# Internal Quasi-Endowment Agreement

# between

# [College or Department]

**and**

**The University of Arizona**

This Quasi-Endowment Agreement (“Agreement”) made this [date] day of [month], [year], sets forth the entire understanding between the [College or Department] and the University of Arizona (the “University”), with respect to the University’s administration of the [endowment/fund name] Quasi-Endowment Fund (the “Fund”).

1. **Purpose of the Fund**: The Fund will be established to support: [Description of area of support and name of college or department. If a scholarship, reference the specifications here and include them as Attachment A]
2. **Source of the Fund**: The Fund will be established with an initial contribution of $[amount]*.* The Department, or any interested individual, corporation or foundation, may make additional gifts to the Fund at any time. Additional contributions must also have the same purpose as outlined in Paragraph 1 above. The contributing entity must be made aware that this fund is a Quasi-Endowment and their contribution may be used as needed by the Department.
3. **Administration of the Fund**: The Fund will be administered by the University, acting in accordance with Title 10, Chapter 41, Article 1 of the Arizona Revised Statutes and may delegate to an external agent the management and investment functions. Additionally, any distributions to be made from the Fund will be made so long as they do not violate this Agreement, any rules, policies, or procedures promulgated by the University from time to time, nor any of the rules and resolutions of the State of Arizona and the Arizona Revised Statutes. In the event that any payment required of the University hereunder would violate the same, the University may refrain from said action and may take other action to accomplish the intent of the Donor as expressed herein.
4. **Duration of the Fund**: The Department intends for the Fund, including all realized and unrealized capital appreciation and depreciation generated by the Fund, to exist in perpetuity, except in the events described in Paragraph 9 below.

The accumulated “Payout” and less than 10% of the principal (corpus) in any given fiscal year will be made available to support the Purpose of the Fund as described in Paragraph 1 above. The Payout, a percentage of the fair market value of the Fund as determined from time to time by the University in collaboration with the University of Arizona Foundation (the “Foundation”) under the Delegation Statute allowed in Paragraph 3, prior to its expenditure, will be maintained in a separate University Account solely for the benefit of the Purpose of the Fund. The Payout, which may from time to time exceed the net income (interest, dividend, and any other current income less applicable expenses) generated by the Fund, will be distributed monthly, and will be so distributed in full even if the fair market value of the Fund falls below its historic dollar value (the value of the gift), unless the University in collaboration with the Foundation makes a determination to the contrary.

1. **Investment Authority**: The Fund shall be invested in accordance with the investment policies of the Foundation as established from time to time by the Foundation’s Investment Committee. For purposes of investment only, the monies of this Fund may be pooled/commingled with other endowment funds held by the Foundation. At all times, the Fund shall be separately accounted for in the University’s books and records.
2. **Administrative Service Fee**: To defray its expenses related to the holding, safeguarding, investing and maintaining of the assets in the Fund and with respect to the monitoring and disbursement of the Payout, the University will charge an administrative service fee in accordance with the policy established from time to time by the University in collaboration with the Foundation. The Fund may be charged the entire administrative service fee even if the fair market value of the Fund falls below its historic dollar value.
3. **Announcement of the Fund**: Announcement of the Fund, including amount, descriptions of contributions and pertinent details, may be made in any University of Arizona or University of Arizona Foundation publication with consultation from University Marketing & Communications.
4. **Modification of Agreement:** The terms and conditions of this Agreement may not be orally amended, modified, except in writing signed by the University and the College and will remain consistent with donor intent.
5. **Repurposing:** Should it become clear in future years that the above stated purpose for this Fund is no longer necessary, practical, desirable, or possible to perform, the President of the University, or his/her designee, shall designate the Fund for a substitute purpose that is reasonably consistent with and similar to the original intention at the time this Agreement was executed.

Signed this [date] day of [month], [year].

Signed:

UA Representative, Title Date

Acknowledged:

UA Representative, Title Date