



IU FOUNDATION: ENDOWED GIFT ACCOUNT MINIMUMS UPDATE FY2024

UPDATE OVERVIEW

What's Changing

- Increasing endowment account minimums to \$50K and \$100K.

With the new Endowed Account Minimums, donors may...	\$50K	\$100K
restrict gift to a specific campus or academic unit (school), program/department/major for a general purpose (e.g., scholarships, research, etc.)	X	X
restrict gift to a specific academic department, program, or auxiliary unit		X
include restrictions and/or preference for use		X
include restrictive scholarship criteria and/or preferences		X

What's Remaining the Same

- A donor can pledge over 5 years (or less)
- Establishing an endowment via a bequest
- No change in the current process except for raising the threshold
- Spendable accounts which include 32-accounts (annually funded accounts) and 38-accounts (quasi-endowments) will remain the same at this time.
- Endowed accounts that do not meet the minimum threshold within five years or have a documented planned gift to fulfill the minimum will be converted to spendable accounts.

REASONS FOR THE UPDATE

Effective utilization of funds is more easily achieved when endowment distributions are larger. Currently, it can easily cost the university nearly the entire annual value of a small scholarship (say \$1,000 per year) just to administer when the scholarship is bound by onerous restrictions. In some cases, these smaller distributions do not justify the human resources that are necessary to utilize the funds. Other reasons for this update include:

- More impactful gifts to support scholarships
- Better steward donors
- Increase the number of unrestricted accounts
- Align with peer institutions
- Promote intentionality in spending

TIMING FOR NEW AND EXISTING ACCOUNTS

July 1, 2023 Any NEW conversations about a gift should begin with the new endowed gift account minimum levels. This does not include gifts that are currently in process.

September 30, 2023 Any CURRENT (prior to July 1, 2023) conversations with donors that are documented with opportunities within Crimson by June 30, 2023, can continue at FY23 gift account minimum levels with the goal of having the ask made no later than September 30, 2023. The gift agreement will need to be finalized by December 31, 2023.

FOR MORE INFORMATION

Review the [FAQ document](#) or email [Sheila Decker](#), Vice President of Administration, IU Foundation.