

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 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 Becky McIntire (rmcint@uw.edu) Mike Lee in CAS Advancement Services (mml84@uw.edu) to get started.

QUESTIONS?

Please contact **CAS Advancement Services** at casadser@uw.edu

Revised June 2025