



UNIVERSITY OF WISCONSIN  
OSHKOSH

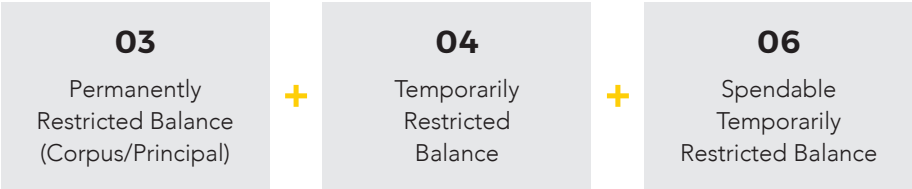
# ENDOWMENTS

ESTABLISHING AN ENDOWED FUND  
AT THE UW OSHKOSH FOUNDATION

Some of the most effective and far-reaching gifts are those given to create an endowment. Endowed funds are critical in providing long-lasting support to UW Oshkosh, allowing colleges and departments to enhance programs, advance research and support outstanding students.

# ENDOWMENTS

An endowed fund is established with a gift of at least \$25,000. An endowment’s total fund balance is invested in the market, generating earnings. Spendable amounts are distributed annually from these earnings for the purpose designated by the donor. The fund’s principal balance remains in perpetuity. All endowed funds are invested together to maximize their growth potential. Endowed funds are managed and invested by the UW Oshkosh Foundation according to its Fund Policy and Investment Policy.



## 03 PERMANENTLY RESTRICTED BALANCE

- Original donation (+)
- Later contributions specified as corpus (+)
- 03 funds are never spent

## 04 TEMPORARILY RESTRICTED BALANCE

- Interest earned on 03, 04, and 06 (+)
- Realized and unrealized gains (+)
- Realized and unrealized losses (-)
- Fees (-)
- Spending allocation transfers to 06 (-)

## 06 SPENDABLE TEMPORARILY RESTRICTED BALANCE

- Spending allocation transfers from 04 (+)
- Contributions specified as spendable (+)
- Fund expenditures, e.g. scholarship awards (-)
- Unspent funds remain in the 06

**Net Cash Value** is the sum of the 03 and 04 balances less pledges.

**Fund Cash Value** is the sum of the 03, 04 and 06 balances less pledges.

**Investment Allocations**

Investment earnings and losses are allocated to all endowed funds on a quarterly basis. The amount allocated to each fund is calculated as follows:

$$(Fund\ Cash\ Value \div Total\ of\ All\ Endowments'\ Fund\ Cash\ Values) \times Investment\ Portfolio\ Earnings/Losses = Fund's\ Earnings/Loss\ Allocation$$

**Fee Allocation**

Endowed funds are subject to an annual administrative fee of 2.5%. One-fourth of the fee is assessed quarterly, based on the fund's net cash value.

**Endowed Fund Spending Allocation**

The annual spending allocation is based on a rate of 4%. Spending allocations are calculated for the following fiscal year, based on the 3-year average of the fund's net cash value. However, the spending allocation may not exceed the fund's 04 balance.

**SPENDING ALLOCATION CALCULATION EXAMPLE**

NET CASH VALUE	<b>03</b>	<b>04</b>	<b>06</b>
	Permanently Restricted Balance <b>\$50,000*</b>	Temporarily Restricted Balance <b>\$5,000*</b>	Spendable Temporarily Restricted Balance <b>\$500</b>

\*Based on the average of balances over the last three years

- Net Cash Value (\$55,000) x .04 = spending allocation of \$2,200
- Spending allocation is transferred from the 04 to the 06, resulting in a total of \$2,700 being available to spend.

**Balances After Spending Allocation Transfer**

<b>03</b>	<b>04</b>	<b>06</b>
Permanently Restricted Balance <b>\$50,000</b>	Temporarily Restricted Balance <b>\$2,800</b>	Spendable Temporarily Restricted Balance <b>\$2,700</b>





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