

University of Calgary

Interest Allocation Procedure for Non-Endowed Spend Down Donations

The University of Calgary does not allocate interest income on non-endowed spend down donation accounts.

Should special circumstances arise where interest allocations on non-endowed spend down donation accounts be considered, the Vice President Development or the President will be contacted immediately for his/her approval to proceed with discussions with donors. Interest allocations will not be discussed prior to Vice President Development or President approval. Should the Vice President Development or the President approve, the following criteria must be met to proceed.

1. The account is governed by a contractual agreement, where funding is provided in advance of expenditures and where the University has formally agreed in the gift or grant agreement to use interest earned on any un-utilized funds exclusively for the project.
2. Monies received to date have resulted from either completed or continuing fund raising activities where:
 - a. The contractual agreement relates to a project with an expected duration of at least three years.
 - b. The funding amount is at least \$1,000,000.

Interest Rate

The project will receive a risk free rate of return the University earns on its non-endowment investment portfolio less the 0.25% management fee to cover the costs of managing the non-endowment investment portfolio. Interest will be calculated quarterly based on the average quarterly balance and distributed annually. As these funds should not be subject to the short-term risks involved in other asset classes, they will be invested with the priority of preservation of capital.