



UNIVERSITY SUPPORT FROM INSTITUTIONALLY RELATED FOUNDATIONS

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ISSUE

Describe the process by which New England public flagship universities request fund transfers from their respective foundations, and provide a breakdown of foundation fund disbursements in support of such universities in recent fiscal years.

SUMMARY

To answer these questions, OLR surveyed the foundations of the six New England flagship public universities:

1. UConn Foundation,
2. University of Maine (UMaine) Foundation,
3. University of Massachusetts (UMass) Amherst Foundation,
4. University of New Hampshire (UNH) Foundation,
5. University of Rhode Island (URI) Foundation, and
6. University of Vermont (UVM) Foundation.

Of the six foundations surveyed, two shared their policies governing foundation fund disbursements: the UConn Foundation and the UVM Foundation. UConn provided written policies outlining (1) general requirements that apply to all disbursement requests, (2) the requestor authorization process, and (3) the request approval process. UVM provided a fund administration policy explaining (1) how the foundation calculates the amount of available disbursement funds, (2) disbursement restrictions, and (3) unit-level expense approvals.

Regarding foundation fund disbursements to the respective universities, four provided disbursement amounts and two provided restricted gift or endowment amounts received. Some foundations listed disbursement and gifts by function (e.g., programs and research, equipment) while others provided amounts by organizational unit (e.g., school of business). Survey results appear below.

FOUNDATION FUND DISBURSEMENT PROCESSES

UConn Foundation

UConn's 2014 Master Operating Agreement with the foundation outlines the process for requesting foundation funds. This agreement also references the UConn Board of Trustees' "Policies Regarding Financial Transactions with the University of Connecticut Foundation, Inc.," established September 23, 2003. Together, these two documents establish (1) general disbursement requirements, (2) processes for authorizing disbursement requestors, and (3) processes for approving requests.

General Disbursement Requirements. The foundation may approve only those disbursement requests from the University that are properly authorized and comply with foundation disbursement policies. These policies include requirements that disbursements:

1. comply with all donor-imposed restrictions on the fund;
2. support the university's mission and programs;
3. represent a reasonable, legitimate, and arm's length business transaction;
4. be properly authorized under state laws governing foundation funds; and
5. comply with all state laws applicable to UConn employees.

Authorization of Disbursement Requestors. UConn's president annually certifies a list of university employees who are authorized to request foundation disbursements. These employees are designated as either "primary signatories" or "alternate signatories."

Primary signatories are employees who (1) direct a college, school, or unit and (2) report directly to UConn's president, chancellor, or executive vice president for health affairs. Alternate signatories are employees who are senior faculty or senior administrative members of the college, school, or unit that report directly to the primary signatory. They are chosen by the university president at the request of a primary signatory.

Approving Disbursement Requests. Primary signatories may request disbursements for the benefit of their direct area of responsibility, while alternate signatories may request disbursements for amounts less than \$10,000.

A signatory must personally sign each disbursement request. In a primary signatory's absence, the university president, chancellor, or health affairs executive vice president may sign a disbursement request.

For the majority of cases, signatories' requests are approved by the foundation if it deems that the request meets donor intent and general disbursement policies. For example, when an academic department wishes to use foundation funds to purchase equipment, its primary signatory submits a signed request for foundation funding. If the equipment is determined to be consistent with donor intent, the foundation approves the request, and the department receives the funding.

For disbursement requests benefitting university employees, officers, or the president, however, the foundation does not have sole approval authority. Requests for compensation items (e.g., salaries, fees, fringe benefits, loans, or other compensation items) that benefit university employees or officers must be approved by the UConn president or her delegate. Requests for compensation items that benefit the UConn president must be approved by the chairperson of UConn's Board of Trustees in accordance with state law and foundation policies.

UVM Foundation

According to the UVM Foundation's "Fund Administration Policy" (revised April 28, 2012), a donor, UVM, or the foundation may establish funds within the foundation. A fund may be subject to donor intentions and use restrictions.

