



University of Colorado
Foundation

ALL THINGS GIFT FUND MANAGEMENT

Presented By

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Agenda

- 01** About us
- 02** Investments and distributions to Fund 34s
- 03** Spending distributions out of Fund 34s
- 04** Spending in compliance with donor intent
- 05** Tools and resources
- 06** Best practices, tips & tricks



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01 About us



About us

History

- CU's institutionally related foundation (IRF)
- Founded in 1967 as a separate 501(c)(3) charitable organization

Role

- Financial portal for all philanthropic gifts for CU
- Invests, manages and allocates gift funds consistent with the purposes established by donors
- Distributions from the gift funds support a variety of programs and activities throughout the University



University of Colorado Foundation

Our Mission

We receive, manage and prudently invest private support for the benefit of the University of Colorado and support the University's philanthropic endeavors through donor stewardship.

Our Vision

We promote private support for the University of Colorado through donor stewardship. We manage and grow the endowment. We ensure the appropriate use of funds. We engage volunteer leadership. We pursue the best governance practices.



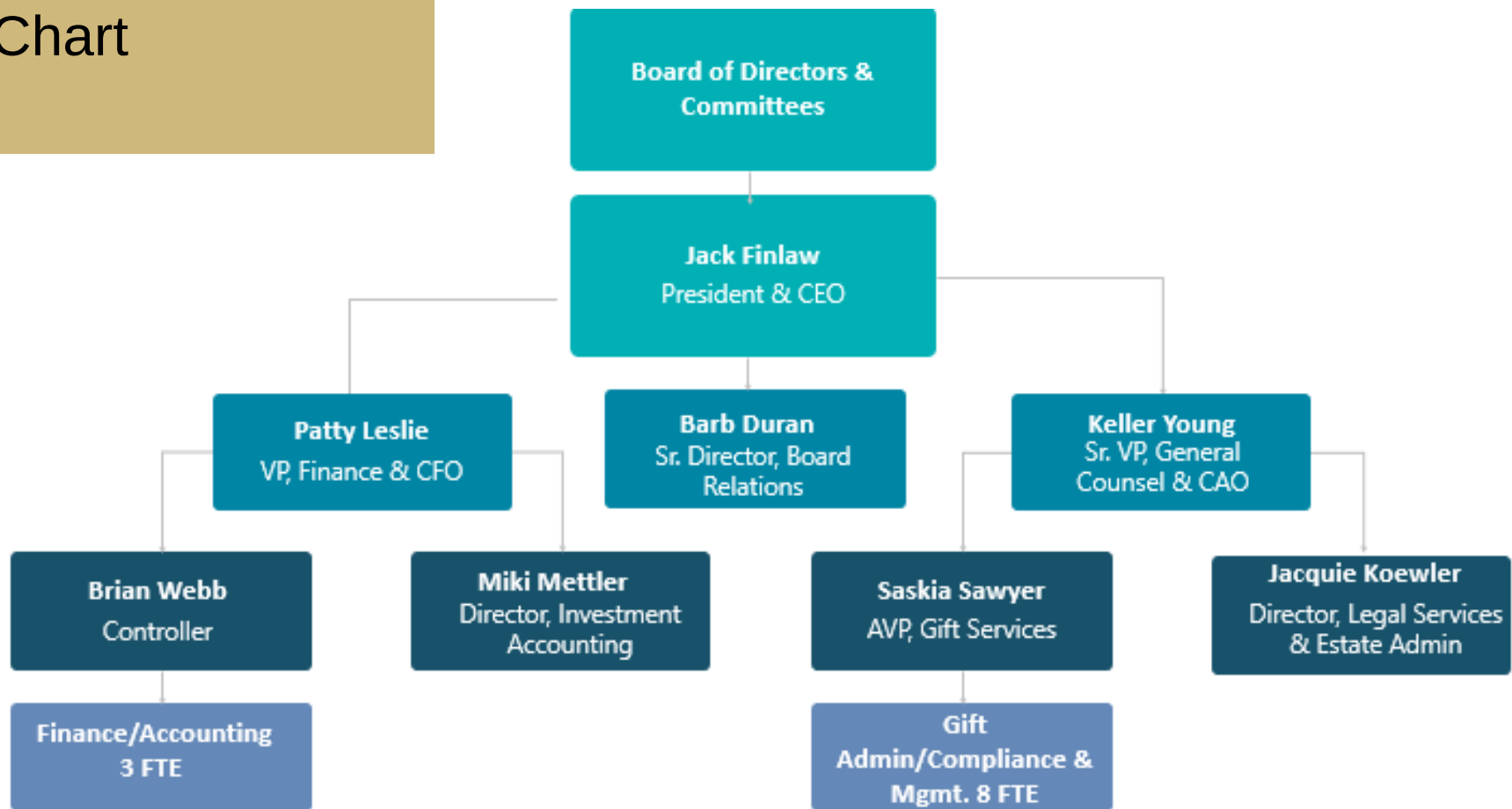
**We're in this
together**

2019 Impact Report to Donors

Learn more



Organizational Chart





University of Colorado
Foundation



CU Foundation teams

Gift & Grant Management

- Gift and grant related tasks and questions
- compliance@cufund.org

Gift Compliance

- Compliance related questions e.g. questions/concerns about purpose, terms of an agreement, proper coding
- compliance@cufund.org

Gift Management

- Donations, PO Box, receipting of gifts, sending of commitment reminders
- gifts@cufund.org | 303.541.1290

Finance & Accounting

- Endowment distributions, accounting, reporting, events tracking, investments
- accounting@cufund.org



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02 Investments and distributions to Fund 34s



Investments

Long-Term Investment Pool (LTIP)

Short-Term Investment Pool (STIP)

Allocations of the gains/losses, dividends, income to the endowments

The OCIO model

Rate of Return and Asset Allocation

LTIP Quarterly Update:

