

June 1, 2024

Dear Reader,

Thank you. You've likely been provided with a copy of this document because you are a donor to Augsburg or you are considering a very special gift. We appreciate your generosity and interest in partnering with us.

The mission of Augsburg University is to educate students to be informed citizens, thoughtful stewards, critical thinkers, and responsible leaders. The Augsburg experience is supported by an engaged community that is committed to intentional diversity in its life and work. An Augsburg education is defined by excellence in the liberal arts and professional studies, guided by the faith and values of the Lutheran church, and shaped by its urban and global settings.

We are a nonprofit organization. Our legal name is Augsburg University. Our Federal Tax ID number is #41-0694721. Our mailing address is 2211 Riverside Avenue, Minneapolis, Minnesota, 55454.

Our institution was founded in 1869 and has evolved over the course of 150 years from what was primarily a seminary to a comprehensive university with campuses in Minneapolis and Rochester, Minnesota. We are accredited by The Higher Learning Commission, the Accreditation Review Commission on Education for the Physician Assistant, the American Psychological Association, the Accreditation Council for Business Schools and Programs, the Council on Social Work Education, and the Commission on Collegiate Nursing. We are also approved by the American Chemical Society, the American Music Therapy Association, Professional Educator Licensing and Standards Board, the Minnesota Board of Nursing, and the National Association of Schools of Music. We enroll over 3,100 students, including traditional undergraduates, adult undergraduate students, and students in ten graduate programs.

Augsburg is also home to a number of programs serving our community and the church. Whether we are a fiscal sponsor, the program home, or a partner in a shared grant, all philanthropy follows a set of documented Gift Acceptance Policies and Established Practice.

Enclosed with this letter is documentation titled Philanthropic Gift Acceptance Policies and Established Practice. We make this available as an education tool to inform our donors about the legal, practical, and institutional guidelines we use. This document was created to be comprehensive. Before accepting a major or planned gift commitment, we ask all donors to acknowledge receiving and reviewing this material. Please let us know if you have any specific questions. We are happy to discuss gift planning with you and to help you find for you particular information on policies and practices related to your interests and gift planning.

This document is an updated version of policies that have been in effect at Augsburg for many years. Our policies are based on law and best practices in philanthropy including best practices identified by the Council of Advancement and Support of Education, the Association for Christian Fundraising, the Association of Fundraising Professionals, the Minnesota Gift Planning Association. Augsburg as an institution and individual members of the advancement staff are long time members of these professional organizations and take seriously our adherence to best practices.

Augsburg encourages all donors to consult with their own tax, financial, and legal advisors while considering special outright and planned gifts. At your request, we are happy to work with your advisors.

Thank you again for your interest. We are deeply grateful for your support.

Sincerely,



Amy Alkire
Vice President for Advancement
612-330-1188
alkirea@augsborg.edu

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WHAT IS A GIFT?

Under IRS Guidelines, a gift is defined as a voluntary transfer of assets from a person, organization, foundation or corporation to the institution where no goods or services are expected, implied, or forthcoming to the donor. Gifts can be given in the form of cash, securities, real property or personal property.

The following criteria generally identify a charitable gift:

- a. A gift is motivated by charitable intent.
- b. Gifts are irrevocable transfers of assets.
- c. The institution is not obliged to return unexpended funds.
- d. Gifts cannot be subject to an exchange of consideration or other contractual duties between the institution and the donor, except in the case of certain deferred gifts as set forth in these guidelines.
- e. A period of performance is not specified.
- f. Formal financial accounting to the donor is not required as it would be, for example, with a research grant.

WAYS TO GIVE

The following are all ways that donors to Augsburg make philanthropic gifts to support our work. Donors are encouraged to notify the Office of Institutional Advancement of all gift intentions in order to ensure that gifts fit within Augsburg's acceptance policy and to ensure that the donor's intent is carried out. If you have questions about any of these ways to give, please do not hesitate to contact our office.

Cash donations are accepted but not encouraged.

Checks are popular way donors make gifts to Augsburg. Checks for all funds and all programs associated with Augsburg should be mailed to:

Augsburg University
Attn: Institutional Advancement
Campus Box 142
2211 Riverside Ave
Minneapolis, MN 55454

Debit Cards and Credit Cards are also popular ways to give. We encourage donors to give online at www.augsburg.edu/giving or by phone at 612-330-1613. Each year more donors set up recurring plans by making arrangements for automatic monthly gifts through their checking accounts or credit cards.

