



Endowment Carryforward Funding Guidelines

Background

Management and the Investment Committee of the Board of Trustees regularly monitor investment performance, liquidity of the endowment pool and spending from endowed resources to ensure maximum optimization of all university resources. As a result, the investment policy was revised in April, 2017 to remove the automatic carryforward spending provision and replace it with a request process for carryforward of remaining spending allowance.

The following language was removed from the policy:

Any remaining (or unspent) spending allowance will be carried forward to the next fiscal year up to a specified maximum, as an addition to the calculated spending allowance for that year. Beginning July 1, 2013, the maximum amount to be carried forward will generally be limited to the amount of unspent spending allowance for the preceding two years. Exceptions will be approved by the President or Vice President for Finance and reported to the Committee.

The following language replaces the previous carryforward provision:

Any remaining (or unspent) spending allowance at the end of each fiscal year will be returned to the accumulated earnings of that endowment for continued investment earnings allocation. Beginning July 1, 2017, a formal request process to carry forward prior years remaining (or unspent) allowance, up to a specified maximum, will be approved by the President or Vice President for Finance and reported to the Committee. The maximum amount to be carried forward under the request process will generally be limited to the amount of unspent allowance for the preceding two years.

The following provides guidelines and instructions for those departments that wish to request carryforward of a remaining spending allowance.

Request Procedures

Eligibility

Any endowment fund that has an unspent spending allowance is eligible to submit a request for those funds to carryforward and be spent in a future year. The amount is determined by the Dean and/or department head based on their specific requirements and needs. Departments can request an amount equal to or less than the unspent spending allowance calculation from the prior two years.

Annual timeline and review process

<u>Timeframe</u>	<u>Process</u>
By June 25	Reporting & Compliance Office sends reports for each endowments performance, spending summary and the request process.
By July 7	Departments to review their needs and submit request package to Deans or department heads for review and approval.
By July 11	Dean or department head approves/denies request. Approved request package submitted to Reporting & Compliance for review. Please send to compliance@san Diego.edu
By August 13	Reporting & Compliance manager submits supporting schedules to Vice President of Finance and CFO for review and approval.
By August 27	Vice President of Finance and CFO approves/denies request.
September Meeting	Vice President of Finance and CFO presents final approved list to the Investment Committee of the Board of Trustees.

Exceptions or special circumstances

In the event special circumstances or funding requests occur outside of the above timeframe, flexibility is provided to submit a request for carryforward funds utilizing the same request documents with an expedited approval process. As noted above, unspent spending allowances are retained within the accumulated earnings of the fund and are readily available should an exception or special request arise.

<u>Timeframe</u>	<u>Process</u>
Day One	Departments will review their needs and submit the request package to the Dean or department head for review and approval.
Within 10 Bus. Days	Dean or department head approves/denies request. Approved request package submitted to Reporting & Compliance for review.
Within 15 Bus. Days	Reporting & Compliance Manager to complete review and submit recommendation along with analyses and supporting schedules to the Vice President of Finance and CFO to approve or deny.

Investment Meeting Vice President of Finance and CFO presents final approved list to the Investment Committee of the Board of Trustees.

Request package

It is important that the departments / schools provide sufficient information in their request package to assist with the evaluation. We are providing a Request Form (Exhibit A) to use as a guide and to aid in the review process. Please note: there is a form for an individual request and a form for multiple requests included. We also have a Signature Routing Form (Exhibit B) to ensure all proper reviews have been completed. In addition to the required forms noted above, we encourage departments to provide additional information regarding your requests.