https://giving.cu.edu/sites/default/files/pdfs/cuf20_summer_2020_ltip_report.pdf



Distributions

Endowment Spending Policy

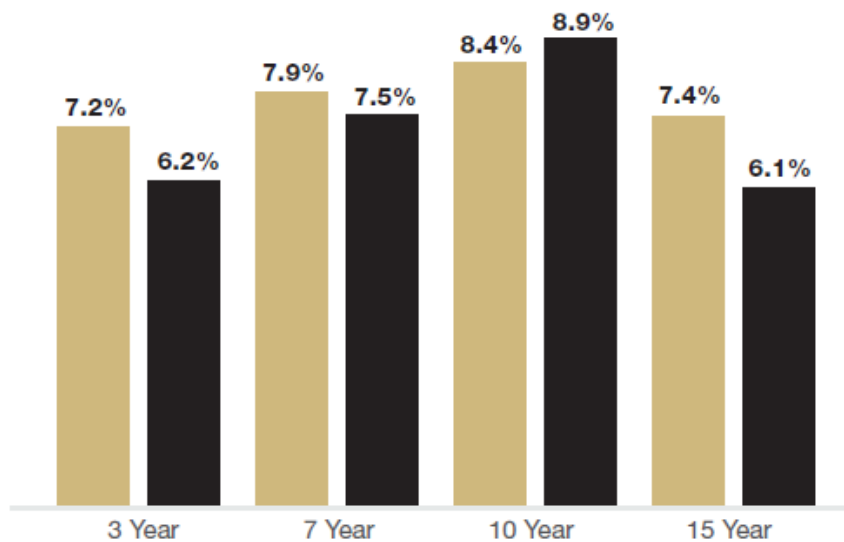
Timing of the Distributions

- Announced in Spring
- Distributed in July

Communication of the distributions

Understanding the Assessment Fee on Endowments

Finding the distributions on the Gift Fund Statement

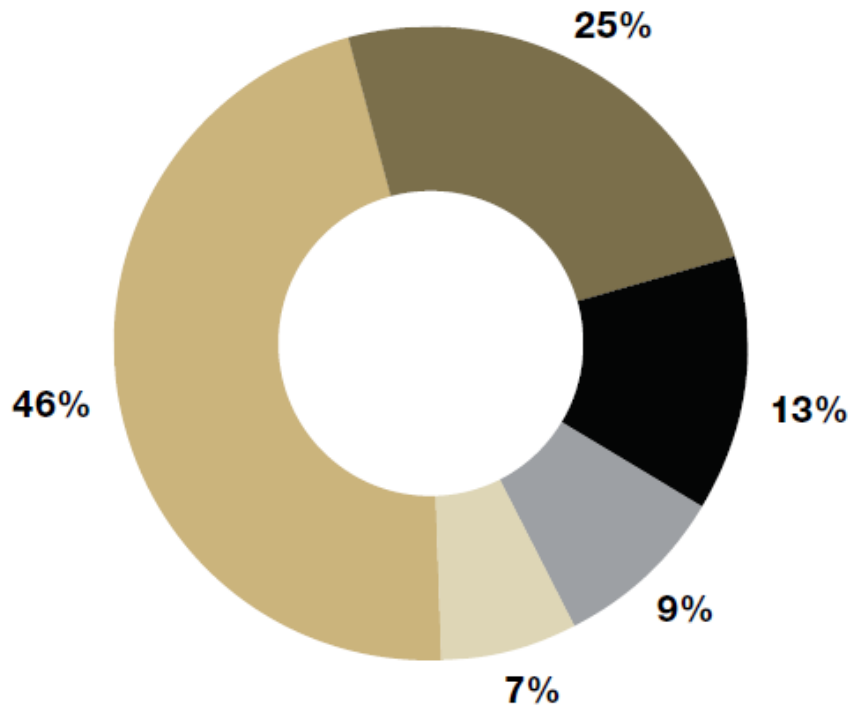


CU investments vs. policy benchmark

As of June 30, 2020, the LTIP's 3-year annualized investment performance was +7.22%, its 7-year performance was +7.89%, its 10-year performance was +8.43%, and its 15-year performance was 7.41%. The 10- and 15-year returns were achieved with over 32% less risk than the policy benchmark.

● LTIP ● Policy Benchmark*

**The Policy Benchmark, effective FY 2018, is a blend of 80% MSCI ACWI (equities) and 20% Barclays US Aggregate Bond Index (fixed income). Depending on the return period presented, historical benchmarks of 40% Russell 3000, 40% MSCI EAFE and 20% Barclays US Agg (FY 2009 – 2017) and 50% Russell 3000, 30% Barclays US Agg and 20% MSCI EAFE (fund inception – FY 2008) are components of the policy benchmark as applicable.*



LTIP asset allocation as of June 30, 2020

The LTIP's \$1.9 billion is invested in a diverse portfolio of asset classes with a long-term strategic investment horizon. Here is the proportion of investment by asset class.

- Global public equities
- Global private capital
- Global hedge funds
- Real assets
- Fixed income and cash



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03 Spending distributions out of Fund 34s



Gift funds – Fund 34s

Contains a gift given to the CU Foundation for the benefit of the University by a donor who expects nothing of value in return.

Linked to a fund 34s on the University side.

CO provides only 2.6 percent of CU's \$4.5 billion operating budget - private support is an important and increasingly fundamental component of CU's budget.

