

BYU Proposed Endowment Procedure

Proposed endowments are individually tracked by Financial Services until sufficient donor funds are received to reach the minimum level to establish an endowment. Endowments that are fully funded but awaiting name approval or agreement signatures are also tracked as proposed endowments.

Proposed endowment funds receive monthly interest allocations equal to the claim on cash rate, based on the cash balance. Once the minimum funding level is achieved **and** all required documents are completed, the endowment will be formally established.

Requirements

1. A minimum initial donation of \$10,000 is required.
2. A formal agreement must be drafted and signed within six months of initial donation. If the agreement is not completed within this period, the donor will be asked to reallocate the contributions.
3. The endowment must reach the minimum funding level within five years from date agreement is signed.
4. All earnings will remain in the fund until the minimum funding level is achieved.
5. If the minimum funding level is not met within the specified five years, both principal and income may be distributed and expended according to the purpose stated in the agreement.

Any exceptions to this procedure must be approved by the Regulatory Accounting & Reporting office.