The foundation makes disbursements to the university in support of a fund's purpose. The balance of current-use gifts (i.e., those without investment restrictions) plus the balance of endowment distributions equals the amount available in a fund for distribution to the university. The foundation must convey available fund amounts, along with a description of the fund's purpose, to the university. UVM is responsible for spending the amount available in a fund in accordance with the fund's explicit purpose.

University purchasers and their supervisors are aware of each fund's restrictions. The purchasers and supervisors approve the use of foundation funds for expenses that meet a fund's purpose. The foundation receives quarterly invoices from the university that contain itemized transaction details.

UNIVERSITY SUPPORT FROM FOUNDATION FUNDS

The surveyed foundations provided or published either foundation disbursement amounts received (UConn, UMaine, UNH, URI) or fundraising gifts and endowment amounts received (UMass, UVM).

Tables 1 through 11 list, for the respective foundations, (1) the amount of money disbursed to the university or raised from donors, as appropriate, and (2) the percentage of these disbursements or gifts dedicated to the universities' various areas of support. Support is listed for fiscal years (FYs) 11 through 13 in millions of dollars, except where noted. Please note that the sums of these areas of support may not equal the totals listed in the tables due to rounding.

The presentation of UMaine and UNH support amounts differ slightly when compared with the other foundations. For UMaine, the listings of university support dollar amounts are estimates. These estimates are based upon a breakdown of support percentages in relation to university distributions totals for each FY. For UNH, gift amounts received according to areas of support were not available separately from endowment transfers received.

Table 1: University Support from the UConn Foundation in Millions of Dollars, FYs 11-13

<i>University Support</i>	<i>FY 11</i>	<i>FY 12</i>	<i>FY 13</i>	<i>Three-Year Average</i>
Faculty and staff compensation	\$6.5	\$8.3	\$11.1	\$8.6
Scholarships, fellowships, and awards	11.6	10.9	8.4	10.3
Facilities, construction and improvements	0.7	1.3	5.3	2.4
Programs and research	1.9	3.5	4.2	3.2
Fundraising, events, promotions, and donor cultivation	2.1	2.2	2.1	2.1
Faculty, staff, and student travel and conferences	1.8	2.5	2.0	2.1
Equipment	1.6	1.5	1.7	1.6
Alumni Association	0.2	0.2	0.2	0.2
Total distributed to university:	\$26.4	\$30.4	\$35.1	\$30.6

Sources: [UConn Foundation Consolidated Financial Statements, June 30, 2011 and 2010](#); [UConn Foundation Consolidated Financial Statements, June 30, 2012 and 2011](#); [UConn Foundation Consolidated Financial Statements, June 30, 2013 and 2012](#)