Online Crowd Funding is growing in popularity. Donors who support our mission through one of the many crowd funding platforms will receive an acknowledgement from Augsburg when we learn of the gift and the dollars are transferred to Augsburg accounts.

Employee Payroll Deduction is popular with faculty and staff who have their gifts withdrawn from their paychecks.

Matching Gifts are secured by donors to Augsburg who have the benefit of a matching gift program through their employer or another entity like a foundation where they serve on the board.

Publicly Traded Stocks and Mutual Fund Shares can be an easy way to give more to Augsburg. If a donor has held an appreciated stock or mutual fund for more than one year, they can donate those securities to a charity and receive a tax deduction for the fair market value of the securities, eliminating any capital gains assessments on the future sale of the securities.

To make a gift of stocks or mutual fund shares, contact your bank or broker and authorize them to transfer the securities to Augsburg through the university's account at UBS in Bloomington.

Account Registration: Augsburg University, 2211 Riverside Ave
Account Number: 7N 29278
DTC# 0221
Address of Account Holder: 2211 Riverside Ave, Minneapolis, MN 55454
Contact Name & Number:
UBS Financial Services in Bloomington
8500 Normandale Lake Blvd., Ste. 210
Bloomington, MN 55437-3815

Geri Paquette
952-921-7932
geri.a.paquette@ubs.com

Contact the Office of Institutional Advancement at advancement@augsborg.edu or 612-330-1613. Provide your name and address, the specific name of the securities to be transferred, the number of shares to be transferred, any special restrictions on the securities to be transferred, the designation of the gift (The Augsburg Fund, endowed scholarship, special project, etc.), and the name, address and telephone number of your broker.

Soon after the stock gift is transferred to Augsburg's account at UBS, the University will sell it and designate the proceeds for the appropriate purpose.

Donor Advised Funds

When donors recommend a grant to Augsburg University from their Donor Advised Fund, they can support the Augsburg Fund, an endowed fund, plus projects and programs. Please contact the Advancement office to let us know your intentions.

Donors may also make Augsburg a successor beneficiary of their Donor Advised Fund. Consider including Augsburg on your list of beneficiaries for a percentage of the remaining assets or for a specific amount that will pass to the University when the fund terminates.

Wire and AHC Transfers

Arranging for a wire transfer involves specific instructions, including the university's account information. For security purposes, we ask you to reach out to us directly at advancement@augsborg.edu or 612-330-1613.

Charitable Distribution Directly from an IRA

In understanding the opportunity available to donors with this type of gift it is helpful to review the basics of a required minimum distributions (RMDs): People age 73 or older generally must withdraw a minimum amount each year from traditional IRAs and employer-sponsored retirement plans. The money people are required to withdraw is added to their taxable income. Failure to take a required minimum distribution by year-end could result in a stiff IRS penalty.

Under the Qualified Charitable Distribution (QCD) rule, beginning at age 70½, people can have all or part of their distribution made directly from an IRA to a qualified charity. Unlike conventional RMDs, QCDs aren't subject to ordinary federal income taxes.

Beneficiary Designation

Donors may make Augsburg the beneficiary (or an alternate beneficiary) of all, a percentage, or a specified amount from a life insurance policy, a deferred annuity contract, an IRA, a defined benefit plan, a 401(k) plan, a defined contribution (profit sharing), a charitable remainder trust, a lead trust, or another financial planning instrument.

Life Insurance Policies

Augsburg accept gifts of life insurance policies, including whole life, variable, and universal life policies, which meet the guidelines specified below.

If the policy is paid-up:

- The institution is designated as the owner and the beneficiary of the policy.
- If intended for endowment purposes, the face value of the policy must meet the minimum funding requirements for the endowment(s) stated purpose(s) which have been established by the institution at the time of the gift of the policy.

