



Ohio Administrative Code Rule 3352-7-23 Quasi-endowment fund.

Effective: May 31, 1999

(A) General policy. To help support Wright state university's continuing efforts to achieve its mission, external donors may provide gifts to the university. The donor may impose no restrictions on the gift whereby the gift may be used for any university purpose (an unrestricted gift), or the donor may restrict the gift to be used only for a specific department, activity, or project (a restricted gift). One method of giving is to establish an endowment, which is a gift whereby the donor stipulates, as a condition of the gift, that the principal be maintained for a specified period of time or until an event occurs or that the principal be maintained in perpetuity. The funds are invested for the purpose of producing present and future income which may either be expended currently or added to the principal. The wright state university foundation incorporated has the responsibility to receive gifts and maintain accountability for them.

(B) Quasi-endowment funds.

(1) Explanation. Wright state university may make internal decisions to allocate and designate funds as quasi-endowment funds, in order to achieve the institution's initiatives and to serve the needs of its students. a quasi-endowment fund functions in the same manner as an endowment fund except that a quasi-endowment is created by the university rather than by an external donor. Therefore, it is the discretion of the board of trustees of Wright state university to expend the principal of a quasi-endowment or to continue the existence of a quasi-endowment.

(2) Maintenance. Quasi-endowments are to be maintained within the university and are to be maintained separately from wright state university foundation accounts which are funded by external gifts only. The following procedures govern establishment, maintenance, and termination of a quasi-endowment fund.

(a) Creation of a quasi-endowment fund may be recommended by a university unit to the provost or appropriate vice president. The provost or appropriate vice president will then submit the recommendation to the president's cabinet for approval. Once approved by the president's cabinet, the



recommendation for a quasi-endowment fund will be submitted to the finance and audit committee of the board of trustees of the university and ultimately to the full board of trustees for approval.

(b) The submitting unit must include as part of a recommendation a description of the quasi-endowment, including the purpose of the fund, how it relates to the university's mission, and an identification of the source of funds for establishing the quasi-endowment. The funds for establishing the quasi-endowment are to be cash balances and not base budgets. The minimum amount necessary to establish a quasi-endowment fund is fifty thousand dollars.

(c) The quasi-endowment will be accounted for in the university's endowment fund and accordingly be subject to the disbursement policies and investment guidelines in place for those funds. In addition, no endowment principal may be expended without approval by the board of trustees of the university.

(d) Establishment of a quasi-endowment will be considered permanent. Therefore, a request to terminate or discontinue a quasi-endowment and a subsequent transfer of funds to general university funds is subject to the same approval process described in paragraph (B)(2)(a) of this rule, including approval by the board of trustees of the university.