

**LOYOLA UNIVERSITY OF CHICAGO
BOARD OF TRUSTEES
POLICY ON QUASI-ENDOWMENT FUNDS**

In order to support the mission of Loyola University of Chicago (the “University”), external donors provide certain gifts to the University, some of which contain no restrictions (“Unrestricted Gifts”) and some of which may only be used for a specific department, activity, or purpose (“Restricted Gifts”). In some cases, external donors establish a fund whereby the donor stipulates, as a condition of the gift, that the principal be maintained for a specified period of time or until an event occurs, or that the principal be maintained in perpetuity, and only the earnings of the fund may be spent by the University (“Endowment Funds”).

From time to time, the University may make internal decisions to allocate and/or designate certain otherwise unrestricted funds (e.g., Unrestricted Gifts, internally generated funds or other funds whose use is unrestricted) or restricted funds (e.g., Restricted Gifts or other funds whose use is restricted) as “Quasi-Endowment Funds.” A Quasi-Endowment Fund functions in substantially the same manner as an Endowment Fund except that the terms of a Quasi-Endowment Fund are established by the University rather than by an external donor. If the original source of a Quasi-Endowment Fund is a Restricted Gift or other restricted funds, the Quasi-Endowment Fund must retain the purpose and intent as specified by the donor or source of the original funds, and the earnings thereon may be expended only for those purposes (e.g., a donor may make a gift for scholarships which is not endowed, but the University elects to endow the funds).

It is the policy of the University that only the Board of Trustees can establish, alter (including increasing or decreasing the funding amount) or terminate a Quasi-Endowment Fund. Any recommendation regarding the establishment, alteration, or the termination of a Quasi-Endowment Fund must be submitted by the President of the University to the Board of Trustees.

This policy shall supersede any previous resolutions of this Board of Trustees, or any parts thereof, which are inconsistent with this policy, and such resolutions are hereby repealed, rescinded and revoked to the extent of such inconsistency.

Adopted September 7, 2007