If the policy is not paid-up:

- The institution is designated as the owner and the beneficiary of the policy.
- If intended for endowment purposes, the face value of the policy must meet the minimum funding requirements for stated purpose(s) of the endowment(s) which have been established by the institution at the time of the gift of the policy.
- The donor agrees to send the regularly scheduled premium payments to the institution and these payments must cover in full the premium payments due at the end of each billing cycle. In the event the donor(s) stop making their premium payments or their payments do not cover the full amount of the premiums due, the institution retains the right to sell the policy for its cash surrender value.
- Dividends will not be used to cover premium payments unless approved by the president.

Bequests

A bequest to Augsburg can be made through a donor's will or revocable trust. The donor can designate a specific amount, a percentage, or the remainder of an estate. Frequently donors add Augsburg to their existing wills or revocable trusts with a simple codicil.

Gifts Requiring Special Review and Approval

These gifts require special review and approval by the president and members of the President's Leadership Team—including the vice president for institutional advancement and the vice president of operations and chief financial officer.

Charitable Gift Annuities

A charitable gift annuity is a contract between Augsburg and the donor. Augsburg agrees to pay the donor (or other person named by the donor) a lifetime annuity, some of which may be tax-advantaged, in return for a gift of cash, securities, or other property. The payment may continue for the life of a second individual, such as a spouse. The annual payment is a fixed sum, the amount of which is based on the size of the gift and the number and ages of the beneficiaries. Rates of return under a charitable gift annuity are lower than the rates offered by commercial insurance companies so that a significant residual amount will remain for the institution.

The minimum contribution amount for a gift annuity is \$10,000. The rates of return payable to annuitants shall not exceed those recommended by the American Council on Gift Annuities as of the date of contribution. Annuity agreements shall be limited to two lives. Generally, the minimum age for the annuitants shall be 60 years of age for immediate annuities and 45 years of age for deferred annuities. Gift annuities shall be managed by the institution, and the institution may employ agents and advisors to assist with the administration and investment of gift annuity assets.

Charitable Remainder Trusts and Charitable Lead Trusts Where Augsburg Serves as the Trustee

Augsburg may agree to serve as the trustee of charitable trusts that support the mission and the goals of the donor. The initial contribution to the charitable remainder trust shall be at least \$100,000. If the income interest is for life, the beneficiar(y/ies) must be at least 45 years of age for a Net Income with Makeup Charitable Remainder Unitrusts (NIMCRUT), Net Income Charitable Unitrust (NICRUT), or Flip Charitable Remainder Unitrust (FLIPCRUT), and 60 years of age for a standard or straight charitable remainder trust, unless Augsburg approves a younger age limit. In situations where payments are to be made for the lives of multiple beneficiaries, there may be no more than two beneficiaries listed. The institution will not serve as trustee of a charitable remainder trust interest unless the trust is designed so that its net present value at the time of future distribution to the institution is not less than 50% of the initial gift. Calculation of net present value will consider a reasonable return over time, growth of trust assets, allowance for management expenses, and discount (inflation) factor in accord with practices of similar charitable organizations.

Exceptions may be recommended on the basis of the assets involved, size of the gift, and the potential for additional gifts or additions to the unitrust.

Where the trust is testamentary—that is, one that arises upon the death of the donor—the institution reserves the right to disclaim any interest that would be in violation of gift acceptance guidelines.

Closely Held Securities

After an internal review, Augsburg may accept gifts of Closely Held Securities or non-publicly traded securities, sole proprietorships, general or limited partnership interests, S-Corporation securities, interests in real estate investment trusts (“REITs”) and limited liability company interests.

Restricted Securities

Restricted securities (also known as unregistered securities, investment-letter stock, control stock or private placement stock) are infrequently given as gifts because of the difficulty in transferring ownership and determining fair market value. Prior to acceptance, the office of the chief financial officer and vice president of operations should be notified of a donor’s intent to give a gift of a restricted security so that they may perform an evaluation of the purpose and review the extent of the restrictions placed on the stock.

If restricted securities are being considered as a gift to the institution, IRS Publication 561 should be consulted when trying to determine the value of the securities. If the value of the gift is estimated to be \$5,000 or more, the donor must provide an appraisal report prepared by a qualified appraiser.

Gifts of Real Property, Tangible Personal Property

All appraisals of real and personal property contributed to the institution will be done in accordance with IRS Publication 561, “Determining the Value of Donated Property.”

