Understanding Endowed and Non-endowed Spending Indices

Presented by
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HSC Unrestricted Accounting
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(This information has been updated from a similar document prepared in 2017)
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GIFTS TO THE UNIVERSITY

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 for charitable contributions greater than $250 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

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

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

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

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

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**.

All gifts should be deposited to the Foundation. This includes partial gifts and exchanges, such as golf tournaments or charity walks. Donations raised by students generally are deposited at the UNM Foundation, in an/index set up by Student Government Accounting.

**FOUNDATION FUNDS**

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

<table>
<thead>
<tr>
<th>Endowed Fund Number</th>
<th>Location</th>
<th>Endowed Fund Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>3U0003</td>
<td>HSC</td>
<td>HU Endowed Spending Education</td>
</tr>
<tr>
<td>3U0081</td>
<td>HSC</td>
<td>HU Endowed Spending Research</td>
</tr>
<tr>
<td>3U0302</td>
<td>HSC</td>
<td>HU Endowed Spending Clinical Services</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Non Endowed Fund Number</th>
<th>Location</th>
<th>Non Endowed Fund Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>3U0001</td>
<td>HSC</td>
<td>HU Non Endowed Spending Research</td>
</tr>
<tr>
<td>3U0002</td>
<td>HSC</td>
<td>HU Non Endowed Spending Education</td>
</tr>
<tr>
<td>3U0301</td>
<td>HSC</td>
<td>HU Non Endowed Spending Clinical Service</td>
</tr>
</tbody>
</table>
ENDOWED FUNDS

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 receive quarterly statements from the Foundation. The quarterly statements list 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 the Consolidated Investment Fund (CIF) Policy. Each department receives an Endowment Spending Distribution Report, annually in March showing the spending distribution amount for each endowment. Generally, these funds have donor restrictions on how they may be spent, in addition to the standard UNM Policy restrictions.

Donors receive an annual report in October that shows the endowment performance.

NON ENDOWED FUNDS

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 because all non-endowed activities are reported in Banner.

FOUNDATION DISCRETIONARY FUNDS

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.
We will now look in Banner form FGIBDST at the end of March 2019, at index 0991IN:

The Net Total, which is revenue of $40,000 less the expenses of $20,153.95 equals $19,846.05. The $19,846.05 is the balance available for this index shown on the FORURBH report above.

By running the FORURBH report for your organization for each of the six endowed and non-endowed funds, all of your indices will be displayed, with their current balances.
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:

<table>
<thead>
<tr>
<th>Account/Subaccount</th>
<th>Budget (FY18)</th>
<th>Adjustments</th>
<th>Budget (FY19)</th>
<th>Actual Current Month</th>
<th>Actual Md</th>
<th>Actual Fiscal YrTo</th>
<th>Actual Md</th>
<th>Reconciliation</th>
<th>Balance Today</th>
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<td>$36,010.00</td>
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<td>$0.00</td>
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<tr>
<td>TOTAL Operating Revenues</td>
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<td>$36,010.00</td>
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<td>0.00</td>
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<td>Non-recurring Revenues</td>
<td>$500,000.00</td>
<td>0.00</td>
<td>$500,000.00</td>
<td>$27,717.23</td>
<td>11.48</td>
<td>$316,050.13</td>
<td>63.02</td>
<td>$0.00</td>
<td>$500,000.00</td>
<td>63.02</td>
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<tr>
<td>TOTAL Non-recurring Revenues</td>
<td>$536,010.00</td>
<td>0.00</td>
<td>$536,010.00</td>
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<td>11.48</td>
<td>$316,050.13</td>
<td>63.02</td>
<td>$0.00</td>
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<td>63.02</td>
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<tr>
<td>Extra University Activities</td>
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<td>$0.00</td>
<td>0.00</td>
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<tr>
<td>TOTAL extra university activities</td>
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<tr>
<td>TOTAL Revenue</td>
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<td>$536,010.00</td>
<td>$27,717.23</td>
<td>11.48</td>
<td>$316,050.13</td>
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<td>$500,000.00</td>
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<td>Operating Expense Labor</td>
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</tr>
<tr>
<td>TOTAL Operating Expense Labor</td>
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<td>0.00</td>
<td>$500,000.00</td>
<td>$5,121,171.57</td>
<td>38.19</td>
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<tr>
<td>Operating Expense Labor Contingency</td>
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<tr>
<td>TOTAL Operating Expense Labor Contingency</td>
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<tr>
<td>TOTAL Operating Expense Fringe</td>
<td>$61,750.00</td>
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<td>$61,750.00</td>
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<td>$0.00</td>
<td>$61,750.00</td>
<td>100.00</td>
</tr>
</tbody>
</table>
ENDOWED FUNDS

DEFINED

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 exist 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 distribution 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 5 for more detailed information.

