

MEMORANDUM

TO: Deans and Other Fundraising Entity Heads
Chief Development Officers

FROM: Brian C. Sischo, Vice Chancellor for University Advancement
Scott R. Douglass, Treasurer, The Endowment Fund

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Scott R. Douglass

SUBJECT: Spending guidance on Distinguished Professorships with state match

DATE: May 18, 2018

On May 8, 2018 we received good news from the University of North Carolina System Office of Legal Affairs (enclosed memo), and are happy to report that their updated guidance is positive—the income (earnings) received from these endowments may be used in support of the professorships prior to the match being received. This change is significant since the prior advice we received in this regard disallowed any spending from income (earnings) on the private gifts until such time as matching monies were received.

Going forward, we may use all or a portion of the income (earnings) if the conditions outlined in the memo are met. In anticipation of receiving this flexibility, Distinguished Professorship gift agreement language was updated in 2015 to include donor permission allowing spending prior to state match. As a reminder, in accordance with the General Statute, the corpus of any private funds contributed for Distinguished Professorships cannot be spent, just the income (earnings) from that portion.

The Foundations Accounting & Investments (FAI) and Advancement Services (AS) teams are in the process of reviewing gift agreements and spending reserves for each distinguished professorship in the queue for matching funds. Those endowments that meet or are eligible to meet all of the conditions noted in the memo, and with available spendable income (earnings), will receive notification from FAI about the amount available for spending and next steps. Spending exceptions will be entertained, and will follow the normal process in place for other Endowment Fund gifts, with final approval by The Endowment Fund and the Dean for each Unit or College.

Those requesting spending exceptions should take the opportunity to use the funds to show donor impact. Advancement Services will be available to provide guidance on UNC System procedures as necessary.

Encl: UNC System Office of Legal Affairs Memo

CC: Mary Peloquin-Dodd, Associate Vice Chancellor for Finance and Administration, Treasurer
Kushal Dasgupta, Associate Vice Chancellor, Advancement Services
Jim Broschart, Associate Vice Chancellor, Development
Jill Tasaico, Senior Director, Foundations Accounting and Investments