

**MURRAY STATE UNIVERSITY FOUNDATION, INC.
POLICY**

SUBJECT: Funds Eligible for Investment

DATE: October 2, 1998

PURPOSE

The Murray State University Foundation, Inc. (Foundation) receives, invests and expends funds for the enhancement and improvement of Murray State University (University).

Under the terms of gift instruments, donors often stipulate that the principal may not be spent. In these cases, the principal is to remain inviolate in perpetuity and is to be invested for the purpose of producing income. This investment income is then available for use as specified by the donor. These types of funds are called true endowment funds.

Quasi-endowment funds are similar to true endowment funds in that only investment earnings are available for expenditure. However, the Board of Trustees (or designee), upon recommendation from the party responsible for the stewardship of the funds, makes the decision to retain and invest the principal. The responsible party may request that the Board (or designee) reverse its decision at any time, allowing for invasion

2. Effective March 1, 1991, any new funds must have a principal balance of \$5,000