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

IDENTIFYING CORPUS FUNDS & INDICES

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.
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 $522,008.39 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 month-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 a 20 quarter rolling average of the market value per unit of the endowment.
If you need to identify the index for your Corpus fund:

1) From the General Menu in Banner, type FTMACCI in the “Go to” box. Click enter.

2) Select the “Enter Query” icon [A] or press the F7 key.

3) Input the fund number (remove the “P” from the spending index program number to get the Corpus Fund number) [B]

4) Select the “Execute Query” icon [C] or press the F8 key.

The form appears below. Note that the index for the Endowment Corpus (099676) is different from the Endowment Spending index (0990DY).
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 MyReports.

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 in Banner form FGIBDST. In fund 3U0301-Non Endow Spending Clinical Svc, index 9970FG has been selected.

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.

This Non Endowed index has $285,071.89 in balance forward, and $0 in current year gifts.

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

ENDOWED GIFT AGREEMENT BETWEEN
THE UNIVERSITY OF NEW MEXICO FOUNDATION, INC.
AND
DONOR NAME

____________________________________

NAME OF ENDOWED FUND

This Endowed Gift Agreement (‘Agreement”) sets forth the understanding between Donor Name (the “Donor”) and The University of New Mexico Foundation, Inc., 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 offer and the Foundation’s acceptance of a gift to create the Name of Endowed Fund (the “Fund”).

1. Donor hereby donates, transfers and assigns to the Foundation, and the Foundation hereby accepts, an irrevocable gift for purposes of creating the 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 Foundation in accordance with the Foundation’s 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 CHAIR/PROFESSORSHIP/FACILITY OR PROGRAM: 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 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.

The Fund shall become effective on the date the minimum endowment funding requirement of $___________ (minimum amount varies and depends upon purpose of the endowment) has been received 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 or appropriate University officials.

3. **Announcement of the Fund**: Unless instructed otherwise by the Donor or prohibited by law, the Foundation and/or the University of New Mexico may announce in any of their publications the creation of the Fund, the Donor’s name, the amount of the gift, and other pertinent details of the gift or the Fund. The parties acknowledge that under New Mexico law, documents related to the gift or the Fund, including but not limited to this Agreement, may be considered public records. If the Donor wishes to remain anonymous, additional steps will be taken by the Foundation to protect the Donor’s anonymity. *(Substitute the following language for this paragraph if Donor wishes to remain anonymous: “Anonymity of the Gift: The Donor wishes to remain anonymous, and therefore provides the Gift on the condition that the Foundation will take reasonable steps to assure the Donor’s anonymity. The Foundation and the University may disclose the receipt of the Gift, the name of the Fund, and the purposes for which the Fund will be used; however, the Foundation shall only disclose the identity of the Donor to persons outside of the Foundation if required by law”).*

4. **Information on Use of Funds**: The Foundation will respond to reasonable requests for information made by the Donor, the Donor’s immediate family, or other individuals identified by the Donor, about the activities and programs supported 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 co-invested 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. **Use and 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 this Agreement, or if the University President concludes that carrying out the purpose of the Fund would subject the University to an unacceptable risk of legal exposure, the Foundation shall consult with the Donor to modify use or the purpose of the Fund. If the Donor is not available, the Foundation’s President, in consultation with the University Official identified in paragraph 1 of this Agreement 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 they 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 by Donor or into Donor’s estate, and cannot 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 and Venue:** This Agreement shall be governed by and interpreted in accordance with the laws of the State of New Mexico, without applying New Mexico conflict of law or choice of law principles. Furthermore, the exclusive venue for any litigation arising out of or related to this Agreement shall be the state or federal courts located in Bernalillo County, New Mexico, and Donor hereby consents to such courts’ personal jurisdiction for such litigation.

10. **Modification of Agreement:** The terms and conditions of this Agreement may only be amended, modified, or altered by a written instrument signed by the Donor and the Foundation.
This Agreement will be effective when executed by the Donor and the Foundation.

DONOR

Draft – please do not sign __________________________  Date: ______________________

[Donor Name]

UNIVERSITY OF NEW MEXICO FOUNDATION, INC.

