

Uniform Prudent Management of Institutional Funds Act (UPMIFA)

We may run into endowments that have become difficult to spend. While we would normally seek to amend these, this may no longer be an option in some situations (e.g. the signatories have passed away, with no named executors or personal representatives). In 2009, the WA State Legislature passed the Uniform Prudent Management of Institutional Funds Act (UPMIFA) to help with cases like these. If the fund meets certain criteria, the University may amend this endowment on its own.

Criteria for Eligible Funds

All criteria must be met:

- Is the market value below \$75,000? (Note that beginning July 1, 2011, the amount will be increased by \$2,500 per year). The limit is \$100,000 in FY21, and \$102,500 at the start of FY22.
- Has it been more than 20 years since the fund was established?
- Is the original purpose unlawful, impracticable, impossible to achieve or wasteful?
- Has a purpose been identified that is consistent with the original gift purpose?

Action Steps:

1. Verify that the usual amendment process is not possible (e.g. the signatories have passed away).
2. Document how the endowment meets all of the above criteria. Send this preliminary documentation along with the new proposed purpose to the CAS: Fiscal Stewardship Specialist.
3. The Fiscal Stewardship Specialist will coordinate with the department, the Treasury Office, and Endowments & Donor Services to draft an amendment.
4. After the amendment has routed and is fully-signed, Endowments & Donor Services will send this packet to the State Attorney General Office in Olympia, stating the modification of terms will take place after the 60 days notice.
5. After 60 days, the Fiscal Stewardship Specialist will coordinate with Endowments & Donor Services, Gift Services, and the department to update records as needed.

Important Considerations:

- Please note that Endowment & Donor Services prefers to batch these requests along with other incoming submissions from across the University. Grouping these reduces the administrative burden on the State Attorney General's Office and ensures they are processed smoothly.
- Consequently, if you have multiple endowments that may need UPMIFA's, we highly encourage you to work on these concurrently, in the interests of sending these over in one batch.

QUESTIONS? Please contact CAS Advancement Services at casadser@uw.edu