



Overview of Spendable Account Updates

Defining Spendable Accounts

Spendable accounts include two types of accounts:

1. Cash accounts (also known as 32-accounts)
2. Quasi-endowment or investable accounts (also known as 38-accounts)

Reason for Updates to Spendable Accounts

- Emphasizes more impactful gifts to support research, scholarships, programs, etc.
- Enhances donor stewardship
- Raises donor sights to larger gifts
- Effective utilization of funds is more easily achieved when investment distributions are larger (quasi-endowments)

Cash Gift Account (32-account) Minimums

What's Changing

There are two minimum threshold updates for cash accounts (32-accounts):

1. For units to establish cash accounts, the threshold is increasing to \$10K.
2. For cash accounts named for donors, the threshold is increasing to \$25K, with these parameters:
 - Donor restrictions are allowed
 - Funds must be utilized within five years of the cash account opening
 - Alternate use of funds will be documented in the gift agreement should funds not be fully expended by the five-year termination date
 - Donors are allowed up to three years to fulfill commitments, unlike endowments, which allow five-year pledges

What's Remaining the Same

- No change in the current process except for raising the threshold

Quasi-endowment Gift Account (38-account) Minimums

What's Changing

Quasi-endowment¹ account minimums for accounts named by donors are increasing to \$50K and \$100K, essentially the same as [permanent endowment minimums](#) since these accounts are intended to exist over long periods of time.

What's Remaining the Same

- A donor can pledge over five years (or less)
- Establishing the account via bequest
- No change in the current process except for raising the threshold

Timing for New and Existing Spendable Accounts

August 1, 2023

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

September 30, 2023

Any CURRENT (prior to August 1, 2023) conversations with donors that are documented with opportunities within Crimson by July 31, 2023, can continue at FY23 spendable 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.

¹ Quasi-endowments are accounts that are invested like endowments and receive an investment distribution, but unlike a permanent endowment, the original gift may also be spent.