Draft – please do not sign __________________________  Date: ______________________

Henry Nemcik, President & CEO

Gift Agreement (Endowed) (rev. 6/18)
**APPENDIX 2 - FUND ESTABLISHMENT FORM**

**University of New Mexico Foundation, Inc.**

**Fund Establishment Form**

Phone: 277-4503  Fax: 277-1995  Address: Two Woodward Center 700 Lomas NE, Suite 203  Albuquerque, NM 87102

This form is required to establish a new fund at the UNM Foundation. A fund is required for gifts to be deposited directly with the UNM Foundation.

Please return the ORIGINAL to the UNM Foundation, and make a copy for your records

MSC09 4260

**Fund Name** (enter on line below)

<table>
<thead>
<tr>
<th>Fund Type</th>
<th>Revenue Sources</th>
<th>Check all that apply: Fund Number from UNM Foundation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Operations</td>
<td>Gifts</td>
<td>Banner Index</td>
</tr>
<tr>
<td>Quasi Endowment</td>
<td>Private Grants - if you will be receiving</td>
<td></td>
</tr>
<tr>
<td>Endowment</td>
<td>grant funding please contact Judith Davenport</td>
<td></td>
</tr>
</tbody>
</table>

If fund is in memory or in honor of someone, please provide full name:

**Honoree:**

Deceased:

**Purpose code (select only one):**

- [ ] Academics
- [ ] Athletics
- [ ] Faculty/Staff Compensation
- [ ] Library
- [ ] Student Financial Aid
- [ ] Property, Buildings & Equipment
- [ ] Public Service & Extension
- [ ] Research
- [ ] Other restrictions

Please describe how the funds will be used:

**The following information is required to establish a new Foundation account:**

**Banner Org Code** (Not a Parent Org, and accepts data entry):  **Banner Activity Code:**

**Signature Authorization**

The following personnel are authorized to sign on this account:

**Typed Name & Title—Organization Financial Manager**

**Typed Name & Title—Account Administrator**

**UNM Mailing Address of Account Administrator:**  **Phone Number:**  **Email:**

**Department Name**  **Department Org Code:**

**Authentication of Dean or Director, Chair and Constituent Development Officer**

**Typed Name of Chair**  **Signature**  **Date**

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.

**Typed Name of Dean/Director**  **Signature**  **Date**

**Typed Name of Constituent Development Officer**  **Signature**  **Date**

**Rev. 10/25/2013**
APPENDIX 3 - ENDOWED AND NON ENDOWED COMPARED

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

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

APPENDIX 4 - RELATED POLICIES

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

<table>
<thead>
<tr>
<th>Name of Policy</th>
<th>Policy Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allowable and Unallowable Expenditures</td>
<td>4000</td>
</tr>
<tr>
<td>Gifts made to the University</td>
<td>1030</td>
</tr>
<tr>
<td>Gifts of tangible Personal Property</td>
<td>7110</td>
</tr>
<tr>
<td>Investment Management</td>
<td>7610</td>
</tr>
<tr>
<td>Naming Facilities, Spaces, Endowments, Programs</td>
<td>1020</td>
</tr>
</tbody>
</table>
APPENDIX 5 - ENDOWMENT MINIMUMS

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

*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 Donor or Board Regents for similar purposes as true endowment funds; however, the gifts are not time restricted and any portion of the principal of quasi-endowment funds may be expended as allowed by UNM Policy and the endowment agreement.

*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

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. Non-Endowed activity reports are not generated by the Foundation for departments. The Non-Endowed reports can be run in MyReports.

Examples of an Annual Foundation Endowment Activity Report and an Endowed Spending Distribution follows.
**UNIVERSITY OF NEW MEXICO FOUNDATION**  
**CONSOLIDATED INVESTMENT FUND**  
**ENDOWMENT PROGRAM - 3/31/2019**  
**ENDOWMENT ACTIVITY REPORT**

