

ASSESSMENT OF CURRENT GIFT AND PRIVATE GRANT FUND INTEREST EARNINGS FROM UCSD AND THE UC SAN DIEGO FOUNDATION

I. REFERENCES AND RELATED POLICIES

UCSD Policy and Procedure Manual (PPM)

[150-35](#) Classification, Acceptance, and Administration of Awards from Private Sources

[410-3](#) Administrative Fee on Gifts to UCSD and the UC San Diego Foundation, UC Policy on Support Groups, Campus Foundations, and Alumni Associations, July, 2009

II. BACKGROUND/PURPOSE

A top priority of UCSD is to build the value of endowment and gift funds, as held by either The Regents or the UC San Diego Foundation (Foundation) on behalf of the campus. Earnings on these private support funds also provide an unrestricted resource that will be used to fund the private support operations of External and Business Affairs, the Foundation, and other campus priorities at the discretion of the Chancellor.

III. POLICY

- A.** Effective July 1, 2009, investment returns earned on current (expendable) gift and private grant funds, held by either the Regents (UCSD campus) or the UC San Diego Foundation will be placed in an account under the control of the Chancellor.
- B.** Funds with a deficit balance will be charged negative interest.
- C.** The funds functioning as endowed reserve funds, established in 1998 and 2000, will be maintained by the Vice Chancellor-External and Business Affairs. The annual expendable income generated by these funds will be used to augment External and Business Affairs budget for purposes of operating the UC San Diego Foundation.

- D. The Chancellor will allocate sufficient funds to the Vice Chancellor-External and Business Affairs to operate the units of Development, Alumni Affairs Advancement Services, and the UC San Diego Foundation as agreed to annually or otherwise.
- E. Endowment payout to Regents or Foundation gift endowment funds, in accordance with Regents or Foundation endowment payout policy, is exempt from this assessment. However, once payout is made available, the payout is placed into a current fund by the campus and the Foundation. Current fund earnings on any accrued balances from endowment payout allocations (that is, earnings on earnings) will be subject to this policy.
- F. In keeping with legal obligations under established charitable trust laws, donors will be informed of this policy.
- G. This policy may be modified from time-to-time to provide for any significant long-term changes (increases or decreases) in current fund yields or for other significant purpose.

IV. RESPONSIBILITIES

A. UCSD General Accounting Office and UC San Diego Foundation Accounting Office

- 1. Credit the Chancellor (and any special circumstance exempted current gift and private grant funds) with the appropriate amount of interest earnings per this policy.
- 2. Annually prepare a report to the Chancellor and Vice Chancellor-Resource Management and Planning of the income generated by this policy.

B. Vice Chancellor-External and Business Affairs

- 1. Retain fiscal responsibility for the operating expenses of the UC San Diego Foundation as budgeted and presented to its Board of Trustees annually.
- 2. Annually prepare an expense report for the Chancellor and Vice Chancellor-Resource Management and Planning of the earnings under this policy allocated to External and Business Affairs.

C. Department Personnel, Development Officers, Gift Administration, and Office of Contract and Grant Administration

Inform donors or potential donors in written solicitation materials and proposals, in verbal discussions, and on receipts, of this policy.