

Fiscal Stewardship: Gift Fund Balances

Overview

Unspent gift funds can happen for a variety of reasons: the gift's restrictions make finding qualified uses difficult or impossible, the distribution amount is not large enough to make a meaningful impact, the fund has been forgotten due to turnover in faculty or department staff, and/or the money is being saved for a specific project that has yet to come to fruition. Whatever the reasoning, it is imperative that funds without recent expenditures be addressed in order to ensure that the College of Arts & Sciences and its departments are good stewards of our donors' private philanthropy.

Addressing Unspent Monies

1. Review

Review department funds for high balances and/or lack of expenditures in the last few fiscal years. Next, confirm the purpose of the fund by reviewing the associated documentation to determine:

- Preferences or restrictions that govern allowable expenditures
- Donor recognition expectations or requirements (e.g. honorary position titles)

2. Strategize

Determine which of the following actions to take for each fund:

- **Spend**: based on the fund restrictions, expend the balance via three options:
 - Balance Reduction: reduce or eliminate the balance quickly
 - Expanded Purpose: if found in the agreement, expand general spending criteria
 - Save & Spend: build the fund balance needed to accomplish a specific goal
- **Merge** (current use funds only): consolidate funds with those of another fund with a similar purpose and restrictions
- **Re-invest** (endowed funds only): transfer fund balances to the principal account to increase future distribution amounts
- **Amend**: broaden the use of funds in consultation with the donor, for cases with no qualified fund uses and/or complexities that make administering the monies overly difficult
 - Note: If there are no living donors, the release of restriction must come from the Board of Regents and/or the Washington State Attorney General

3. Plan

For spending that utilizes the *expanded purpose* of an agreement or to start an amendment, please contact Mike Lee in CAS Advancement Services (mml84@uw.edu) to get started.

QUESTIONS?

Please contact CAS Advancement Services at casadser@uw.edu

Revised October 2019