**School of Medicine**  
**Administered by the Dean’s Office**

<table>
<thead>
<tr>
<th>Endowment Name</th>
<th>Purpose</th>
<th>UNHF Account</th>
<th>Principal Index</th>
<th>Spending Index</th>
<th>Fair Market Value 7/1/2018</th>
<th>Additions (Withdrawals)</th>
<th>Net Investment Earnings (Loss)</th>
<th>Spending Distribution</th>
<th>Fair Market Value 3/31/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albert V. Vogel Endowed Lecture Series</td>
<td>Faculty Support</td>
<td>605000</td>
<td>043338</td>
<td>043096</td>
<td>16,988.50</td>
<td>0.00</td>
<td>43.34</td>
<td>0.00</td>
<td>17,031.84</td>
</tr>
<tr>
<td>Alberta Beatrice Lane Leckman and Frederick Arnold Klein Leckman Endowed Scholarship</td>
<td>Scholarship</td>
<td>610471</td>
<td>914387</td>
<td>914389</td>
<td>0.00</td>
<td>25,000.00</td>
<td>657.73</td>
<td>0.00</td>
<td>25,657.73</td>
</tr>
<tr>
<td>Ann and Arthur Wallstein Endowed Scholarship</td>
<td>Scholarship</td>
<td>610351</td>
<td>914367</td>
<td>914368</td>
<td>36,723.07</td>
<td>3,750.00</td>
<td>141.26</td>
<td>(963.54)</td>
<td>39,450.79</td>
</tr>
<tr>
<td>Beth Hodgson Berkowitz Scholarship Fund</td>
<td>Scholarship</td>
<td>604360</td>
<td>914064</td>
<td>914045</td>
<td>168,355.54</td>
<td>0.00</td>
<td>425.74</td>
<td>0.00</td>
<td>168,781.28</td>
</tr>
<tr>
<td>Betty Black Dossett Research Fund</td>
<td>Research</td>
<td>610458</td>
<td>043598</td>
<td>043599</td>
<td>0.00</td>
<td>294,904.81</td>
<td>7,546.18</td>
<td>0.00</td>
<td>302,450.99</td>
</tr>
<tr>
<td>Burton H. and Carmelita B. Bell Endowed Scholarship</td>
<td>Scholarship</td>
<td>638100</td>
<td>914119</td>
<td>914029</td>
<td>81,198.37</td>
<td>0.00</td>
<td>20.01</td>
<td>(216.30)</td>
<td>80,982.08</td>
</tr>
<tr>
<td>Carpenters’ Educational Program</td>
<td>Program Support</td>
<td>658001</td>
<td>914040</td>
<td>043093</td>
<td>231,380.07</td>
<td>0.00</td>
<td>613.92</td>
<td>(6,631.89)</td>
<td>245,362.10</td>
</tr>
<tr>
<td>Clifford Oliver Memorial Scholarship in Cardiology</td>
<td>Scholarship</td>
<td>601550</td>
<td>914079</td>
<td>914036</td>
<td>16,993.19</td>
<td>3,000.00</td>
<td>104.31</td>
<td>(448.38)</td>
<td>19,651.12</td>
</tr>
<tr>
<td>Daniel E. Cordova Memorial Scholarship</td>
<td>Scholarship</td>
<td>678010</td>
<td>914095</td>
<td>914047</td>
<td>20,967.94</td>
<td>0.00</td>
<td>51.21</td>
<td>(553.17)</td>
<td>20,465.98</td>
</tr>
<tr>
