

NUMBER: 1635

TITLE: Authority to Expend Quasi-Endowment Income for University Operations

APPROVED: April 4, 1986; Revised September 27, 1990 (Finance and Audit Committee)

RESOLVED, that the Finance and Audit Committee¹ of the Board of Visitors authorizes the president to expend annually up to eight percent (8%) of the market value of the quasi-endowment as of September 30, 1989 (\$2,583,000) to support university operations. Any funds hereby authorized for expenditure which are not expended in any fiscal year shall be maintained in the restricted account to support future spendable income requirements for university operations.

The Old Dominion University Educational Foundation is requested to review its investment policies for the quasi-endowment to determine if they should be revised as a result of this spending policy. This policy replaces Board of Visitors policy number 1635 approved April 4, 1986.

1. Income is defined as total return, i.e., interest, dividends, and capital appreciation less capital depreciation.
2. Annual spendable income is defined as all income in excess of 7 percent of market value. Income that is earned up to 7 percent shall be returned to principal and reinvested.
3. Any unexpended prior year spendable income shall be maintained in a restricted account to support future spendable income requirements for land acquisition.
4. This spending rule shall be first applied to endowment income earned in fiscal year 1985.

BE IT FURTHER RESOLVED, that the president is authorized to use the quasi-endowment as collateral to secure loans or bonded indebtedness for the purchase of land for the university and to use the total income stream from the quasi-endowment to retire the debt over time.

¹Now known as the Administration and Finance Committee.