Examples of gift funds

Scholarships

CU Boulder

Golden Buffalo Scholarship Fund

Athletics & Recreation
Athletics

Program Support

UCCS

Anthropology Department Fund

Scholarships & Student Success
College of Letters, Arts and Sciences,
Anthropology

Research

CU Anschutz

Center for Women's Health Research Fund

Science, Research & Innovation
School of Medicine,
Center for Women's Health Research

Campus Improvements

CU Denver

Business School Building Fund

Enterprise & Entrepreneurship
Business School



Spending of funds in 34s

Who owns the gift funds?

The Foundation manages the gift funds, makes them available to the University to be spent for the public good.

No one person owns funds (there is no such thing as “my money”)

Who is responsible for spending?

Usually roles such as program managers, financial/budget officers and deans.



Spending and donor intent

What is donor intent?

- Purpose for which a donor has given a philanthropic gift to the University.
- Example: To provide scholarships for undergraduate students in the Environmental Design Program at the University of Colorado Boulder.

Why do we have to follow it?

- University has a legal obligation to comply with donor intent
- Failure to follow donor intent can lead to legal and financial consequences for the University.



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04 Spending in compliance with donor intent



Gift compliance

Ensures that terms can be met **BEFORE** an agreement is signed

Ensures that terms are being met **AFTER** a fund is established

Ensures gift funds are administered in accordance with CU Foundation's tax exempt status, IRS rules and regulations.



Why is gift
compliance
important?

Trust

Reputation

Return of funds

Loss of future funding

Potential lawsuits

Potential loss of non-profit status



***“If you think compliance is expensive, try
non-compliance.”***

Former Deputy U.S. Attorney General Paul McNulty



Why is gift documentation important?

