



New York Medical College Policy and Procedure Manual

Section: RESTRICTED FUNDS ACCOUNTING DEPT.	No.: CO.610
	Date: Feb. 3, 1997
Subject: ESTABLISHMENT OF ENDOWMENT ACCOUNTS	Page 1 <i>of</i> 3
	Supersedes: New

I. Purpose

To define procedures for the establishment of endowment accounts.

II. Scope

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

III. Definition

Endowment - Resources (e.g. stocks, bonds, cash) provided from internal or external sources, where the principal is held inviolate and the investment earnings and capital gains therefrom are available for use in accordance with protocols of the funding source.

IV. Policy

It is the policy of New York Medical College to permit Endowment accounts with funding equal to or greater than ten thousand dollars (\$10,000) for purposes consistent with the College's mission.

V. Procedure

A. External (True Endowment) Sources

1. Upon receipt of a request and contribution of funds from an external donor source, the Office of University Development will request that the President endorse the establishment of an endowment by the Board of Trustees to be affirmed by a resolution recorded in the Board minutes.

Issued By:

Approved By:

2. The Office of University Development will forward the Board minutes, the donor contribution report details with supporting memoranda and/or other relevant source documentation to the Restricted Funds Accounting Department (RFAD).
3. The RFAD will establish an endowment income account for the receipt of investment income generated by the principal and will inform the General Accounting Department and other college individuals of the corresponding ledger account number.
4. The General Accounting Department will establish an endowment account and add the proceeds provided by the donor to the endowment Investment Pool. Income generated by the endowment principal will be transferred periodically.

B. Internal Sources (Quasi-endowment)

1. Upon a recommendation of the College's administration, the Board of Trustees at their discretion, will approve the appropriation of funds functioning as an endowment
2. Upon approval, the General Accounting Department will procure the Board minutes related to the approval, use the minutes as substantiation for the establishment of a quasi-endowment principal account, and transfer the authorized funds from the current unrestricted fund to the endowment fund balance. The funds will then be added to the endowment pooled investments.
3. The RFAD will coordinate with the General Accounting Department to establish an endowment income account for the receipt of investment income or capital gains generated by the principal. The RFAD will then inform appropriate interested college individuals of the ledger account number established.

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4. Income generated by the endowment will be credited on a monthly basis to an endowment income account in the restricted fund, transferred to the current unrestricted fund, or reinvested in the endowment investment pool. The endowments' protocols will determine how the income is to be credited.

VI. Responsibility

A. Office of University Development

Forward required documentation in conformance with this policy.

B. General Accounting Department

Adhere to procedures established in this policy.

C. Restricted Funds Accounting Department

1. Adhere to procedures established in this policy.
2. Provide advice and guidance with respect to the interpretation and administration of this policy.