

## Fund Types

(those most commonly used by departments)

Fund Type	Fund Description	Fund Function
<b>General</b>		
<b>MA</b>	<b>Annually Funded</b>	Funded and spent in the same year. The most common 'MA's' are for departmental scholarship pool funds, but there may be other uses for 'MA' funds. Scholarship pool funds can be established for each dept. & all gifts for annually funded scholarships that don't already have a stand-alone, specifically named fund are placed in that pool fund. The contributed funds are awarded each year, and not accumulated. NO FEES are charged, and NO INTEREST is earned - these should be simple, money in/money out, low maintenance funds. \$5,000 minimum to open.
<b>MT</b>	<b>Temporarily Restricted</b>	When \$5K or more will be raised for a dedicated purpose, donors, the Dept. Chair, or Dean may request a new fund and sign a fund agreement. The \$5K minimum is to be raised within 12 months. FEES (gift fees) are charged, and NO INTEREST is earned. If the fund fails to reach \$5K, or if there is a small balance in the fund, the Foundation may close the fund and move the balance to the dept's general fund, unless the signed fund agreement states otherwise. If the amount reaches \$25,000, the Donor (or the Chair & Dean, if previously stated as such in the fund agreement) may request that it be used to create an endowment. Most <i>departmental</i> priority/discretionary funds are 'MT' funds.
<b>MB</b>	<b>General Unrestricted (Board Designated)</b>	Unrestricted fund designated by the Board of Directors for a specific purpose. NO INTEREST is earned and there are NO FEES. Contributions may not be deposited to these funds-they receive monies via journal entry only. Typical funds in this category are funds for non-academic areas that generally do not receive many external contributions, but that still have need of foundation-type funds for some program expenses. The Board may also allocate funds to specific colleges/schools.
<b>Endowment</b>		
<b>MC</b> <b>MR</b> <b>ME</b>	<b>Named Endowments</b>  <i>All 3 funds make up the endowment</i>	<p>Minimum of \$25,000 at present. There are three (3) funds set up related to this endowment:</p> <p><u>MC</u> (Corpus) - all contributions are placed in this fund  <u>MR</u> (Restricted Earnings) - gains/losses posted here; all fees charged here  <u>ME</u> (Expendable) - income allocations posted &amp; all expenses charged</p> <p>Endowments are better for long-term planning, rather than short-term needs.</p>
<b>MU</b>	<b>Supplemental Fund to an Endowment</b>	Restricted fund set up by the donor(s) of the endowment by the same name (often for scholarships or lecture support, but can be other purposes); this fund could be used when an endowment is underwater or while a new endowment is growing/building, but the donor wishes for scholarships to continue to be awarded (or for other expenses to take place for non-scholarship funds); the donor must explicitly state that his or her money is to go into this fund, rather than to the corresponding endowment; the purpose of this fund is exactly the same as that of the corresponding endowment. NO FEES are charged to this fund and NO INTEREST is earned. Can spend from this fund.
<b>Other</b>		
<b>MN</b>	<b>Building Toward Endowment</b>	Funds in this category are created by donors and academic areas with the hope that enough money will be reached in designated time allowed to create an endowment. The fund must reach \$5K within 12 months AND must reach \$25K within the next 4 years in order to be converted to an endowment. It will automatically be converted to an 'MT' fund otherwise. These funds act more as a 'holding' fund' - NO SPENDING from these funds.
<b>MW</b>	<b>Grant-like Tendencies</b>	Funds in this category have grant-like tendencies, usually in the form of a collaborative project anticipated to be for a limited time, the funding for which may be based on established assessments/goals. The minimum to establish is \$5,000. FEES may or may not be charged, and NOINTEREST is earned.
<b>MZ</b>	<b>Quasi-Special Endowment (Temporarily Restricted)</b>	Funds in this category have endowment tendencies, but the principal can be invaded and/or other irregularities. If fund fails to reach \$25,000, or if there is a small balance in the fund, the Foundation may close the fund and move the balance to the dept's general fund. If the amount reaches \$25,000, the Chair & Dean may request that it be used to create an endowment (if the original fund agreement supports doing so). FEES are charged, and receives INTEREST. These funds are better for long-term planning, rather than short-term needs.

*Note that for ALL funds in Banner, the second letter indicates the PURPOSE of the fund - when in doubt look at the second letter.*

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### 3-Part Endowments (MC, ME & MR)

<b><u>Fund 1 (MC)</u></b>	<b>(Corpus/Principal)</b>	- All gifts/contributions will be posted to this fund; NO SPENDING from this fund. This fund exists in perpetuity.
<b><u>Fund 2 (MR)</u></b>	<b>(Restricted for Earnings)</b>	- Any realized gains/losses and unrealized gains/losses will be posted to this fund. Income is allocated from the "MR" (Restricted Earnings) fund to the "ME" (Expendable) fund, as specified by the Foundation Board. ALL FEES will be charged to this fund (including the endowment fees and fees on new gifts). NO SPENDING from this fund. This fund acts as a 'reserve' for the endowment - realized/unrealized losses reduce this reserve, while realized/unrealized gains increase this reserve.
<b><u>Fund 3 (ME)</u></b>	<b>(Expendable)</b>	- All income allocations will be posted to this fund and all expenses will be charged to this fund. Annual allocations are made as specified by the Foundation Board - the Board decides on this percentage each year, based on market performance, (to be fiscally prudent). The calculation will be based on the combined average balance in the Corpus (MC) and Restricted Earnings (MR) funds for the 36 fiscal months prior to June 30th (or total life of the fund if less than 36 months).

*From time to time the Board may vote to require the fair market value of the Foundation's endowments to be at a certain percentage above 100% of their individual principal balances, in order to protect the endowments. Likewise, the Board may vote to suspend annual spending allocations to those endowments whose fair market values do not meet such thresholds.*

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## Fund Code Restrictions

**69**      **Permanently Restricted**      Contributions and other inflows of assets whose use by the University is limited by donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled or otherwise removed by actions of the University; true Endowment funds.

Fund Examples:      MC

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**29**      **Temporarily Restricted**      Those funds that can only be used for the purpose defined, including donor restrictions and grants, most of which are given for restricted purposes; contributions and other inflows of assets whose use by the University is limited by donor-imposed stipulations that either expire by the passage of time or can be fulfilled and removed by actions of the University pursuant to those stipulations.

Fund Examples:      MA, ME, MN, MR, MT, MZ

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**19**      **Unrestricted**      Unrestricted funds used for operating funds for the Foundation itself (not an academic area).

Fund Examples:      MM, MF, MP (used internally by Foundation only)

**19**      **Unrestricted**      Unrestricted funds allocated by the Board; those funds that may be used for any purpose deemed appropriate for the organization, "deemed appropriate by the Board."

Fund Examples:      MB