Donors

- Documents their intent
- Clarifies how funds will be administered
- Feels good, engaged, appreciated

University & Foundation

- Outlines how funds will be administered
- Manages donor expectations
- Avoids costly legal proceedings

Excessive and narrow restrictions often result in unspent funds as the purpose becomes obsolete, impossible or impractical to administer.



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Gift compliance on Campus

Campus Fund Managers

- Spends gift funds in a timely manner in line with donor intent

Campus Advancement

- Donor cultivation and stewardship
- Works with campus partners (faculty, deans), GAD and Foundation Gift Services

CU Gift Administration (GAD)

- Drafts gift agreements
- Liaises between development, CU leadership and the Foundation



Partnership



Foundation Compliance will not make changes to funds without the approval of the fund manager

In turn, we would appreciate decisions not being made without keeping us in the loop.



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05 Tools and resources



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Reporting

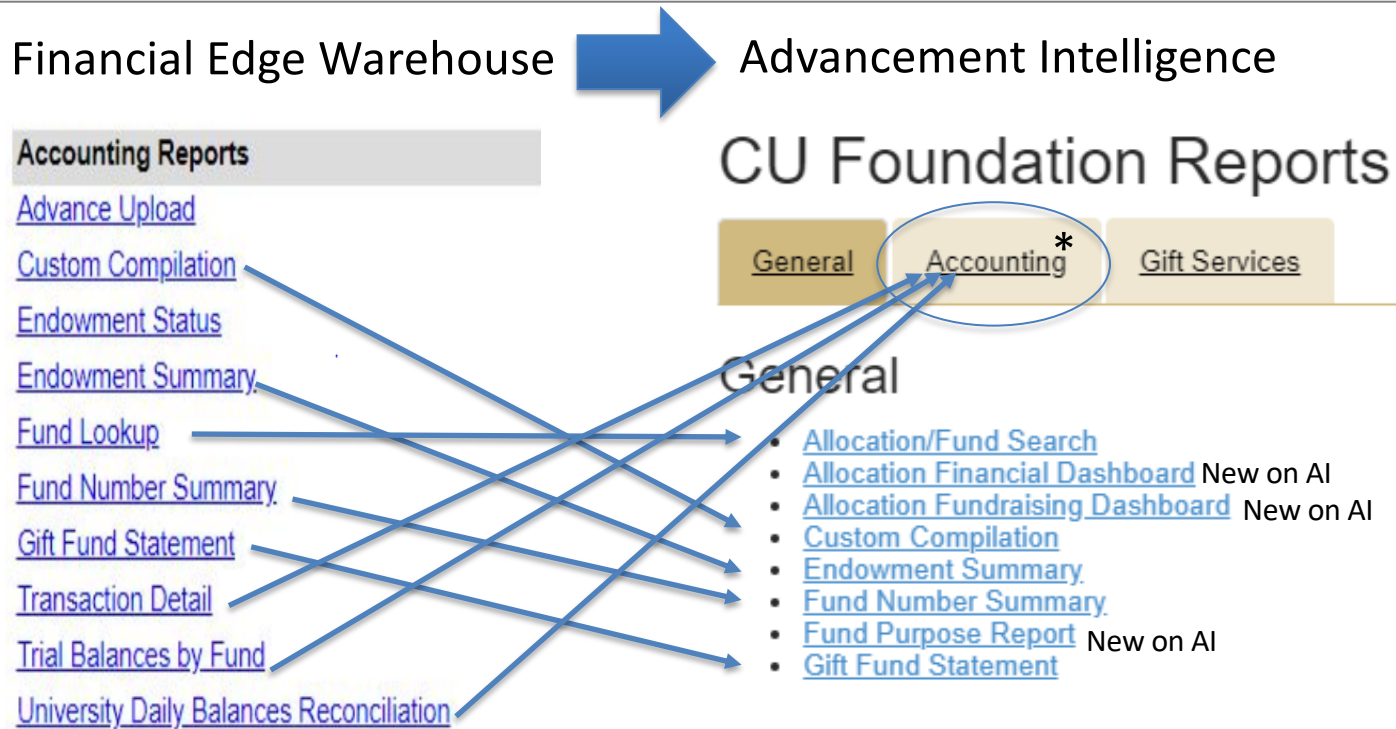
The Foundation's Shift to AI

Closing of the FE Warehouse

Phase II of AI Reporting

Gift Fund Statement Reference Guide

Report Matrix



*No Live Training Opportunities will be offered on Accounting Specific Reports.



