



# National University of Health Sciences General Policies

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## POLICY STATEMENT

The National University of Health Sciences (NUHS) and its successor organization, if any, will accept donations of no less than \$25,000 for the purpose of establishing named, or designated scholarships. Donations less than \$25,000 will be held and not awarded until the balance reaches \$25,000.

The purpose of the Scholarship – Named Policy is to establish the procedures and rules applicable to the annual and overall spending of the University's endowment. The objectives of the policy are to preserve the long-term purchasing power of the endowment and to provide a reasonably stable and predictable revenue stream to support the University.

In making a determination to appropriate or accumulate, the University shall act in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances, and shall consider, if relevant, the following factors:

1. The duration and preservation of the endowment fund;
2. The purposes of the University and the endowment fund;
3. General economic conditions;
4. The possible effect of inflation or deflation;
5. The average expected total return from income and the appreciation of investments;
6. Other resources of the University; and
7. The investment policy of the University.

The amount available for payout each fiscal year will be based on 3%-6% of the average market values at fiscal year-end for each of the five years immediately preceding the fiscal year in which the payout is to be made. For new accounts, only years with funds on deposit will be included in the average.

Once the spending rate is established for the year, the percentage will be allocated to the individual scholarships or University programs as specified by donors. The Financial Assistance and Scholarship Committee shall supervise the awarding of all scholarships.

In addition to the percentage distributed for scholarships and other University support, an annual administrative fee of 0.5%-2% will be calculated on the five year moving average of the market value of the endowment.

To the extent that the current year return is insufficient to meet the specified payout on an individual endowment fund balance, the prior years' income may be drawn upon, but only to the extent that endowment principal is not invaded. If the endowment's market value is less than the gift amount, no distribution will be allowed until the market value exceeds the total contributions.

Any income from dividends, interest and capital appreciation, and both realized and unrealized, in excess of the approved spending appropriation and administrative fee will be reinvested for growth and to preserve the purchasing power of the distributions against inflation.

It is the stated intent of the University to utilize donor restricted funds as stipulated herein for a period of no less than 25 years. Nothing in this policy shall preclude the ultimate authority of the Board of Trustees to utilize the endowment funds in the best interest of the institution.