

## Endowment Step-ups

Endowments may include “step-up” language, where the purpose changes once cumulative giving to the endowment principal exceeds a certain amount (either pre-determined, or based on the current minimums for the next endowment type). For example, a broad-based student support endowment may step-up to a scholarship, if the sum of the gifts exceeds the prevailing minimums for establishing a new endowed scholarship.

Endowment & Donor Services (EDS) has made the Step Up Endowments Report available through Reportal, if you would like to track the current progress of your unit’s endowments that carry step-up language. The below procedure outlines the next steps once a fund has reached the step-up level.

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### Procedure

1. Endowment & Donor Services (EDS) flags funds that have reached the minimum necessary to step-up, in their periodic audit. Note that this occurs on a quarterly basis.
2. EDS notifies Advancement Services, Gift Services, and the Treasury Office.
  - a. Advancement Services verifies completion of all required actions, as well as drafts any documentation as needed.
  - b. Gift Services updates the Advance allocation (e.g. name, purpose, organization).
  - c. Treasury Office updates the budget profile (e.g. name, organization code).
    - i. If this requires a new budget, the Fiscal Stewardship Specialist will determine the disposition of the old budget and its balance.
3. Upon completion, Advancement Services notifies the following people:
  - a. Unit Administrator and Chair/Director
  - b. CAS: Assistant Director of Finance & Administration (currently Debbie Olson)
  - c. CAS: Associate Director of Advancement Services (currently Lindsay Bailey)

### Important Considerations:

- EDS may track step-up balances slightly differently. For example:
  - Internal fund transfers such as reinvestments typically will not count, unless they are part of a required contribution specifically outlined in the agreement (see Funding section).
  - Proceeds from certain types of sales such as property or securities may be calculated differently (the credit that the donors receive vs. the actual dollar value of the received gifts)
- If you believe a fund has reached the threshold or will exceed it with an incoming gift, please reach out to Advancement Services. Advancement Services can confirm the figures with EDS and initiate the step-up process.

**QUESTIONS?** Please contact CAS Advancement Services at [casadser@uw.edu](mailto:casadser@uw.edu)