University of Colorado

Boulder | Colorado Springs | Denver | Anschutz Medical Campus



Databases and reporting tools

Software / Database

FinancialEdge

- Owner: CU Foundation
- Includes Financial Information on gift funds

PeopleSoft

- Owner: Campus Controller
- Includes Speedtype activities

Advance

- Owner: CU Foundation / CU Advancement
- Includes giving, donor and alumni data

Reporting Tools

Advancement Intelligence

- Owner: CU Systems (UIS)
- Purpose: CU Advancement donor reporting; CU and CU Foundation Financial Reporting



Allocation / Fund Search

Allocation/Fund Search

1/1 Alerts Maintenance The data load into Advancement reports is still reflecting the data as of Monday morning. This does not impact Foundation reports. Dismiss

University of Colorado
Boulder | Colorado Springs | Denver | Anschutz Medical Campus

ADVANCEMENT | CU FOUNDATION

Clear All Prompts Run Report

Allocation/Fund Code:
Speedtype:
Allocation/Fund Name:
Active/Inactive: Active Inactive [Select all](#) [Deselect all](#)
Fund Type: Current Endowed [Select all](#) [Deselect all](#)

FE/mFin Purpose Code: Administration Alumni Athletics - Alumni Support Athletics - Compensation Only Athletics - Other Athletics - Programmatic Support Athletics - Travel Only Blank Building Construction [Select all](#) [Deselect all](#)

These Purpose Codes are the existing FE Purpose Codes that are currently used to guide spending. There are limits to these codes such as only one per Allocation/Fund. For best results, use the Fund Purpose fields below.

Select Campus: CU Anschutz CU Boulder CU Colorado Springs CU Denver CU System Foundation [Select all](#) [Deselect all](#)
Select School:
Select Department:
Select Division:
Select Purpose: Capital Support Event Support Faculty Support Other (See Note) Program Support Staff Support Student Support Unrestricted Support [Select all](#) [Deselect all](#)
Select Purpose Subcategory:
Apply Changes [Click "Apply Changes" to view schools and departments after selecting a campus](#)
Apply Changes [Click "Apply Changes" to view Purpose Sub Category after selecting a Purpose](#)

Program Principal and Manager:
Award Criteria Prompts

Select Program Principal: Abbott, Jean T
Abbott, Lon D
Abdalati, Waleed
Abdallah, Moatassem A

Select Program Manager: Acevedo-Munoz, Ernesto R
Ackerman, Jennifer
Adams, Heather L
Adgate, John Lawrence

Select Merit: Yes
Select Need:
Select Academic Year: Freshman Sophomore Junior Junior and/or Senior



Report Date:

Fund ID:

[Refresh](#)



**Advancement Intelligence
Gift Fund Statement**
Report Date: 2020-10-21T00:00:00.000

Rundate: Oct 21, 2020
Runtime: 9:16:53 AM

[Fund Purpose Report](#)

Gift Fund Statement

ARCS Foundation Fund

Purpose: To provide support for student scholarships in the College of Engineering and Applied Science at the University of Colorado Denver.

Program Principal: Dunn, Martin L

Program Manager:

SpeedType: 63464368
Purpose Code: Scholarships Only
Fund Type: Current Expendable
Open Date: 12/21/04
Close Date:

Campus: Denver
School: Engineering
Department: Blank
Division: N/A
Alcohol Allowed: No
Signed Agreement:

Endowment Codes Only
Endowment Min:
Reinvest Date:
Reinvest Amt:

Comments:

Next FY Distribution: Information Available March 1, N/A for Current Funds

Balances

Account	Account Title	0321577
10000	Cash	\$310.78
Total		\$310.78

Activity

Account	Account Title	0321577
50100	Transfers to University	(\$9,750.00)
Total		(\$9,750.00)

