Budget Committee Meeting
May 6, 2014

Members: Dr. Reed Richardson, Dr. Jana Minifie, Dr. Sarah Nelson, Dr. Thomas Grimes, Dr. Farzan Irani, Ms. Sarah Youree, Dr. Thomas Myers, Ms. Karen Sigler

Present: Dr. Jana Minifie, Dr. Reed Richardson, Dr. Farzan Irani, Ms. Karen Sigler

Guests: Daniel Perry, Kimberly Garrett, Dr. Cynthia Opheim, Dr. Max Warshauer

Mr. Daniel Perry, Assistant Vice President, University Advancement, provided handouts for his presentation (attached).

The Endowment Compliance Committee was formed in January 2013 to assess Texas State’s risk regarding endowment compliance, create procedures to bring Texas State into a desirable position with regard to proper expenditure and accountability of endowed funds, and to create reporting to evaluate outcomes at the end of each fiscal year against endowment management standards and performance metrics.

There are two groups that oversee endowments: The Development Foundation (a 501(c)3 IRS recognized charitable organization) and the University itself. Majority of endowments are managed through The Development Foundation. General bequeath from estates to the university, fall under the general umbrella of the University itself.

A separate organization oversees the portfolio management of endowments. A general guideline of 4 to 4.5% are used to estimate the amount that can be utilized for a particular year based on the Memo of Understanding (MOU) between the university and the donor. The MOU is a legal agreement with the donor.

The endowment Compliance Committee is trying to make sure that endowment expenditures are spent each year. They do allow exceptions, for instance for Dr. Warshauer, should he find a grant to cover Math Works, then his endowment for the current year would be reinvested into the endowment.

Daniel Perry and Kimberly Garrett will provide Dr. Warshauer with additional information to answer his remaining questions.