Prior to accepting, Augsburg may request at the donor’s expense one or more of the following related to proposed gifts of property including real estate, tangible property, bargain sales, or retained life estates:

- a preliminary title report clear of unacceptable encumbrances, performed by a reputable title insurance company
- an MAI appraisal by a qualified appraiser
- a phase one environmental audit indicating that ownership will not expose the institution to environmental liabilities. (Augsburg may waive the phase one requirement for non-farm residential properties.)
- a market feasibility study for purposes of liquidation
- an on-site evaluation by a qualified representative of the institution
- evidence of compliance with ADA (when applicable)
- a structural engineering report (when applicable)
- a review of leases (for commercial properties)
- a disclosure statement for residential properties (when applicable)
- UCC1 lien search in the state where the asset is located and if different, the state(s) where the donor resides or conducts business which involves the asset

In most cases, the University will sell the property and then will designate the proceeds for the appropriate purpose.

Special note on gifts with a life interest: Any agreement creating the life interest must provide that the donor and/or life tenant shall remain responsible for the payment of mortgages, taxes, insurance, utilities, maintenance/repairs and other costs associated with the property, unless other specific provisions are made for the payment of these expenses. Donor(s) shall not violate or allow the violation of any environmental laws/ordinances covering this property.

Gifts of Property with Restriction to Augsburg Ownership in Perpetuity

In most cases, Augsburg will not keep possession of gifted assets. Review and approval will be necessary on gifts requiring Augsburg to retain ownership of the property into perpetuity.

Gifts of Perishable Property

A special review and approval is necessary prior to accepting perishable property—property that is prone to speedy and natural decay, depreciation, devaluation, or when the expense of keeping it in custody is likely to exceed its value.

Property Requiring Special Safeguarding

Only with review and approval, will Augsburg accept a gift requiring special facilities or security in order for it to be properly safeguarded..

Other personal property of any description, including mortgages, notes, copyrights, royalties, partnership interests, closely held business interests, undivided interests in property, future and partial interests and other non-liquid financial assets will require review and approval.

Notes on Deductibility of Noncash Charitable Contributions

If a donor wishes to claim an income tax deduction of \$500 or more in any year for gifts to charity which are not cash, then the donor must file IRS Form 8283 (Noncash Charitable Contributions) with a federal income tax return.

In addition, if a donor wishes to claim charitable income tax deductions totaling \$5,000 or more in any tax year for gifts that are not cash or publicly traded securities, then the donor needs to obtain qualified appraisals of the property donated. Augsburg University must acknowledge receipt of the property by signing the IRS Form 8283, which the donor then files with his or her federal income taxes. Augsburg will not provide or pay for an appraisal for a donor's tax purposes. Also, the institution will not attempt to provide an estimate the fair market value of any real or personal property gift.

Form 8283 is processed either through the Advancement Services Office (for all other noncash

gifts) or through the Administrative Accounting Office. The form may be signed by the director of advancement services, the chief financial officer and vice president of operations, or the controller in the Administrative Accounting Office. The individual accepting the gift should make sure that the donor's name and Social Security number and the donor's address are on the form or have been provided by the donor. It is the donor's responsibility to notify the institution that they will require the institution to prepare and sign an IRS Form 8283 for their tax purposes.

Not Acceptable Ways to Give

Augsburg will not accept any gift that:

- violates federal, state or local statute or ordinance
- exposes the institution to litigation or other liabilities
- requires the payment of maintenance costs or other expenses (e.g. debt service) for which no specific provision has been made
- generates unrelated business income tax
- appears to be financially unsound

Augsburg will not accept any gifts requiring special review and approval until review is completed and approval from the president is secured.

WAYS TO DIRECT AND RESTRICT GIFTS

Commonly Accepted Gift Restrictions

Unrestricted giving offers Augsburg the greatest amount of flexibility in the short and long term. Unrestricted giving is also, by far, the most popular choice among donors.

Restricted giving to underwrite a particular current purpose or program is also common. Each year, Augsburg donors support programs like athletics, StepUP, the Center for Learning and Accessible Student Services, particular academic departments, programs like the Minnesota Urban Debate League, Campus Kitchen or one of the centers of commitment.