Table 2: UConn Uses for Foundation Support, Average FYs 11-13

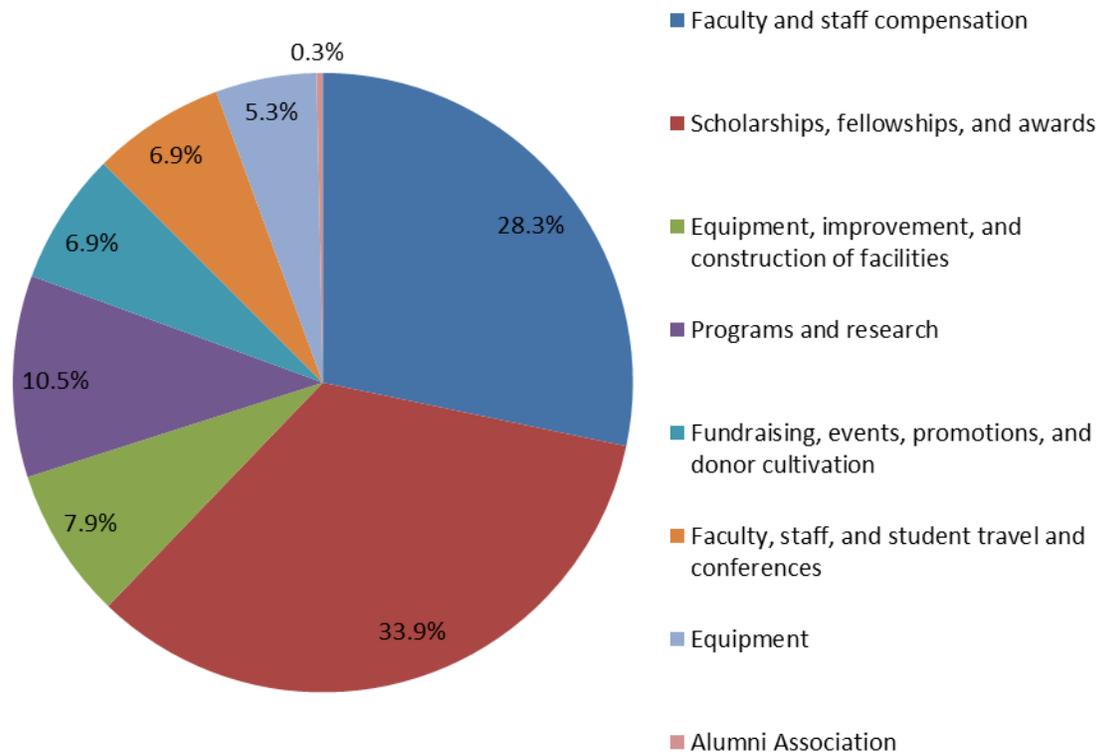


Table 3: UMaine Estimated Uses for Foundation Support in Millions of Dollars, FYs 11-13

<i>University Support</i>	<i>FY 11</i>	<i>FY 12</i>	<i>FY 13</i>	<i>Three-Year Average</i>
Student scholarship support	\$2.91	\$4.01	\$3.20	\$3.37
Other university support	0.59	1.02	0.84	0.82
College of Natural Sciences, Forestry, and Agriculture	0.51	0.63	0.49	0.54
College of Engineering	0.30	0.41	0.31	0.34
Other	0.16	0.20	0.16	0.17
Athletics	0.16	0.12	0.09	0.12
College of Liberal Arts and Sciences	0.14	0.21	0.17	0.17
President's discretion	0.06	0.09	0.06	0.07
College of Education and Human Development	0.01	0.01	0.01	0.01
Honors College	0.00	0.07	0.06	0.04
College of Business, Public Policy, and Health	0.01	0.01	0.01	0.01
Distributions supporting university	\$4.85	\$6.78	\$5.39	\$5.67

Sources: [2011 Annual Report](#), [2012 Annual Report](#), [2013 Annual Report](#)

