Loyola University Maryland Endowment Distribution Budgeting & Spending Policy

1. Preamble

Loyola University Maryland (the "University") is committed to ensuring the proper stewardship of all endowments and has created this policy to maintain compliance with donor intent and accounting requirements. Specifically,

- The University will comply with donor intent and will not interpret that purpose to be more or less restrictive than as documented in the gift instrument. Donor intent will be determined by the Advancement Office with help from the Controller's Office and legal counsel, as necessary.
- Accounting rules require any expenses incurred that meet donor intent must be paid from
 endowment distribution accounts before operating fund accounts, unless the endowment has not
 yet met the minimum endowment levels, as prescribed in Loyola's Named and Endowed Fund
 Policy.

All recipients of endowment budgets must follow this policy.

2. Account Classification

An endowment is established when a contributor gives money in support of the mission or initiatives of the University. This money is called the corpus and these funds are held in perpetuity and invested in accordance with the University's Investment Policy Statement. Earnings from investments are distributed annually into one of two accounts:

- Unrestricted donor distribution accounts donor's intent for the distribution are of a general nature, easy to meet requirements, and can be used to support general operations of the University.
- Temporarily restricted donor distribution accounts donor's intent for the distribution has specific requirements that limit its use.

3. Budgets and Spending Requirements

Each unrestricted donor distribution account and temporarily restricted donor distribution account will be reflected in MyBudget, the University's budget management software. Unrestricted donor distribution accounts will begin with a "12" and temporarily restricted donor distribution accounts will begin with a "2". Spending requirements include:

- All unrestricted donor distribution accounts and temporarily restricted donor distribution accounts must be spent in accordance with the donor's intent and *before* University operating accounts.
- Unrestricted donor distribution account budgets may not be carried forward year to year.
- Temporarily restricted donor distribution account budgets may be carried forward year to year only if no expenses were incurred which could have been charged to these budgets.

4. Fiscal Oversight

The University will conduct periodic internal audits to help ensure donor distribution accounts are spent in accordance with donor intent, before University operating accounts, and within allotted time frames. Any expenses which meet donor intent that have been charged to operating budgets will be transferred to donor distribution accounts.

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Roles and Responsibilities

	Controller's Office	Advancement Office	Resource Mgmt.	Dept. Budget Staff	Divisional VP	Dean / AVP
Assign general ledger for new designations based upon donor intent	X	X				
Inform Budget Officer of designations		X				
Update access in MyBudget for new designations						
Provide Budget Officer, Dean/AVP with Spending Policy, training if necessary			X			
Monitor spending			X	X	X	X
Notify Budget Officer, Dean/AVP if not complying with Spending Policy			X			
Transfer expenses from operating fund, if needed, notify Budget Officer, Dean/AVP	X					
Donor Stewardship		X				