

OUTLINE OF PROCESS FOR DEVELOPING AN ENDOWMENT FUND

Endowment funds represent a significant pathway for Excelsior College to help donors fulfill their philanthropic interests while assisting the College and its students in perpetuity. Donors' gifts totaling \$10,000 or more comprise the principal of such funds with fund earnings used according to the donors' intent and for the good of the College and its students.

The process of initiating an endowment fund begins with the definition of common interests between donors and the College to ensure that the donors' interests can be met and fulfill the College's mission. These funds must reach the threshold of \$10,000 within ten years of initiation, although typically funds are fully endowed within three years so that they may provide benefit quickly.

Typical steps in reaching agreement between the College and donors follow:

1. Prospective donors bring or are invited to bring forward areas that motivate their giving. Through discussion, the College and the donors agree that endowment funds would further the donors' interests and meet the needs of the College and its students. Donors are also asked about their giving intentions to ensure that potential gifts and possible contribution schedules conform to institutional policy.
2. Advancement serves as the liaison between donors and other offices of the College. For interests around scholarship support, when criteria involve financial need, geographic location, or particular academic disciplines, Advancement proceeds with discussions. If the donors' wishes involve other criteria for scholarship awards or support for other areas or functions of the College, Advancement works with appropriate College staff to determine the level of comfort with any restrictions or requirements, communicating the College's willingness to move forward or suggesting alternatives.
3. Advancement shares preliminary information with the College's Legal Office, Fiscal Office, and other offices such as Financial Aid, where appropriate. Any questions raised are explored with the donors or by consulting auditors, gift planning consultants, etc.
4. Once questions are satisfied or are articulated for further study with donors, Advancement prepares an outline that responds to the donors' interests, asking for confirmation of donor intent.
5. After confirmation of both the donors' wishes and ability of the College to fulfill donors' intent, Advancement uses the outline and Memorandum of Agreement (MOA) template to draft an MOA tailored to the outline.

6. The draft MOA is shared with the Legal Office and Fiscal Office for review. Both Legal and Fiscal offer input to assure that the MOA is consistent with legal/financial requirements of the College and aligns with College plans and priorities.
7. Any suggested edits are made by Advancement before a draft is sent to donor for review and to assure donor's intent was captured.
8. Any edits suggested by donors are reviewed by Advancement, Legal, and Fiscal.
9. When all parties are satisfied, Excelsior executes documents for signatures by authorized signees (the President, the Chief Financial Officer, or the General Counsel).
10. The document with Excelsior signatures is sent to the donor for signature and is returned to Advancement with financial instruments to initiate the funds.
11. Advancement records gifts and any pledges, secures scanned documents in its fundraising database and distributes electronic files. Files are shared with the Legal Office, the Fiscal Office, and other offices of the College where appropriate. Scholarship agreements are shared with Financial Aid.
12. Once endowment funds reach or exceed the endowed threshold, earnings are used according to the policy of the Board of Trustees to accomplish the donors' interests. Advancement prepares an annual report to demonstrate its use of the funds is consistent with donors' intent. Wherever possible, scholarship recipients' thank you notes or other impact statements are shared within the reports.