Table 4: UMaine Uses for Foundation Support, Average FYs 11-13

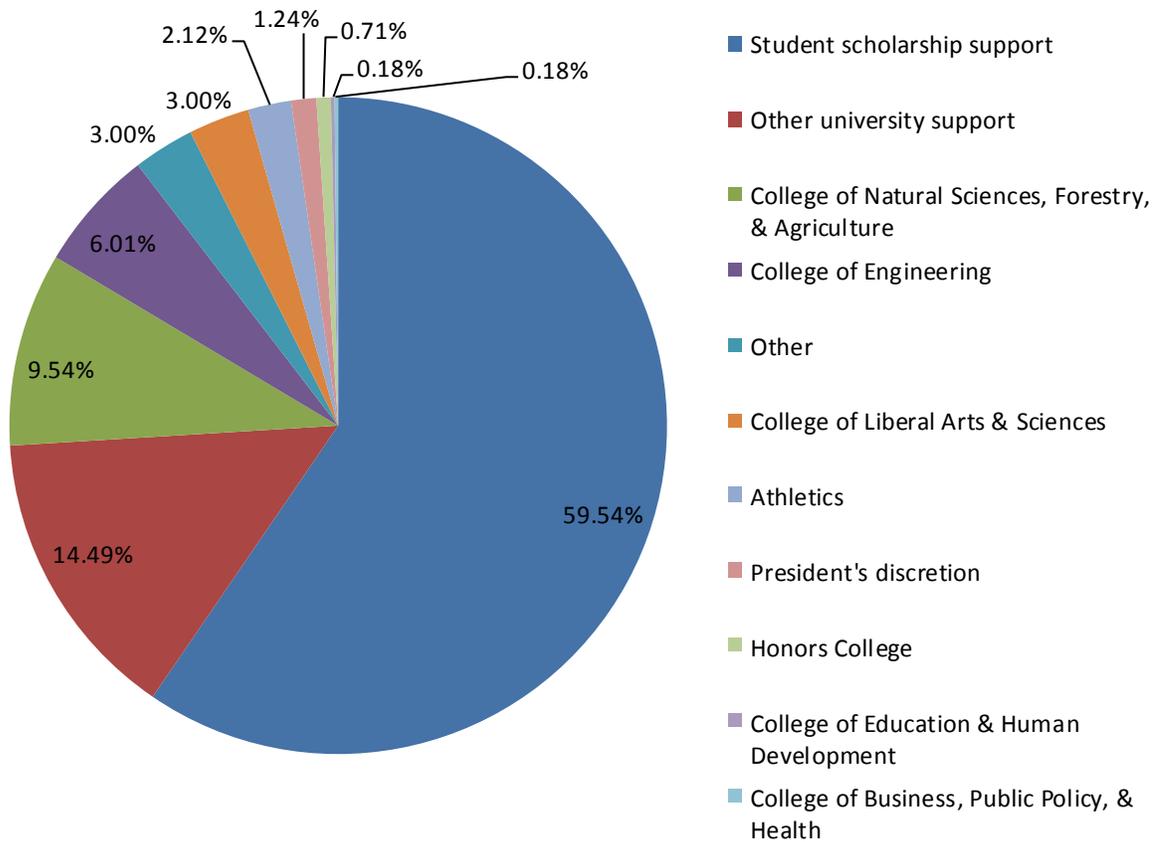


Table 5: Restricted Gifts to the UMass Amherst Foundation in Millions of Dollars, FY 13

<i>Restricted Gifts</i>	<i>FY 13</i>
Athletics	\$1.3
Campus-wide	2.2
College of Engineering	5.6
College of Natural Sciences	7.4
Commonwealth Honors College	0.6
Fine Arts Center	0.6
College of Humanities and Fine Arts	1.6
School of Management	2.9
Libraries	1.1
School of Public Health and Health Sciences	0.8
College of Education	0.2
College of Nursing	1.6
College of Social and Behavioral Sciences	1.8
WFCR (New England Public Radio)	4.1
Total gifts	\$32.0

Source: [Annual Report of Donors, July 1, 2012 - June 30, 2013](#)

