

## **POLICY 2.25 – Internal Endowments**

**Policy Category:** Financial

**Effective Date:** January 23, 1997

**Supersedes:** (NEW)

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### **POLICY**

- 1.00 Requests to create internal endowments require the approval of the Vice-President (Operations & Finance) and the Vice-President (Academic). Decisions of the Vice-Presidents are final and not subject to appeal.
- 2.00 Funds must not be from the basic operating budget.
- 3.00 The creation of an internal endowment must not violate any restriction related to the funds in question.
- 4.00 Funds must be set aside as endowments, in perpetuity.
- 5.00 Amounts for spending can be spent on any academic purpose, as agreed to at inception.
- 6.00 Initial endowment amounts must be at least \$100,000.
- 7.00 The funds will be subject to the policies of the Board of Governors with respect to endowed funds, as amended from time to time.
- 8.00 Terms can be altered only with the agreement of the Vice-President (Academic) and the Vice-President (Operations & Finance).
- 9.00 A 1.5% administration fee will be assessed on the capital of all such funds on an annual basis.
- 10.00 In order to discourage inappropriate spending of the internal endowments, a 5% penalty will be charged on any payouts from the accounts that are in excess of the payout rate permitted for regular endowments.