UTDBP3034 - University Endowment Policy

Policy Statement

Purpose and Scope

Endowments are a critical element in The University of Texas at Dallas' ability to maintain quality in its academic and research efforts.

The University recognizes that each endowment is unique and that exceptions may, from time to time, be appropriate. The policies in this section are designed to permit maximum flexibility in securing additional endowments.

All endowments will be established in accordance with Series 60000: Development of the Regent's Rules and Regulations and the U.T. Dallas Gift Acceptance Procedures. The University of Texas at Dallas (UTD) seeks and receives private sector contributions for the purpose of establishing endowments to fulfill the mission and goals of the institution. Endowments are designated for the following purposes:

1. Faculty positions (chairs and professorships),
2. Scholarships and fellowships,
3. Programs.

Management Policy for Endowment Distributions

The principal of the endowment provides a permanent legacy in support of UTD's mission and goals and cannot be expended, unless otherwise specified by the donor. Distributions from endowment funds represent an important and growing source of funding for UTD. The following guidelines are intended to ensure the effective management of endowment distributions in compliance with the donor's designations and will enable accurate reporting to donors on how the funds are expended.

1. The endowment administrator, designated by the President or the President's designee, is responsible for the management of endowment distributions of each of the endowments under his/her purview. The endowment administrator is responsible for ensuring that endowment distributions are used:
   1. for the purpose(s) intended by the donor(s) and according to the official document(s) associated with the establishment of the endowment(s) by the Board of Regents of The University of Texas System or its designee(s);
   2. in accordance with applicable policies approved by The University of Texas System Board of Regents and The University of Texas at Dallas.
2. Endowment distributions will be budgeted and used to carry out UTD's mission of instruction, research and service in compliance with the donor(s)' wishes and UTD's policies. Expenditure budgets will not be over expended and expenditures will conform to UTD's annual operating budget.
3. The Endowment Compliance Office will be responsible for providing the endowment administrator with a copy of the Endowment Detail Report which delineates the donor's purpose and the terms of the endowment agreement for each established endowment under his/her purview.
4. The endowment administrator will approve all expenditures and transfers of funds from the endowment distribution account.
5. Transfers of funds from the endowment distribution account to UTD operating account(s) may be made only when the restrictions for the operating account are consistent with the terms of the endowment agreement.
6. Endowment distributions cannot be used to establish or create, in whole or in part, another endowment, except in accordance with UT System Gift Acceptance Procedures (UTS 138).
Endowment distributions should be expended on an annual basis and should not be accumulated. Endowment administrators are required to complete an Action Plan if: i) the endowment cost center has no annual expenditures; or ii) the endowment cost center has accumulated a balance of greater than $5,000 and that is in excess of twice the annual distribution. Action Plans must document why there were no expenditures and include a plan for utilizing the excessive balance. Action Plans may include a request for distributions to be reinvested into the corpus of the endowment. Action Plans must be reviewed by the endowment administrator and approved by the appropriate Dean (or Center Director) and the President (or the President's designee). Completed Action Plans are submitted to the Endowment Compliance Office.

The endowment administrator is responsible for preparing and signing an annual year-end Report of Use that summarizes the expenditures and transfers from the endowment distribution account. The annual Report of Use will also include a brief explanation of how the endowment distribution was used to meet program objectives and donor designations.

Policy History

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- Revised: 2017-10-24

Policy Links

- Permalink for this policy: http://policy.utdallas.edu/utdbp3034
- Link to PDF version: http://policy.utdallas.edu/pdf/utdbp3034
- Link to printable version: http://policy.utdallas.edu/print/utdbp3034