



**UC SAN DIEGO FOUNDATION
PROCEDURES REGARDING 25TH ANNIVERSARY GIFTS
JANUARY 1987**

ENDOWMENT CHAIRS

For endowed chairs that are solicited under the auspices of UCSD's 25th Anniversary campaign, donations are held in reserve until five percent is earned in order to repay the advance provided by the Vice Chancellor – Administration to support the operating cost of the campaign. Example: For an initial \$20,000 payment on a \$100,000 pledge, the funds would not be released to provide income to the chair holder until \$1,000 fee (5% of \$20,000) was earned, which would take 12 months at the current payout rate of 5 percent. After the initial 5 percent was earned, the funds would then begin to earn interest in the following month.

The donation is invested with other funds held in the UC San Diego Foundation according to investment guidelines set forth by the eight member Investment Committee of the Foundation. The payout rate to the fund administrators is also determined by the Investment Committee and is done on a quarterly basis. The current payout rate is 5% annually, effective January 1, 1987.

Any earnings on endowment investments in excess of the payout contribute toward the administrative expenses of the Foundation. The residual amount at year end, if any, over and above administrative expenses is added to the principal of the various endowments in order to help keep pace with inflation.

In order for the earnings on the endowment to be spent, an initial written authorization by Vice Chancellor V. Wayne Kennedy must be secured. After this initial authorization, the fund functions as any other endowment in the Foundation. This is true of all funds raised by the 25th Anniversary Campaign.

ENDOWMENTS OTHER THAN CHAIRS

For endowments that are solicited under the auspices of UCSD's 25th Anniversary Campaign, a five percent fee is assessed off the top of the gift in order to repay the advance provided by the Vice Chancellor – Administration to support the operating costs of the campaign. Example: For an initial \$20,000 payment on a \$100,000 pledge, the assessment of a \$1,000 fee (5% of \$20,000) would leave a remainder of \$19,000 which would begin to earn interest in the month following the month the payment is received.

The donation is invested with other funds held in the UC San Diego Foundation according to investment guidelines set forth by the eight member Investment Committee of the Foundation. The payout rate to the fund administrators is also determined by the Investment Committee and is done on a quarterly basis. The current payout rate is 5% annually, effective January 1, 1987.

Any earnings on endowment investments in excess of the payout contribute toward the administrative expenses of the Foundation. The residual amount at year end, if any, over and above administrative expenses is added to the principal of the various endowments in order to help keep pace with inflation.

In order for the earnings on the endowment to be spent, an initial written authorization by Vice Chancellor V. Wayne Kennedy must be secured. After this initial authorization, the fund functions as any other endowment in the Foundation. This is true of all funds raised by the 25th Anniversary Campaign.

REGULAR RESTRICTED GIFTS

For restricted gifts that are solicited under the auspices of UCSD's 25th Anniversary Campaign, a five percent fee is assessed off the top of the gift in order to repay the advance provided by the Vice Chancellor – Administration to support the operating costs of the campaign. Example: For an initial \$20,000 payment on a \$100,000 pledge, the assessment of a \$1,000 fee (5% of \$20,000) would leave a remainder of \$19,000 which would begin to earn interest in the month following the month the payment is received.

The donation is invested with other funds held in the UC San Diego Foundation according to investment guidelines set forth by the eight member Investment Committee of the Foundation. The payout rate to the fund administrators is also determined by the Investment Committee and is done on a quarterly basis. The current payout rate is 5% annually, effective January 1, 1987.

Any earnings on restricted investments in excess of the payout contribute toward the administrative expenses of the Foundation. The residual amount at year end, if any, over and above administrative expenses is added to the fund balance of the various funds as an additional interest distribution.

In order for restricted gifts and the earnings on those gifts to be spent, an initial written authorization by Vice Chancellor V. Wayne Kennedy must be secured. After this initial authorization, the fund functions as any other restricted fund in the Foundation. This is true of all funds raised by the 25th Anniversary Campaign.