIFTS, GRANTS AND CONTRACTS

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### *Pre-Award, Sponsored Projects Office*

#### **Distinguishing Between Gifts, Grants and Contracts**

##### **TABLE OF CONTENTS**

- 1.0 Introduction
- 2.0 Gifts
- 3.0 Grants
- 4.0 Contracts
- 5.0 Licensing Agreements
- 6.0 Administrative Offices

##### **1.0 INTRODUCTION**

Correct classification and processing of external funds (gifts, grants, and contracts) is essential for the accomplishment of mandatory fiscal and fiduciary management by UNMHSC. To enhance coordination and to ensure consistent and proper treatment of funds, these policies and procedures have been developed and are intended to be used by all UNMHSC faculty and administrators seeking external support.

Gifts, grants, and contracts are the principal forms of awards made by both governmental and private sources. The correct classification and processing of awards is sometimes complex and will require the exercise of informed judgment, particularly in cases where the nature of an award is not immediately clear. Rather than focusing on any single characteristic, each award must be considered in its totality.

To clarify the process of determining classification and assure greater consistency the following guidelines should be used to determine both the type of award and the UNMHSC office responsible for administration.

##### **2.0 GIFTS**

A gift is defined as a voluntary transfer of money or property made as a charitable donation without expectation or receipt of an economic benefit. It may or may not be given for a specific purpose. The following are generally characteristics of gifts:

- A. Contractual requirements are not imposed. However, objectives may be stated and use of funds may be restricted to a particular purpose, such as professorship, scholarship or research in a defined area.
- B. Award is irrevocable.
- C. A period of performance is not generally specified.

D. Formal financial accounting and technical reporting are not required and there is no requirement to return unexpended funds. However, stewardship reports documenting the utilization and/or impact of the gift may be requested.

E. Federal, state, local or foreign governmental support is **not** typically considered a gift.

Cash, checks, and stock certificates offered to the University without a legally binding agreement or service requirement would normally be processed as gifts, although on rare occasion a grant may be paid in stock.

### **3.0 GRANTS**

A grant is defined as a voluntary transfer of money or property for the primary intent to carry out a public purpose of support or stimulation without direct benefit to the sponsor. The following are generally characteristics of grants:

A. The award contains terms on the use of funds, such as budgetary restrictions; states programmatic objectives to be achieved; defines responsible individuals and a period of performance; and details ownership rights.

B. Usually the result of submitting an outcome-driven proposal.

C. Programmatic and/or fiscal reports during the life of the project and at the end of the project may be required.

D. May address intellectual property ownership and rights in data issues.

E. Contains language regarding the right to revoke an award or withhold funding.

F. Prior sponsor approval is required for significant programmatic and/or fiscal deviations.

G. Future commitment of resources to provide continued support of the project may be required by the University.

### **4.0 CONTRACTS**

A contract is defined as the acquisition of property or services for the direct benefit of the sponsor on a quid pro quo basis. In general, the criteria for identifying a contract are the same as those for a grant except:

A. The award may be subject to more restrictive conditions outlined in a contractual instrument.

B. Financing may be on a cost reimbursement or fixed price basis.

C. The sponsor participates in determining the work to be performed or the services to be provided.

D. Intellectual property and rights in data are significant considerations.



Under the guidelines presented here, awards offered to the University for the performance of services such as testing or evaluating drugs for pharmaceutical companies would normally be classified as grants/contracts.

## **5.0 LICENSING AGREEMENTS**

A licensing agreement is a contract where one or more of the following conditions apply:

- A. Consideration is received in exchange for an option or a license to University owned intellectual property.
- B. Option or license terms are established or suggested pre-existing University owned intellectual property.

## **6.0 ADMINISTRATIVE OFFICES**

The criteria listed here are applicable to all awards made available to UNMHSC.

When the determination is unclear, the following offices should be contacted to determine the appropriate classification:

### **Gifts –**

UNM Foundation  
700 Lomas NE Suite 108  
Betsy Till, 277-4503  
[Betsy.Till@unmfund.org](mailto:Betsy.Till@unmfund.org)

**Grants and Contracts** are administered through Financial Services HSC –  
UNMHSC Financial Services  
Sponsored Projects  
[HSC-PreAward@salud.unm.edu](mailto:HSC-PreAward@salud.unm.edu)  
Rena Vinyard, Director

**Licensing Agreements** are administered through STC.UNM –  
UNM Science & Technology Park  
Jovan Heusser, Sr Innovation Manager (HSC POC)  
[jheusser@stc.unm.edu](mailto:jheusser@stc.unm.edu)