



TITLE: ENDOWMENTS

DATE ADOPTED: 01/07/14

REVISIONS:

SIGNATURE OF BOARD SECRETARY:

PURPOSE OF POLICY

To identify State Statutes governing endowments and establish guidelines for such funds.

Local Language

An endowment requires that the principal remain intact and be invested to create a source of income for Northwest Florida State College. Donors may set up an endowment to fund a specific interest such as scholarships, instructional equipment, faculty development or program support for the College. By leaving the principal intact, the fund lives in perpetuity.

Endowments will be administered in accordance with the Florida Uniform Management of Institutional Funds Act (UPMIFA), governed by [FS 617.2104](#).

Guidelines

- a) Endowments are officially established when reviewed by the Northwest Florida State College (NWFSC) Foundation staff and accepted by the NWFSC Foundation Board and NWFSC Board of Trustees, to ensure consistency with the NWFSC Foundation mission, policies and procedures.
- b) Endowments may be established by individuals, corporations, social groups, estates, charitable organizations, families, friends and other entities and wherever possible must designate an individual as a donor representative with whom the foundation can communicate gifts, policies and revisions. Endowments may be established in a name chosen by the donor.
- c) Each endowment's income will be distributed from time to time by a committee including the NWFSC Foundation Director and the College Director of Financial Aid, or their designees, and others as necessary to meet the spirit of the fund.
- d) Capital gains on principal will be applied to the fund balance with market gains, interest and earnings awarded as scholarships or for program support as determined by the intent of the donor and to meet the spirit of the fund.
- e) Investments may be pooled and income from such investments is allocated equitably to participating funds.

- f) Criteria for awarding endowed scholarships can include conditions such as financial need, academic achievement or potential, community service and leadership, pursuit of a particular course of study, residence within a particular locale, membership in a given group, ability at identifiable tasks, or some combination of these. But in no case may conditions for award be capricious or discriminatory within those broad criteria.

Endowed teaching chair funds shall be used for financial support of a specific academic department, chosen by the donor, for enhanced learning opportunities, equipment purchases, or the like. The department chair shall be recognized as the recipient of each teaching chair. In the event there are multiple chairs for the same department, the Foundation will consult with the vice president of academic affairs and the department dean to recognize another appropriate faculty member.

- g) The minimum requirement to establish a new Distinguished Endowed Teaching Chair is \$100,000, a new Endowed Teaching Chair is \$50,000, and all other endowments is \$15,000.
- h) The minimum gift level for all endowments must be met by the donor within five (5) years. Endowments that fail to meet this target revert to either the general fund or the general scholarship fund at the discretion of the Board.
- i) The Foundation's [spending policy](#) determines the payout on an endowment. Scholarship awards may be used for tuition and books.
- j) The Foundation shall be entitled to reasonable compensation to defray the cost of the fund administration for the College. All foundation funds will be assessed an [administrative fee](#).
- k) Contributions can be made to the endowment at a time within guidelines established by the foundation. Contributions to an endowment cannot be reclassified to unrestricted or temporarily restricted once the gift has been received.
- l) Each endowment fund will be reviewed annually by the NWFSC Foundation staff to ascertain its effectiveness. At least every second year, the foundation staff will share information on the performance of the endowment with donor representatives, provided one is identified. Staff will make recommendations for changes in regulations as a result of these reviews, where appropriate.
- m) Exceptions to these policies may be made from time to time by the Executive Director with the concurrence of the Executive Committee.