

### *University Community*

<p><b>SUBJECT (R*)</b></p> <p>Minimum Required to Establish Accounts</p>	<p><b>EFFECTIVE DATE (R)</b></p> <p>June 5, 2002</p>
<p><b>RESPONSIBLE UNIVERSITY DIVISION/DEPARTMENT (R)</b></p> <p>FIU Foundation Inc. 11200 SW 8<sup>th</sup> Street MARC – 5<sup>th</sup> Floor Miami, FL 33199</p>	<p><b>RESPONSIBLE UNIVERSITY OFFICER (R)</b></p> <p>Assistant Vice President - FIU Foundation Inc.</p>

<p><b>POLICY STATEMENT (R)</b></p>
<p>The following minimum balances are required to establish a new Foundation account:</p> <ul style="list-style-type: none"> <li>• <b>Endowments:</b> It must be anticipated that a minimum of \$25,000 will be received within a five-year pledge period, with a minimum of \$5,000 required as an initial deposit.</li> <li>• <b>Annuity:</b> A minimum of \$20,000 is needed to establish a gift annuity. Once the donor of a gift annuity passes away, if the annuity is to become an endowment (as stipulated in the gift agreement), then all endowment policies will be applied to the annuity. As such, if the balance of a gift annuity is less than \$25,000 at the time the donor passes away, the funds will be combined within an existing general endowment account with a similar purpose.</li> <li>• <b>Other:</b> A minimum of \$2,000 is required to establish all other Foundation accounts with the anticipation that there will be recurring funds.</li> </ul>

<p><b>RELATED INFORMATION (O)</b></p>
<p>Establishing Endowment Accounts Policy Establishing and Investing Gift Annuities Policy</p>

<p><b>Administrative Office's Address</b></p> <p>FIU Foundation Inc. 11200 SW 8<sup>th</sup> Street MARC – 5<sup>th</sup> Floor Miami, FL 33199</p>	<p><b>Telephone Number</b></p> <p>305-348-2679</p>	<p><b>Fax Number</b></p> <p>305-348-3824</p>
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<p><b>HISTORY (R)</b></p>
<p>The BOD approved a policy establishing minimum balance for new accounts on March 8, 1983. On June 5, 2002 the BOD approved increasing the minimum for establishing endowed accounts from \$15,000 over six years to \$25,000 over five years. In addition, the BOD approved a policy setting the annuity minimum to \$20,000. On January 26, 2005, although the minimums were not changed, the BOD expanded on the endowment policy.</p>

**DEFINITION (R)**

Endowment Funds-Donations received by the FIU Foundation in which the donor has formally indicated that the funds must be held and invested in perpetuity. Earnings derived from the invested endowed funds are available for spending based on the donor's explicit intent.

Gift Annuity- is a contract under which a charity, in return for a transfer of cash, marketable securities or other assets, agrees to pay a fixed amount of money to the donor (annuitant) during his/her lifetime. The payments are fixed and unchanged for the term of the contract. A portion of the payments to the annuitant are considered a partial tax-free return of the donor's gift, which is spread in equal payments over the life expectancy of the annuitant. An annuity is backed by the charity's entire assets, not just by the property contributed.

**RESPONSIBILITIES (O)**

**\*R = Required**

**\*O = Optional**