Beginning Net Assets, 07/01/2020 \$10,060.78

Ending Net Assets, 10/21/2020 \$310.78

Fund Purpose Report

Psychiatric Mental Health Nursing Endowed Fund		
Anschutz Nursing		
Program Principal: Doe, Jane		Program Manager: Doe, John
Allocation Code: 000000	Corresponding Distribution Account: 000000	
Related Fund(s): 000000	Financial Details: Gift Fund Statement	
Speedtype: 00000000	Start Date: X/X/XXXX	Chairs/Professorships with Other Support
Fund Type: Endowed - Pure -	FE Purpose Code:	
Donor Confidentiality		
Purpose		
Summary:		
Faculty Support Chair Professorship	Student Support Fellowship Graduate	Program Support
Notes/Full Description:		
<p>The Foundation shall use the Donor's gift to establish The Psychiatric Mental Health Nursing Endowed Fund for the benefit of the Anschutz Medical Campus. Funds may be used for the creation of the Graduate Program, the Chair, the Professorship, and the Fellowships. The College shall reinstitute a Graduate Program in the Psychiatric Mental Health Nursing. It is currently contemplated that the Graduate Program will enroll a minimum of 12-15 students and will commence in the fall of 2009. The College shall establish the Psychiatric Mental Health Nursing Chair. The holder of the chair shall be certified in psychiatric metal health nursing. The holder of the chair shall be responsible for the administration of the Graduate Program. The College will establish the Psychiatric Mental Health Nursing Professorship. The holder of the Professorship will be certified in psychiatric mental health nursing. The College shall establish the Psychiatric Mental Health Nursing Fellowships. Selection of the students for the Fellowships shall be made by the Dean of the College based on the recommendations of a selection committee designated by the Dean. The College shall select a minimum of 5 Fellowship recipients each year. Distributions from the fund shall be designated 2/3 to support the Chair, 1/6 to support Professorship, and 1/6 to support Fellowships. Distributions shall be used to pay for salary, benefits, research and/or education expenses of the Chair and Professorship; and to pay for tuition, fees, research, or education expenses of the Fellowship Recipients.</p>		
Award Criteria		
Summary:		
Selection Committee: Designated by the Dean		
Additional Detail(s):		
Selection of the individual to hold the Chair/Professorship shall be made by the Dean of the College based on the recommendations of a selection committee designated by the Dean. Selection of the students for the Fellowships shall be made by the Dean of the College based on the recommendations of a selection committee designated by the Dean.		
Deliverable(s)		
CU Foundation Report Annually		
Additional Detail(s):		
The Foundation shall provide an annual financial report to the Donor within 90 days after the end of each fiscal year of the Foundation. Each financial report shall contain a balance sheet showing the assets and liabilities and the income and expenses, including realized and unrealized gains and losses of the Fund; an accounting of disbursements comply with the provisions of this Agreement.		



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06 Best Practices, tips & tricks



Action Steps: Today

Familiarize yourself with the tools in Advancement Intelligence

- Make sure you can log into AI
- Once in AI locate the reports mentioned here
- Practice running the Fund Purpose Report
- Practice using the Allocation/fund search

Goal

- Ensure you have access to AI including permissions to run these reports
- Ensure you can access reports and know how to use them when the time comes to use them



Action Steps: Throughout the Year

Run the Fund Purpose Report for your funds at least annually

Spend funds timely – Run your Gift Fund Statement monthly

Address untouched and/or large balances

Reach out to Compliance@cufund.org if

- purpose is outdated or impractical
- purpose, acceptable expenditure is unclear

Reach out to Advancement

Any discussion that involves donor(s)

- Donor(s) want to establish a new fund
- Donor(s) want to make changes to an existing fund

Set-up a new fund for fundraising purpose



Meet your Advancement Liaisons!

Melissa Lukesic- melissa.lukesic@ucdenver.edu

Megan Welch- megan.welch@ucdenver.edu

[CU Denver Advancement website](#)



Reach out to Foundation Gift Compliance

Any program changes that result in fund use updates

Inquiries about fund spending, purpose, donor intent

Changing of fund titles, purpose codes

Existing administrative terms are burdensome / not best practice

Concerns about underutilized funds

Questions about fund categories/types of funds



Reach out to Foundation Accounting

Any questions about our investments

Any questions about fees assessed on endowments

Any questions about your distributions

Any questions or issues with our financial reports

If you need or want help with any financial discussion that involve donor(s) and/or other stakeholders



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Self-service

Training Materials, glossaries etc.

<https://giving.cu.edu/fundmanager>

Thank you



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