<td><strong>Dean UN Memorial</strong></td>
<td>Scholarship</td>
<td>630150</td>
<td>043313</td>
<td>043006</td>
<td>1,065,515.45</td>
<td>250.00</td>
<td>2,607.28</td>
<td>(28,110.36)</td>
<td>1,040,262.37</td>
</tr>
<tr>
<td>Diane J. Klepper, M.D. Matching Scholarship Fund</td>
<td>Scholarship</td>
<td>624250</td>
<td>914301</td>
<td>914295</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Diane J. Klepper, M.D. Student Affairs Endowment</td>
<td>Program Support</td>
<td>638310</td>
<td>914318</td>
<td>914319</td>
<td>285,293.35</td>
<td>0.00</td>
<td>696.74</td>
<td>(7,526.58)</td>
<td>278,463.51</td>
</tr>
<tr>
<td>Diane J. Klepper, M.D. Student Affairs Endowment</td>
<td>Program Support</td>
<td>610233</td>
<td>914321</td>
<td>914319</td>
<td>241,444.55</td>
<td>0.00</td>
<td>509.65</td>
<td>(6,369.90)</td>
<td>235,669.30</td>
</tr>
<tr>
<td>Donald Caughman Endowed Memorial Scholarship for the School of Medicine</td>
<td>Scholarship</td>
<td>608030</td>
<td>914154</td>
<td>914155</td>
<td>87,117.73</td>
<td>0.00</td>
<td>212.77</td>
<td>(2,298.33)</td>
<td>85,032.17</td>
</tr>
<tr>
<td>Dorts Banker School Endowment</td>
<td>Scholarship</td>
<td>678310</td>
<td>914065</td>
<td>914054</td>
<td>113,085.53</td>
<td>0.00</td>
<td>278.14</td>
<td>(3,004.33)</td>
<td>111,159.14</td>
</tr>
<tr>
<td>Dr. Alonso Atencio Medical Scholarship</td>
<td>Scholarship</td>
<td>602880</td>
<td>914087</td>
<td>914046</td>
<td>74,866.03</td>
<td>0.00</td>
<td>182.83</td>
<td>(1,975.11)</td>
<td>73,073.75</td>
</tr>
<tr>
<td>Dr. and Mrs. Emil Ambrose Memorial Scholarship Fund</td>
<td>Scholarship</td>
<td>638000</td>
<td>914104</td>
<td>914022</td>
<td>4,812.61</td>
<td>0.00</td>
<td>11.76</td>
<td>(126.96)</td>
<td>4,697.65</td>
</tr>
<tr>
<td>Dr. C. Pardue and Marjorie Bunch Family Scholarship</td>
<td>Scholarship</td>
<td>610226</td>
<td>914299</td>
<td>914300</td>
<td>75,657.10</td>
<td>0.00</td>
<td>213.62</td>
<td>(1,995.99)</td>
<td>74,347.73</td>
</tr>
<tr>
<td>Dr. Eric Anthony Baca Endowed Memorial Scholarship</td>
<td>Scholarship</td>
<td>604930</td>
<td>043335</td>
<td>043167</td>
<td>10,422.37</td>
<td>0.00</td>
<td>26.61</td>
<td>0.00</td>
<td>10,448.98</td>
</tr>
<tr>
<td>Dr. Eric P. Hauser Memorial</td>
<td>Scholarship</td>
<td>638020</td>
<td>914076</td>
<td>914024</td>
<td>47,261.67</td>
<td>0.00</td>
<td>115.41</td>
<td>(1,246.95)</td>
<td>46,133.13</td>
</tr>
</tbody>
</table>

