ENDOWMENTS

1. Principal
   - Original Gift
     (can never be accessed)

2. Annual Spending Budget
   - Earns interest that generates the...

3. Fund Balance Reserve
   - Unspent funds from annual spending budget move to the fund balance reserve at the end of each fiscal year
   - Reserve should equal 25% of the annual spending budget
   - Amounts in excess of 25% should be:
     1. Moved to annual budget and spent by fiscal year end, or
     2. Moved to a quasi-endowment to be temporarily reinvested (5 year minimum), or
     3. Moved to the principal endowment to be permanently reinvested.

4. Quasi-Endowment
   - Re-invested Funds from Fund Balance reserve.
   - Unless otherwise agreed upon, funds must be reinvested for a minimum of 5 years.
   - Re-invested funds may be moved back to annual spending budget in their entirety after a period of 5 years, or in accord with a pre-approved plan.

*To request such transfers, send an explanatory memo to the Dean's Office (preferably by December 31st each year) that will be approved and forwarded to FAB. Reserve amounts of less than $2000.00 will not be reinvested. Requests for reinvestment to a quasi-endowment should include a memo indicating specific plans for the funds.