



ESTABLISHING AN ENDOWED FUND AT ALASKA PACIFIC UNIVERSITY

What is an endowment?

An endowment, or endowed fund, is a fund that is created with a contribution to the University that is becomes permanently restricted. In general, the principal is protected and only the income from it may be spent for the purposes designated by the donor.

At Alaska Pacific University, endowed funds may be established either within the University or the APU Foundation, which operates with the purpose of generating financial support for the University.

Endowed funds can be established to serve many purposes. Most commonly, endowed funds at APU are created to generate annual scholarships for students in need or to provide annual operating funds in support of academic and special programs. Most of our endowed funds are named funds, meaning they were established in honor or memory of individuals with a special interest in APU.

How do endowed funds work?

Once a gift is made to the university, the original gift amount, or the principal, is permanently restricted as a separate fund and is then invested according to the current University or Foundation investment policies. Annual distributions from the endowed funds are made at the end of each fiscal year.

University endowed funds: At the end of each fiscal year, 100% of the annual earnings on the fund are made available for distribution for the purpose stated by the donor.

Foundation endowed funds: Distributions from endowed funds held within the APU Foundation are determined by the current distribution policy set in place by the Foundation Board of Directors. Currently, 85% of 5% of the current value of the fund at Fiscal year-end is made available to distribute for the intended purpose.

How can endowments be funded?

Endowed funds can be funded with contributions of cash, appreciated securities, gifts of real estate, life insurance and retirement benefits, as well as other types of assets.

In order to establish an endowed fund we suggest a minimum gift of \$25,000. Additional contributions to the fund can be made to the fund at anytime thus growing the endowment and allowing for greater annual distributions toward the stated purpose.

What is the procedure for establishing an endowed fund?

The procedure for establishing an endowed fund will vary depending on the size of the gift, how it is funded, and on the donor's specific requirements placed on the gift. The APU Office of University Advancement will work closely with each donor to determine the appropriate course of action for establishing each fund.

For more information, please call the Office of University Advancement at (907) 564-8250.