



New Mexico State University Foundation, Inc.

Endowed Fund Spendable Balance Policy

Endowed donor funds that are managed by the NMSU Foundation generate annual spendable balances that are intended to be utilized by university units in a timely manner and according to donor intent as documented in the endowment fund gift agreement.

Endowed fund spendable balances will revert to the principal of the endowment if not utilized by the end of each calendar year. Revision exceptions may exist in individual gift agreements, in which case the donor intent will be followed.

Earnings generated by **endowed scholarship funds** are required to be utilized each calendar year unless the gift agreement allows for unawarded earnings to carry forward to the next year.

Request for Carry Forward Exceptions

In rare and exceptional circumstances, it may be impossible or impractical for units to utilize the earnings of a **non-scholarship endowed fund** before the end of a calendar year. In these cases, a request to carry the earnings forward to the next calendar year may be submitted to the Foundation President no later than December 1 of the current year explaining the situation that makes the expenditure of earnings impossible or impractical before the end of the calendar year and providing a detailed plan for utilizing the earnings before the end of the following calendar year. The Foundation President will determine approval for the carry forward and spending plan based on donor intent as documented in the gift agreement. The explanation and spending plan may be provided to the donor in place of the gift fund impact report.

Unless approved in advance, units may only request a carry forward of earnings from a non-scholarship endowed fund once every five years.

If a unit desires to utilize earnings from a **non-scholarship endowed fund** for a special project that will require multiple years of fund earnings to be saved and utilized at a future date, a request may be submitted to the Foundation President no later than December 1 of the current year explaining the desired project and including a detailed plan for utilizing multiple years of earnings by a specific date in the future. If the donor is contactable, the Foundation will seek approval for the project and spending plan by the donor. If the donor is not contactable, the Foundation President will determine approval for the project and spending plan based on donor intent as documented in the endowment fund gift agreement.