Restricted gifts to scholarships that support students with need or students who are particularly high achieving can be made as current gifts or made to endowed funds that exist in perpetuity.

Restricted gifts to capital projects and debt reduction are welcome and essential to meeting the needs of today's students and faculty.

Endowments are funds that are given to Augsburg to be set aside in an investment pool, creating a stream of funds in perpetuity. Donors may give to the general endowment, to an existing endowed fund, or to create a new endowed fund for a specific purpose. The Augsburg Board of Regents sets endowed fund investment policy and sets minimum amounts needed to create new endowed funds.

Not Acceptable Gift Restrictions

- creates a fund to provide for scholarships, fellowships, professorships or lecture series with restrictive clauses that could cause embarrassment to the institution, or that reserve to the donor the right to designate the recipient
- limits, beyond a general description of the subject area, the research or work of a faculty member or student
- contains a condition that requires any action on the part of the institution that is in violation of institutional policy
- commits the institution to name a building, facility, institute, center, or an endowment fund where the gift is potentially revocable in any way
- inhibits the institution from seeking gifts from other donors, be they similar or different, foreign or domestic
- requires the institution and its administration to employ a specified person at a future date
- contains unreasonable conditions (i.e. a lien or other encumbrance) on gifts of partial interests and property
- requires tuition payments for a family member of the donor or directs the tuition payment to any designated person

Use of Funds When Restriction Is No Longer Possible

Any restriction(s) placed on the use of the funds by the donor may be deemed unreasonable or unable to be fulfilled due to specific circumstances including, but not limited to:

- a capital project or facility can no longer be used
- the termination of a program
- a surplus of funds available from other sources to fulfill the designated purpose
- the insufficiency of the restricted funds to fulfill the designated purpose where no funds from other sources are available to supplement the restricted funds
- the designated purpose is no longer consistent with the mission of the institution and its individual programs
- the designated purpose does not comply with local, state or federal laws
- inability to identify a student recipient within a reasonable time period

NAMING OPPORTUNITIES AND MINIMUM GIFT LEVELS

In appreciation of donor generosity, Augsburg often offers to name a fund, a program, a room, a building or some other special opportunity.

Naming opportunities—including the appropriate gift size, the funding plan and the manner in which the gift will be utilized – is always at the institution’s discretion and must fall within parameters established by the Board of Regents.

Irrevocable deferred gifts—including gift annuities, pooled income funds, and charitable remainder trusts – may be used to fully or partially fund a named opportunity as long as the present value of the gift meets the agreed gift level.

The Augsburg Board of Regents has established minimum levels for the creation of named endowed funds for gift agreements—for both outright and planned gifts. If the minimum level for creating a named fund is not reached within the expected time frame of the gift agreement, the corpus of this fund may be added to another endowed fund with a similar purpose or it may be added to the general endowment.

Naming recognition on capital projects or on something like a work of art is expected to persist for as long as the facility, artwork, tree, bench or other named thing exists. It is typical for Augsburg to remove historical donor recognition for example, when a building is torn down or significantly remodeled. If an object with donor sponsorship or naming is destroyed, lost, stolen, or otherwise completes its use on campus that will typically complete the donor recognition associated with that gift. Augsburg reserves the right to remove recognition if it is determined to be out of sync with the university's mission and values.

Augsburg is committed to honoring the purpose established by named endowed fund and restricting expenditures to fulfill the purpose as described in the Gift Agreement. The benefits of donor-established funds will not be redirected to any other purpose except in the unusual circumstance where the original purpose cannot be achieved. In the event of such a change in circumstances, Augsburg is obligated by law to find another purpose as close to the original intent as possible. As a matter of policy, whenever practical, Augsburg will consult with the primary donor(s), if still living in the rare event a change from the original intent is necessary.

ADMINISTRATION AND INVESTMENT OF ENDOWED FUNDS

Augsburg may commingle the assets of donor-established endowed funds with other of its endowment assets for purposes of investment, but it shall keep separate records and books of accounts with respect to the fund.

Augsburg shall place the assets of endowed funds under the management and direction of one or more of the investment advisors which it uses from time to time in managing its endowment assets. Endowed funds shall be managed according to the prevailing investment policies of Augsburg with regard to its endowment assets.