Table 6: Restricted Gifts to the UMass Amherst Foundation, FY 13

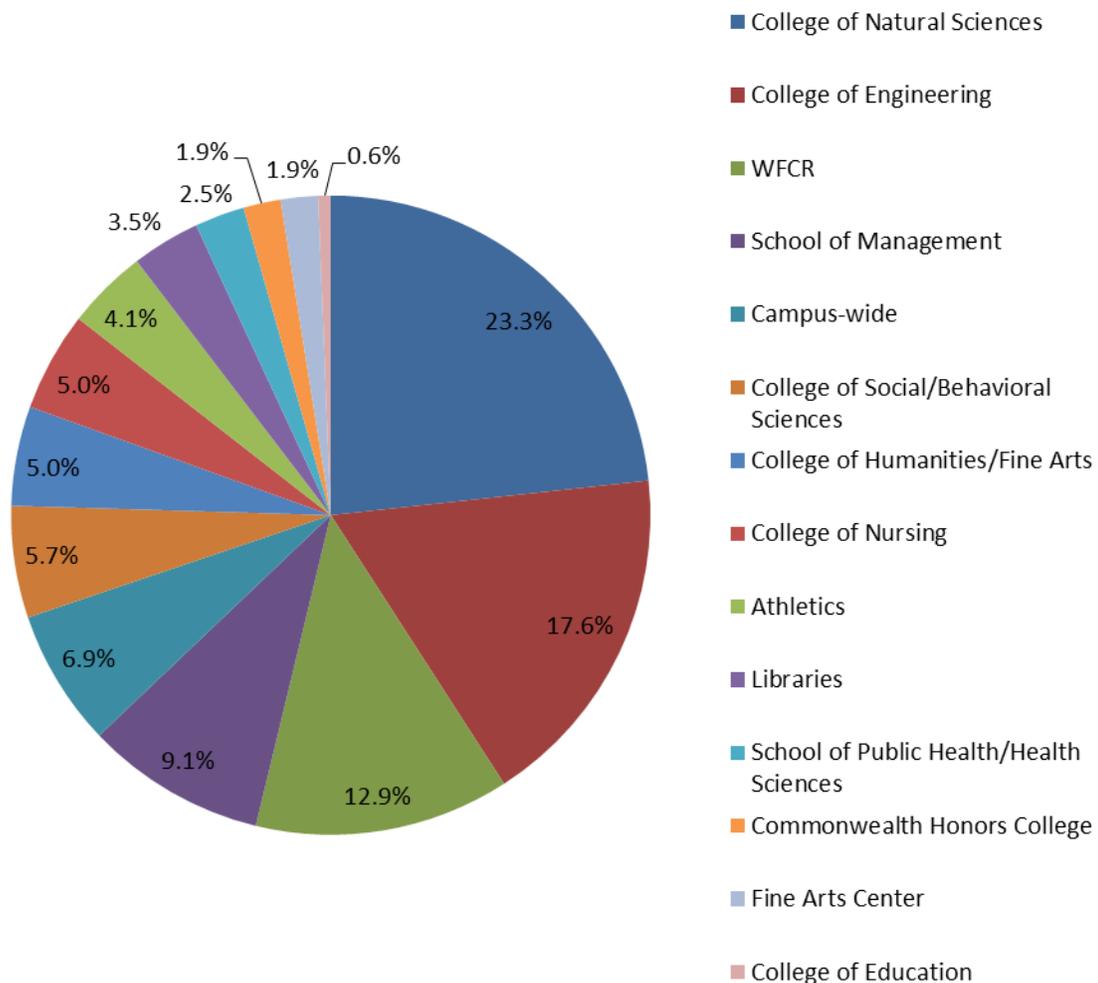


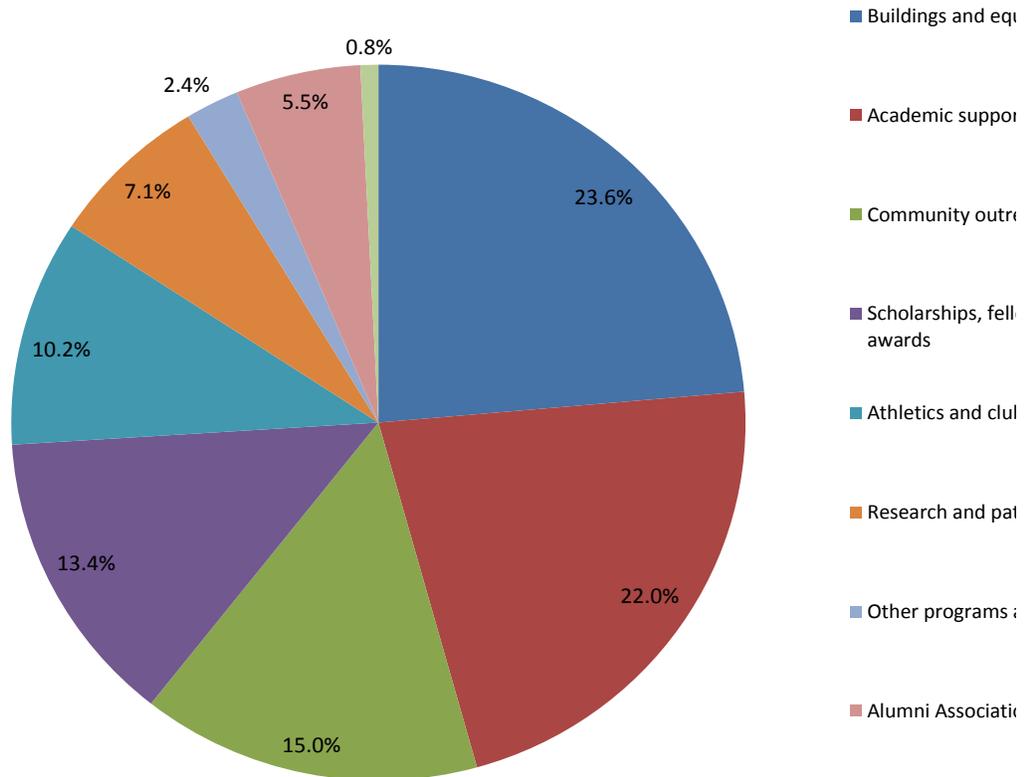
Table 7: University Support from the URI Foundation in Millions of Dollars, FYs 11-13

<i>University Support</i>	<i>FY 11</i>	<i>FY 12*</i>	<i>FY 13</i>	<i>Three-Year Average</i>
Academic support	\$2.0	\$ 3.0	\$ 3.3	\$ 2.8
Athletics and club sports	0.6	1.7	1.6	1.3
Faculty and administrative support	0.1	n/a	n/a	n/a
Buildings and equipment expense	1.5	4.3	3.3	3.0
Library	0.1	0.1	0.1	0.1
Community outreach	2.0	2.0	1.6	1.9
Research and patent support	0.8	1.2	0.6	0.9
Scholarships, fellowships, loans, and awards	1.6	1.7	1.7	1.7
Other programs and event support	0.05	0.5	0.2	0.3
Alumni Association	0.8	0.7	0.5	0.7
Total distributed to university	\$9.7	\$15.2	\$12.8	\$12.6

*For the FY beginning FY 12, the foundation changed from a fiscal year end of March 31 to June 30. Therefore, FY 12 data represents a 15-month fiscal transition period from April 1, 2011 through June 30, 2012.

Sources: [Annual Report 2011](#), [Annual Report 2012](#), [Annual Report 2013](#)