Required information

- Rationalization/ Explanation for the need of funds, specifically including why an accumulation of funding is needed to meet stated objectives
- Multi-year budget plan for endowment expenditures by expenditure categories (budget lines)
- Efforts you have made to identify other resources, including:
 - Expected current year carryforward amount based on projected spending for the remainder of the fiscal year
 - Projected available restricted gifts account balance (if any)
 - Funds available from discretionary accounts or other resources

Preferred information:

- Donor agreement(s) or communication(s) – if relevant to support your rationale
- Calculation details and backup support for fiscal year expenditures
- Rationalization for each expenditure category
- Current or pending organizational changes or expenditure structure changes

If you have any questions regarding the request process, please feel free to contact:

Ginny Proctor, Reporting and Compliance Manager at gproctor@sandiego.edu

EXHIBIT A – REQUEST FORM

ATTACHED

EXHIBIT B – SIGNATURE ROUTING FORM

ATTACHED

**Please see endowment carryforward request guidelines
for additional information and related timeline.**

For more information, click here

***Workday GFT_ID** (e.g., *GFT_00839 Quasi Endowment*)

***Provide an explanation of the need for funding** (Attach additional information and/or documentation if necessary)

(Name)

(Ext.)

(Date)

(Name)

(Ext.)

(Date)

* Crucial Endowment Expenditures

List the crucial endowment expenditures you anticipate for all budget years which carrforward is being requested. Please attach details if available.

Total Expenses	\$	-
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*Request Amount \$

FINANCE OFFICE USE ONLY						
Endowment Status		Other Sources of Revenue				
	Cumulative Principle	Unrestricted Sources		Restricted Sources		
	Cumulative Realized Earnings	Cost Center		Amount	GFT ID	
	Cumulative Unrealized Earnings					
	FMV					
Spending Allowance						
	Current Year Base					
	Prior Year Carry Forward					
	Available Allowance					

*** The following information is necessary if there are questions regarding the information submitted and for final notification of approval.**

*Gift Manager	_____	_____	_____
	(Name)	(Ext.)	(Date)
*Requested By	_____	_____	_____
	(Name)	(Ext.)	(Date)
*Gift Manager	_____	_____	_____
	(Name)	(Ext.)	(Date)
*Requested By	_____	_____	_____
	(Name)	(Ext.)	(Date)
*Gift Manager	_____	_____	_____
	(Name)	(Ext.)	(Date)
*Requested By	_____	_____	_____
	(Name)	(Ext.)	(Date)
*Gift Manager	_____	_____	_____
	(Name)	(Ext.)	(Date)
*Requested By	_____	_____	_____
	(Name)	(Ext.)	(Date)

Please add any information and/or documents to your carryforward request package. Complete the Routing Form by the deadlines stated and email the entire package to compliance@san Diego.edu by July 18th.



**SIGNATURE ROUTING FORM FOR CARRYFORWARD OF
REMAINING (OR UNSPENT) SPENDING ALLOWANCE REQUEST**

Please see endowment carryforward request guidelines for additional information and related timeline.

<u>Deadlines</u>	<u>Management</u>	<u>Review/Approval Signature</u>
July 11	Dean / Department Head	<div> <div>_____</div> <div>Dean (if applicable)</div> </div> <div> <div>_____</div> <div>Date</div> </div>
		<div> <div>_____</div> <div>Department Head (if applicable)</div> </div> <div> <div>_____</div> <div>Date</div> </div>

Please forward completed package to Compliance at HC 335 by July 18.

August 13 Compliance Office Review

COMPLIANCE OFFICE USE ONLY	
Received _____	Package forwarded to VP of Finance & CFO with recommendation _____
Date _____	Date _____

August 27 Vice President of Finance and CFO

FINAL APPROVAL	
<input type="checkbox"/> Approve	
<input type="checkbox"/> Maximum Amount From Endowment Principal	<div>_____</div> <div>\$</div>
<input type="checkbox"/> Amount To Be Funded From	<div>_____</div> <div>\$</div>
	<div>_____</div> <div>\$</div>
	<div>_____</div> <div>\$</div>
<div>Note: _____</div>	
<input type="checkbox"/> Deny	
<div>_____</div> <div>Vice President of Finance and CFO</div>	<div>_____</div> <div>Date</div>