Augsburg manages and administers endowment assets within the guidelines of the Uniform Prudent Management of Institutional Funds Act. Market conditions may cause periods when the market value of this endowment is less than the value of the original gift(s).

The Fund shall not constitute a trust, and its assets shall be held by the Augsburg as the beneficial owner and not as a trustee.

RECOMMENDATION TO DONORS

Donor's Use of Professional Advisors

All prospective donors will be urged to seek their own counsel in matters of estate planning, taxes and planned gifts. It is not appropriate for the institution to give legal advice, or provide counsel to the donor since it is the donor and the donor's counsel alone who must bear responsibility for all decisions made by the donor. Prior to accepting any gift, the institution shall advise the prospective donor to seek professional advice from their attorney and/or accountant/tax advisor. This will be of particular importance if the prospective donor intends to make a deferred gift through use of a will, trust, annuity contract, or other instrument.

FEES AND COMMISSIONS

Finder's Fees or Commissions

Consistent with the codes of ethics of the Association of Fundraising Professionals and the National Association for Charitable Gift Planners, no finder's fee or commission of any type will be paid by the institution to any party in connection with the completion of a gift to the institution without prior institutional approval.

Professional Fees

Reasonable costs of gift acquisition, such as transaction costs and professional fees, will normally be borne by the donor. However, there may be occasions when a prospective donor requests that the institution pay such costs. The institution will verify the reasonableness of the costs and that the cost reimbursement complies with state and federal requirements, including but not limited to tax laws and professional ethics guidelines. If appropriate, the institution may agree to pay gift acquisition costs by using funds from its operating budget.

POLICY AMENDMENT AND REVIEW

The President and the President's Leadership Team, including the vice president for institutional advancement, are responsible for reviewing and recommending amendments to Augsburg's Gift Acceptance Policies and Practices. These guidelines shall be reviewed at least annually to ensure that it is consistent with IRS regulations or other applicable state or federal laws.

ENDOWED FUND GUIDELINES

Endowed Funds to Support Academics and Programs

Naming and Recognition

One of the ways Augsburg recognizes the generosity of donors who create endowed funds is to name a position or program in honor of the donor or a person or institution designated by the donor.

Named Funds	Minimum Endowment Gift
Endowed School	\$10,000,000+
Endowed Program or Center of Commitment (Existing)	\$2,500,000+
Head or Director of a School	\$3,000,000
University Professorship or Director (New Position)	\$3,000,000
University Professorship or Director (Existing Position)	\$2,000,000
Academic Program Support (New)	\$1,000,000+
Endowment supporting an Academic Department or Center of Commitment (Existing)	\$100,000

Appointment Decisions

Current faculty and staff may be eligible for appointment to a named position. The University may also seek to recruit to fill endowed positions. Based on recommendations from the provost and other campus leaders, the president will make appointments and ensure endowed funds are expended based on the memorandum of agreement with the donor.

Appointment Timing (New Position)

Augsburg University will recruit and appoint faculty and directors to named positions when one of the following is met:

- The endowed fund reaches \$3,000,000.
- The endowed fund reaches a minimum of \$1,500,000, the donor has completed a pledge agreement to reach \$3,000,000 within five years and, until the endowment is fully funded, the donor commits to give \$67,500 annually.
- The donor commits to give \$135,000 annually until the endowment is fully funded and documents a pledge to be fulfilled in the future.

As the endowed fund grows over time, more resources will be available to support the work of the professor and/or the department.

Appointment Timing (Existing Position)

Augsburg University may appoint faculty and directors to named positions when one of the following is met:

- The endowment reaches \$2,000,000.
- The endowed fund reaches a minimum of \$1,000,000, the donor has completed a pledge agreement to reach \$2,000,000 within five years and, until the endowment is fully funded, the donor commits to give \$45,000 annually.
- The donor commits to give \$90,000 annually until the endowment is fully funded and documents a pledge to be fulfilled in the future.

As the endowed fund grows over time, more resources will be available to support the work of the scholar and/or the department.

Use of Endowed Funds for Faculty Positions

The annual draw from an endowed fund for a University Professorship or Director or Head of School may be used for recruitment and search related costs, salary, supplemental compensation, program startup costs, student research, supplies, travel, support staff, publishing expenses, and other items necessary to support the work and increased effectiveness of the scholar and academic department.