Table 8: URI Uses for Foundation Support, Average FYs 11-13



**Table 9: Gift Receipts for University Units by the UVM Foundation
in Millions of Dollars, FYs 12-13***

<i>Receipts by UVM Unit</i>	<i>FY 12</i>	<i>FY 13</i>	<i>Two-Year Average</i>
College of Medicine	\$7.06	\$8.97	\$8.02
General University	4.66	7.35	6.01
School of Environment & Natural Resources	2.22	2.56	2.39
Athletics	1.60	1.01	1.31
College of Education & Social Services	1.47	1.12	1.30
College of Agriculture & Life Sciences	1.44	0.83	1.14
College of Arts & Sciences	1.02	1.18	1.10
College of Nursing & Health Sciences	0.89	1.38	1.14
School of Business Administration	0.69	10.81	5.75
College of Engineering & Mathematics	0.37	0.71	0.54
Fleming Museum	0.15	0.19	0.17
Libraries	0.12	0.02	0.07
Honors College	0.04	0.83	0.44
Graduate College	0.01	0.04	0.03
Total gifts	\$21.73	\$37.00	\$29.36

*FY 11 numbers are not available because all new gifts were received by the university at that time.
The UVM Foundation began receiving all new gifts in FY 12.
Sources: [Annual Report 2012](#); [Annual Report 2013](#)