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

Thursday, April 18, 2019  
If you need additional information, please e-mail Kenney Starnsbury at kenney.starnsbury@unmfund.org.
<table>
<thead>
<tr>
<th>Endowment Name</th>
<th>Purpose</th>
<th>UNMF Account</th>
<th>Principal Index</th>
<th>Spending Index</th>
<th>FY 2018 Spending Distribution</th>
<th>FY 2019 Spending Distribution</th>
<th>Donor Required Adjustments</th>
<th>Net Spending Distribution</th>
<th>Donor Required Spending Restrictions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albert V. Vogel Endowed Lecture Series</td>
<td>Faculty Support</td>
<td>605000</td>
<td>043338</td>
<td>043096</td>
<td>0.00</td>
<td>448.20</td>
<td></td>
<td>448.20</td>
<td>No spending if principal reaches $36,000</td>
</tr>
<tr>
<td>Alberta Beatrice Lane Leckman and Frederick Arnold Klein Leckman Endowed Scholarship</td>
<td>Scholarship</td>
<td>610471</td>
<td>914387</td>
<td>914389</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
<td>0.00</td>
<td>No spending if principal reaches $21,000</td>
</tr>
<tr>
<td>Ann and Arthur Weinstein Endowed Scholarship</td>
<td>Scholarship</td>
<td>610351</td>
<td>914367</td>
<td>914368</td>
<td>1,178.83</td>
<td>963.54</td>
<td>0.00</td>
<td>963.54</td>
<td></td>
</tr>
<tr>
<td>Beth Hodgson Berkowitz Scholarship Fund</td>
<td>Scholarship</td>
<td>604360</td>
<td>914064</td>
<td>914045</td>
<td>5,931.68</td>
<td>1,480.51</td>
<td></td>
<td>1,480.51</td>
<td>No spending if underwater - Annual Distribution</td>
</tr>
<tr>
<td>Bettie Black Dossett Research Fund</td>
<td>Research</td>
<td>610458</td>
<td>043598</td>
<td>043599</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td>Burton H. and Carmelita B. Bell Endowed Scholarship</td>
<td>Scholarship</td>
<td>638100</td>
<td>914119</td>
<td>914029</td>
<td>283.74</td>
<td>216.30</td>
<td>0.00</td>
<td>216.30</td>
<td></td>
</tr>
<tr>
<td>Carpenters' Educational Program</td>
<td>Program Support</td>
<td>658010</td>
<td>914096</td>
<td>043093</td>
<td>8,700.03</td>
<td>6,631.89</td>
<td>0.00</td>
<td>6,631.89</td>
<td></td>
</tr>
<tr>
<td>Clifford Oliver Memorial Scholarship in Cardiology</td>
<td>Scholarship</td>
<td>601550</td>
<td>914079</td>
<td>914036</td>
<td>588.19</td>
<td>448.38</td>
<td>0.00</td>
<td>448.38</td>
<td></td>
</tr>
<tr>
<td>Daniel E. Cordova Memorial Scholarship</td>
<td>Scholarship</td>
<td>678010</td>
<td>914095</td>
<td>914047</td>
<td>725.68</td>
<td>553.17</td>
<td>0.00</td>
<td>553.17</td>
<td></td>
</tr>
<tr>
<td>Dean UNM Memorial</td>
<td>Scholarship</td>
<td>630150</td>
<td>043313</td>
<td>043026</td>
<td>32,876.48</td>
<td>25,110.36</td>
<td>0.00</td>
<td>25,110.36</td>
<td><strong>Split Distribution</strong></td>
</tr>
<tr>
<td>Diane J. Klepper, M.D. Matching Scholarship Fund</td>
<td>Scholarship</td>
<td>624250</td>
<td>914301</td>
<td>914295</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td>Diane J. Klepper, M.D. Student Affairs Endowment</td>
<td>Program Support</td>
<td>638310</td>
<td>914318</td>
<td>914319</td>
<td>9,873.73</td>
<td>7,526.58</td>
<td>0.00</td>
<td>7,526.58</td>
<td></td>
</tr>
<tr>
<td>Diane J. Klepper, M.D. Student Affairs Endowment</td>
<td>Program Support</td>
<td>610233</td>
<td>914321</td>
<td>914319</td>
<td>8,356.34</td>
<td>6,369.90</td>
<td>0.00</td>
<td>6,369.90</td>
<td></td>
</tr>
<tr>
<td>Donald Caughman Endowed Memorial Scholarship for the School of Medicine</td>
<td>Scholarship</td>
<td>608030</td>
<td>914154</td>
<td>914155</td>
<td>3,015.06</td>
<td>2,298.33</td>
<td>0.00</td>
<td>2,298.33</td>
<td></td>
</tr>
<tr>
<td>Doris Barker School Endowment</td>
<td>Scholarship</td>
<td>678310</td>
<td>914065</td>
<td>914054</td>
<td>3,941.47</td>
<td>3,004.53</td>
<td>0.00</td>
<td>3,004.53</td>
<td></td>
</tr>
<tr>
<td>Dr. Alonso Atencio Medical Scholarship</td>
<td>Scholarship</td>
<td>602880</td>
<td>914087</td>
<td>914046</td>
<td>2,591.14</td>
<td>1,975.11</td>
<td>0.00</td>
<td>1,975.11</td>
<td></td>
</tr>
<tr>
<td>Dr. and Mrs. Emil Amberg Memorial Scholarship Fund</td>
<td>Scholarship</td>
<td>638000</td>
<td>914104</td>
<td>914022</td>
<td>166.56</td>
<td>126.96</td>
<td>0.00</td>
<td>126.96</td>
<td></td>
</tr>
</tbody>
</table>

**Four 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@unnmf.org.*
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:
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.
### Operating Ledger Summary—HSC Format

**Through the Month of Mar 2019**

**Organization Level 5: 005A - Cancer Research Treatment Co CRTC**
**Fund Level 2: 380091 - 180 Non Endowed Spending Research**

Centra Program Codes are excluded

<table>
<thead>
<tr>
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<tr>
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<td>$0.00</td>
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<tr>
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<td>$0.00</td>
<td>$31,437.50</td>
<td>62.86%</td>
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<tr>
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<tr>
<td><em>TOTAL Operating Expense Fringe</em></td>
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<td>0.00%</td>
<td>$0.00</td>
<td>$125.31</td>
<td>100.00%</td>
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</tbody>
</table>
Distinguishing Between Gifts, Grants and Contracts

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1.0 Introduction
2.0 Gifts
3.0 Grants
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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, 313-7678
Betsy.Till@unmfund.org

Grants and Contracts are administered through Financial Services HSC – UNMHSC Financial Services
Sponsored Projects
HSC-PreAward@salud.unm.edu
Stacey Bigbie, Associate Director

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