Use of Endowed Funds for Endowed Schools, Programs, Academic Departments, Etc.

The annual draw from an endowed fund for an endowed school, academic department, etc. may be used for recruitment and search related costs, salary or supplemental compensation, for support staff, program startup costs, student research, supplies, travel, publishing expenses, and other items necessary to support the work and increased effectiveness.

Endowed Funds to Support Student Financial Aid

Naming and Recognition

One of the ways Augsburg recognizes the generosity of donors who create endowed scholarships is to name funds in honor of the donor or a person or institution designated by the donor.

Named Scholarships	Minimum Endowment Gift
Presidential Scholarship	\$1,000,000
Scholarship for Merit/Achievement	\$250,000
Scholarship with Award Preferences	\$100,000
Scholarship with No Restrictions	\$50,000

The university president, upon the recommendation of the office of financial aid, is responsible for ensuring endowed scholarships are expended based on the memorandum of agreement with the donor. In situations where sufficient funding is available, more than one student may be supported with the annual draw from the endowment as long as the original intent of the gift is maintained.

Award Decisions for Presidential Scholarships

Presidential Scholarships allow Augsburg to recruit the most promising applicants with exceptional academic ability and strong evidence of leadership potential as well as financial need.

Award Decision for Scholarships for Merit/Achievement

Donors may restrict endowed scholarship awards to students who are recognized for a particular type of academic merit or achievement.

Award Decision for Scholarships with Award Preferences

Donors may indicate a preference that an endowed scholarship is awarded to students who meet certain criteria. Possible restrictions include field of study and vocational interest, to name a few.

Award Decisions for Scholarships with No Restrictions

Scholarships with no restrictions will most often be awarded to incoming first year students with demonstrated financial need.

Use of Endowed Scholarships Funds

The annual draw from an endowed scholarship is credited to student accounts to offset tuition charges.

Endowed Funds for Other Purposes

Naming and Recognition

One of the ways Augsburg recognizes the generosity of donors who create endowed funds is to name programs or initiatives in honor of the donor or a person or institution designated by the donor.

Other Named Funds	Minimum Endowment Gift
Convocation/Lecture	\$250,000
Student Research	\$175,000

Use of Endowed Funds for Convocations or Lectures

The annual draw from an endowed fund for a convocation or lecture may be used for speaker fees, travel, advertising, event costs and other expenses necessary to support student engagement with this special learning opportunity.

Use of Endowed Funds for Student Research

The annual draw from an endowed fund for student research will most often be used for wages or a stipend for students conducting research in partnership with a faculty member. Funds may be used for grant seeking expenses, travel, equipment, and other expenses necessary to support student engagement with this special learning opportunity.

FUND MANAGEMENT

Endowed Fund Management

Minimum Thresholds and Timing of Draws:

1. Awards (or draws for spending) will be distributed the first quarter of the fiscal year following both
 - a. the year in which the sum of payments received, including one-time gifts, payments as part of a pledge agreement and estate distributions, total the minimum threshold and
 - b. the fourth quarter since the endowed fund's creation.

2. Augsburg's endowment draw is calculated on a twelve-quarter rolling average and in accordance with the board spending policy. If actual investment returns consistently exceed the board spending policy, the principal balance of the fund will increase. Conversely, if the investment earnings are consistently less than the board policy, the principal balance of the fund will decrease.
3. When creating a blended gift (i.e. a new endowed fund created through a combination of outright and planned gifts), the outright portion will be at least 50% of the full threshold.
4. In the event that a pledge for an endowment is not completed and the minimum threshold is not met, the endowed fund will be redirected to the general endowment.
5. Augsburg's fund management will comply with state and federal laws.

Current Use (Non-Endowed) Fund Management

The minimum to create a current use fund is \$5,000 within the same fiscal year. Multi-year pledges cannot be used to meet the minimum threshold.

Gifts accumulate in the fund and are spent according to the budget manager's discretion within the specified fund restrictions over several years, with the intention to use at least the full amount of the initial gift within the first three years.

Approved by the Augsburg University Board of Regents January 29, 2016, revised on May 4, 2024, and made effective June 1, 2024.