Table 10: Gift Receipts for University Units by the UVM Foundation, FYs 12-13

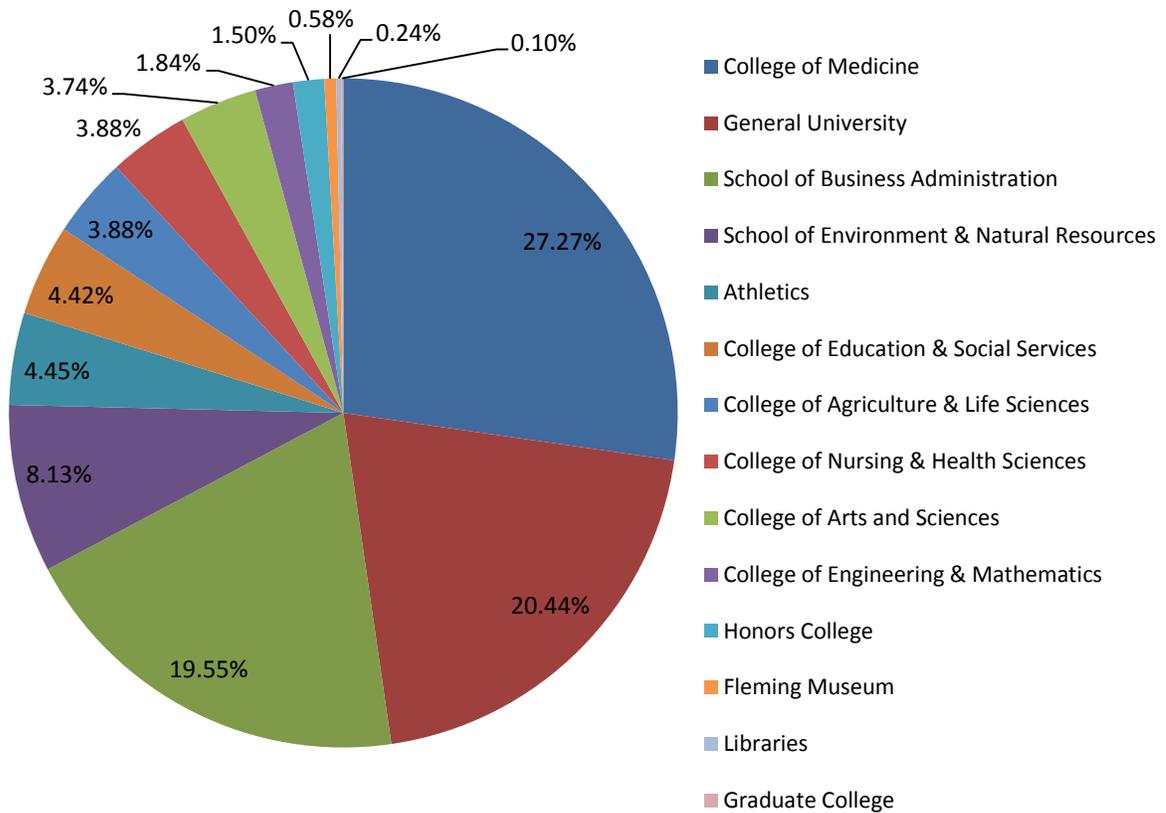


Table 11: University Support from the UNH Foundation in Millions of Dollars, FYs 12-13*

<i>University Support</i>	<i>FY 12</i>	<i>FY 13</i>	<i>Two-Year Average</i>
Gifts transferred to UNH	\$17.8	\$11.0	\$14.4
Distributions to UNH for endowed programs	5.2	5.4	5.3
Total distributed to university	\$23.0	\$16.4	\$19.7

*Areas of support for gifts and endowed programs were not separately available.

Source: [UNH Foundation Financial Statements, FY 13](#)

HYPERLINKS

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