

University Policy 500.02 ENDOWMENTS

Responsible Administrator: Vice President for Institutional Advancement

Responsible Office: Institutional Advancement

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Policy Statement

It is the policy of Claflin University to establish guidelines for the use of endowment funds. These guidelines are to ensure that endowment funds are used for their intended purpose.

The Board of Trustees of Claflin University has authorized the establishment of endowment accounts or permanent funds. Gifts totaling \$20,000 will be required to establish a named Endowment. The University will confirm in writing that the principal (sometimes called the "corpus") cannot and will not be "invaded" for current expenditures and will remain with the University in perpetuity. The Endowment Funds will be invested according to the University's Investment Policy, and the earnings will be made available for the purpose the donor specified in the gift agreement.

Statement of Purpose

This policy specifically addresses the use of gifts of at least \$20,000 to the University. The use of the funds is dependent upon oversight by University officials.

Applicability

This policy applies to University officials who receive endowment funds on behalf of the University and to officials who authorize the use of endowment funds.

PROCEDURES

The following guidelines for endowments have been established to facilitate processing and handling major gifts which are to be used for endowment purposes.

These guidelines will provide direction in the requirements which must be met by both the donor and the University before such an endowment can be established. These requirements are intended to protect the interest of the donor and allow the University to economically carry out the requirements of the gift agreement.

The general guidelines for endowments follow:

1. Gifts totaling a minimum of \$20,000 will be required to establish an endowment fund.
2. The Institutional Advancement Office should be contacted immediately upon inquiry from a potential donor regarding an endowment.
3. Gifts totaling less than \$20,000 but more than \$6,000 may be classified as an endowment fund upon approval of Institutional Advancement if



endowment fund as originally contemplated, funds shall be transferred to be used for the educational purposes of Claflin University as the Board of Trustees of Claflin University may determine.

12. Should Claflin University cease to exist, then the funds shall be transferred in accordance with the by-laws of Claflin University.

Inflation must be anticipated in determining endowment amounts. Generally, the following minimums will be applied:

Endowed Chair	$\$1,500,000 + \text{inflation factor}$
Professorship	$500,000 + \text{inflation factor}$
Lectureship	$200,000 + \text{inflation factor}$