



## POLICY ON THE ESTABLISHMENT OF ENDOWMENT ACCOUNTS

*Dated: April 26, 2021*

*Supersedes: Establishment of Endowment Accounts dated February 3, 1997*

### **I. PURPOSE**

Define procedures for the establishment of endowment accounts.

### **II. POLICY**

It is the policy of New York Medical College to permit Endowment accounts with funding equal to or greater than Twenty-Five Thousand Dollars (\$25,000.00) for purposes consistent with the College's mission.

### **III. SCOPE**

This policy applies to all New York Medical College authorized endowment accounts.

### **IV. PROCEDURES**

#### **A. External (True Endowment) Sources**

1. Upon receipt of a request and contribution of funds from an external donor source, the Office of Development and Alumni Relations will request that the President endorse the establishments of an endowment by the Board of Trustees to be affirmed by a resolution recorded in the Board minutes.
2. Once approved by resolution by the Board of Trustees, the Office of Development and Alumni Relations will forward the Board minutes, the donor contribution report details with supporting memoranda and/or other relevant source documentation to the Controller's Office.
3. The Controller's Office will establish an endowment fund and add the proceeds provided by the donor to the endowment Investment Pool.
4. The Office of Development and Alumni Relations will complete a *New DP Fund Request Form* and forward it to Restricted Funds Accounting Department (RFAD). The RFAD will establish an endowment income fund for the receipt of investment income generated by the principal and will inform the Controller's Office and The Office of Development and Alumni Relations.
5. Income generated by the endowment principal will be transferred to the endowment income fund on a quarterly basis by the Controller's Office.

B. Internal Sources (Quasi-endowment)

1. Upon a recommendation from the College's administration, the Board of Trustees, at their discretion, will approve the creation of funds functioning as an endowment.
2. Upon approval by the Board of Trustees, the Controller's Office will procure the Board minutes related to the approval and related resolution, use the minutes as substantiation for the establishment of a quasi-endowment principal fund.
3. The Controller's Office will transfer the authorized funds from the current unrestricted fund to the endowment fund balance. The funds will then be added to the endowment Investment Pool.
4. The Office of Development and Alumni Relations will complete a *New DP Fund Request Form* and forward it to RFAD. The RFAD will establish an endowment income fund for the receipt of investment income generated by the principal and will inform the Controller's Office and The Office of Development and Alumni Relations.
5. Income generated by the endowment principal will be credited on a quarterly basis to an endowment income fund by the Controller's Office.

**V. EFFECTIVE DATE**

This policy shall be effective immediately.

**VI. POLICY RESPONSIBILITIES**

- A. Office of Development and Alumni Relations – forward required documentation in conformance with this policy.
- B. Controller's Office – adhere to procedures in conformance with this policy.
- C. Restricted Funds Accounting Department
  1. Adhere to procedures in conformance with this policy
  2. Provide advice and guidance with respect to interpretation and administration of this policy.

**V. POLICY MANAGEMENT**

Responsible Executive: Vice President and Chief Financial Officer  
Responsible Officer: Controller  
Responsible Office: Department of Finance