Endowments at the University of Alaska are managed and invested by the University of Alaska Foundation. A 1% annual endowment fee is charged.

To establish an endowment, call the University Development Office at your University:

UAA:
UAA Development Office
3211 Providence Drive - ADM 227
Anchorage, AK 99508
Phone: (907) 786-1010
www.uaa.alaska.edu/giving

UAF:
UAF Advancement Services
PO Box 757530
Fairbanks, AK 99775-7530
Phone: (907) 474-2619
www.uaf.edu/giving

UAS:
UAS Development Office
11120 Glacier Highway
Juneau, AK 99801
Phone: (907) 796-6416
www.uas.alaska.edu/development

Statewide:
UA Development
PO Box 755060
Fairbanks, AK 99775-5060
Phone: (907) 450-8030
www.alaska.edu/foundation

The University of Alaska Foundation is a private nonprofit corporation, operated as a public Foundation, which was established in 1974 to solicit, manage and invest donations for the exclusive benefit of the University of Alaska. The Foundation is a tax-exempt organization and donations made to the Foundation are tax-deductible.

University of Alaska Foundation
910 Yukon Drive, Ste. 206
PO Box 755080
Fairbanks, AK 99775-5080
Phone: (907) 450-8030
Fax: (907) 450-8031
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www.alaska.edu/foundation

Endowment Management at the University of Alaska Foundation

What is an Endowment?

An endowment fund works like a permanent savings account. Unless other arrangements are made, the amount you give (the "principal") is never spent. Only the earnings are spent and only for the purposes you specify. The principal is invested as part of a Consolidated Endowment Fund (CEF). Your fund is always accounted for separately within the CEF, which was $286 million as of March 31, 2013. As the principal grows through investment, a portion of these earnings are transferred into a separate "spending" account for your fund and used as you have specified to benefit the University.

Who invests the principal?

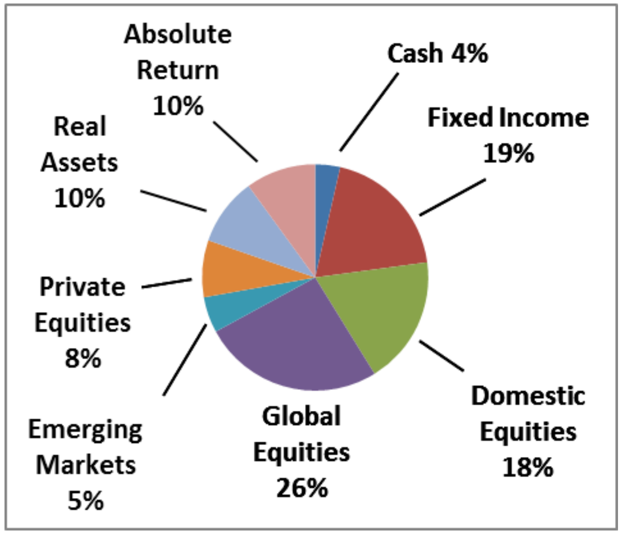
The Board of Trustees of the Foundation, through its Investment Committee, sets an investment policy for the CEF and has retained Cambridge Associates, as of July 1, 2013, to manage the fund. The CEF's investment performance is evaluated quarterly by the Investment Committee

How is the principal invested?

The CEF is invested in a mix of stocks, bonds and other investments (see chart, opposite) with the goal of preserving the principal, providing earnings to support the University, and guarding the fund against inflation. Over the past 24 years the CEF has earned at an average annual rate of 8% (total return – as of June 30, 2012).

How much is made available from the Endowment for the University to spend each year?

Distributions from the endowment for use by the University start on July 1 following the year your endowment is created. The amount distributed is determined by a formula which specifies that 4% of the market value of the principal averaged over five years is made available for use over the succeeding fiscal year.



Consolidated Endowment Fund Asset Allocation
March 31, 2013

How are the Distributions Made?

The annual distribution amount is divided into equal monthly payments and thus the entire distribution amount is fully available only at the end of the year (see table, opposite).

Once the annual distribution is equal to at least 4% of the total gift amount, each subsequent year's spending distribution is limited to an increase of 2% over the amount distributed the previous year.

Is there a difference with new Endowments?

Yes. As may be seen from the table, new endowments take at least 5 years to reach their full distribution potential under the spending formula. Only amounts greater than $250 are distributed for use.

Following is an example of an endowment started with a $25,000 gift in July of 2013:

Year	Principal on December 31	Available on July 1*
2013	25,629	0
2014	27,348	0
2015	28,826	0
2016	30,047	424
2017	31.094	654
2018	32,026	895
2019	32,954	990

*Assumes fund grows at 7.1% per year total return (net of an annual 1% endowment fee) and all amounts made available on July 1 are spent before the next year's distribution is made.

What can be done to provide larger amounts to spend, or award as scholarships, during the first few "building" years of the new Endowment?

You can split your gift so that a portion goes into the principal (minimum of $25,000) to establish the endowment and a portion is placed in a companion account where it may be used to provide awards while the principal builds.

In addition, annual gifts may be made to your endowment's companion account to supplement the amount distributed from the principal, thus providing a larger amount to spend.

What fees are Charged?

A 1% fee is subtracted from all gifts made to the endowment and a 1% annual fee is levied on the market value of the endowment.