
LAMAR UNIVERSITY
MANUAL OF ADMINISTRATIVE POLICIES AND PROCEDURES

SECTION: Financial Services
AREA: Student Business Services & Treasury

I. POLICY

This MAPP establishes the spending policy for the Lamar University (LU) endowment. The University uses spending distributions from the endowment to support its programs as governed by the donor gift agreement.

The University monitors, adjusts, and approves the annual spending distribution, as needed. By maintaining the spending distribution rate within a prescribed policy band over time, the institution meets current needs while protecting the endowment's long-term financial health.

II. PURPOSE AND SCOPE

This policy falls under the authority of the (i) Texas State University System (TSUS) Rules and Regulations and TSUS Investment Policy; (ii) Uniform Prudent Management of Institutional Funds Act (Texas Property Code, Chapter 163); and (iii) Texas Education Code, Title 3, including but not limited to §§51.0031, 51.0032 & 51.004.

LU's spending policy seeks to provide a steady cash flow stream for scholarships and programs while at the same time maintaining the financial statg the principal of the fund remains intact. available

Fiscal Year. At LU, the period of time beginning September 1 and ending on the following August 31, both dates inclusive, which coincides with the State of Texas' fiscal year. In academic contexts, fiscal year is often referred to as academic year (Texas Higher Education Coordinating Board).

Spending Distribution. Represents the dollar amount of funds made available for expenditure from the endowment for a given fiscal year, as governed by Sp

IV. PROCEDURES

The spending distribution is calculated using the average of the fair market value of the trailing 12 quarters multiplied by an authorized spending rate. The amount is determined annually as of December 31 (calendar year end) of each year.

The Office of Financial Services will notify University scholarship programs of the spending distribution for the upcoming fiscal year.

The annual spending distribution will be made as soon as practicable after the last day of each fiscal year.

Spending distributions that are not expended may be returned to the endowment fund.

The spending rate may be reviewed by the Vice President for Finance and Operations annually to determine if the rate should be adjusted for inflation, reductions in fair market value, or other factors that significantly reduce a given fiscal year's spending distribution. The LU President must approve any change in spending rate.

The individual endowments own units in a restricted investment pool and the annual distributions are allocated on a per unit basis.

Any return on investments not required to meet spending shall be retained in the endowment fund and invested in accordance with the University's investment policies.

New endowments will receive the initial distribution after a full calendar year has been completed.

V. REFERENCES

Texas Higher Education Co003 Tw 11 Td(h)-0.7 (ad[0.003 Tw 0.207 w 10.56.3 (37 0 Td())T046.003 Tw 0B18 (C)-20

REVISION LOG

| Revision Number | Date | Description of Changes |
|-----------------|--------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | 06/22/2020 | Initial draft completed. |
| 2 | 08/07/2020 09/21/2020 05/05/2021 06/11/2021 06/28/2021 | Under Purpose and Scope, policy revised to more clearly specify authorizations (08/07/2020). Under Definitions and Procedures, definition and statement on chargebacks deleted to |