



FUND ADMINISTRATION POLICY

The University of Vermont and State Agricultural College Foundation, Inc. ("Foundation"), works closely with donors to document intentions and to ensure the goals of donors are achieved. The Foundation also works closely with University of Vermont ("University") staff, including but not limited to the University Treasurer's office, business offices, and individual departments and units, to ensure donor intentions are understood and gifts are satisfactorily administered in accordance with donor intentions. To this end, the following terms and conditions govern the prudent and uniform administration of current-use institutional funds and endowment funds established at the Foundation.

ESTABLISHMENT

A new fund may be established at the Foundation by a donor(s), by the University or by the Foundation ("Founding Donors"). An Agreement is required to establish a new fund at the Foundation and includes donor intentions and use restrictions if any. A new named fund must meet minimum naming thresholds as described in the "Guidelines for Naming Opportunities and Endowments", as amended from time to time. An Agreement will have the following characteristics:

- The name of the fund.
- The intent of the Founding Donors.
- The purpose of the fund, which must be for qualified charitable purposes consistent with the laws of the State of Vermont and section 501(c)(3) of the Internal Revenue Code.
- References to current Foundation policies governing the fund including "Fund Administration Policy", "Investment Policy", and "Guidelines for Naming Opportunities and Endowments".
- Indicate the fund will be accounted for uniquely in accordance with generally accepted accounting principles.
- Signed, authorized and mutually agreed to by the Founding Donors, an officer of the Foundation (President & CEO), and the senior-most representative of the University's unit (i.e., President, Provost, College Dean, Athletics Director, etc.) in which the fund will be used.

GIFTS

Once a fund is established at the Foundation, the Founding Donors and other donors may contribute to the fund by simply designating their gift to the fund. All gifts to a fund are governed by the terms and conditions of the fund, as established by the Founding Donors and any donor may request a copy of the terms and conditions of the fund. Gifts to a fund shall be accepted in accordance with the Foundation's "Gift Acceptance Policy."

GIFT FEE

By making gifts to the Foundation, donors support the students, faculty and facilities they care most about, and also invest in the fundraising enterprise. This allows the Foundation to reach more alumni and friends who have the similar interests and passions to advance the University.

All gifts to a fund, when received and monetized, will be assessed a one-time gift fee as determined by the Foundation's Board of Directors from time to time. The current gift fee is 5% on all gifts. Effective January 1, 2021, all current-use gifts, when received and monetized, will be assessed a one-time gift fee of 5% and there will be no gift fee on endowment gifts.

Charitable foundations and other similar organizations with a written policy prohibiting overhead or other administrative fees will be exempt from the gift fee. The University, at its choosing, may expense the value of the gift fee against other University resources instead of the donor's gift. The Foundation's Board of Directors has authorized the President and CEO to consider a written request from a donor for, and to grant if and when warranted, an adjustment to the gift fee.

CURRENT-USE GIFTS

Current-use gifts are fully spendable for a fund's purpose, have no investment restrictions and are distributed as soon as they are needed.

ENDOWMENT GIFTS

Endowment gifts are added to the principal of the fund, and are invested and administered in accordance with the Foundation's "Investment Policy". All endowment gifts are permanently restricted unless agreed to otherwise.

If the principal of a fund does not reach the required minimum in endowment gifts based upon the "Guidelines for Naming Opportunities and Endowments" within six years of receiving the fund's first gift, the Foundation's Board of Directors reserves the option of transferring the entire fund to another Foundation fund that has a purpose consistent with the intentions of the Founding Donors, the University and the Foundation.

The principal of a fund may be combined with other investment assets of the Foundation for the purposes of investment. Each fund in the Foundation endowment will be separately accounted for on the Foundation's books.

Investments of the principal of a fund will generate distributions in support of the purpose of the fund.

The total earnings on investments of the principal of a fund will be credited to the fund, net of endowment distributions and all fees, including a management fee.

DISTRIBUTIONS IN SUPPORT OF A FUND'S PURPOSE

The amount available for distribution in support of a fund's purpose shall be the balance of current-use gifts and the balance of endowment distributions. The Foundation is responsible for conveying to the University the fund's purpose and amount available. The University is responsible for spending the amount available in accordance with the fund's explicit purpose.

AMENDMENTS

An Agreement may be amended during the Founding Donors' lifetimes by mutual written consent of the Founding Donors (or the survivor) and the Foundation, in consultation with the University.

The Foundation is grateful to the Founding Donors and is committed to fulfilling the terms of an Agreement. There is the possibility that the terms of an Agreement may become impossible, impracticable or illegal for the Foundation to satisfy. If, in the opinion of the Foundation, this unlikely circumstance should occur, then the Foundation's Board of Directors shall find an alternative application of the Agreement that, in the opinion of the Foundation's Board of Directors, is consistent with the intentions of the Founding Donors.

From time to time, the Foundation or the University may have organizational changes relating to personnel, job responsibilities, or other administrative matters. The terms of an Agreement shall be binding on the successors and assigns of the Foundation and the University as a result of any organizational change.

From time to time, the Foundation or the University may amend policies or procedures, and those amendments will apply to the fund, unless agreed to otherwise.

GOVERNING LAW

All funds and agreements shall be governed by the laws of the State of Vermont, unless agreed to otherwise.

*Adopted December 14, 2011
Revised April 28, 2012
Revised April 20, 2018
Revised June 24, 2020*