

# University of Kentucky Endowment & Gift Accounting

## Special Endowment Form Change Hints

Below are situations that may require a new endowment fund to be setup or changes to be made after the original endowment fund is established.

### Term to True Process

The Endowment Agreement will state the terms, by either an amount or date.

If the endowment has reached the threshold amount prior to the term end date, there is a process to change the endowment from term to true.

- Submit a new endowment form to create a new true endowment.
- Submit a block endowment form to block the current term endowment.
- Once the true endowment is created, Endowment Accounting will create a JV to move everything in the term endowment to the new true endowment.

If the endowment has not reached the threshold amount prior to the term date, follow what is stated in the agreement. Usually, the funds are to be transferred to an unendowed cost center.

- Submit a new cost center request form and a block endowment form.
- Once the cost center has been created, Endowment Accounting will create a JV to move everything in the term endowment to the new cost center.

### Amended Agreements/Stipulations in Agreements

- Anytime an endowment agreement is amended, please review the original agreement to see if the name, endowment type, purpose (if a functional area needs to be changed), department, college or area changed.
- If an endowment agreement contains language of a stipulation or a threshold amount, please determine if the name, endowment type, purpose, department, college or area need to be changed once these stipulations have been met.
- If endowment elements other than functional or business area need to be changed, complete a change form for the endowment fund and spending distribution cost center (if necessary) with the affected elements indicated on the form.
- If the functional area or business area needs to be changed, please refer to the section below.

### Functional area change/Business area change

If a functional area or business area on an endowment needs to be changed, a new endowment will have to be created.

- Submit a new endowment form and a new cost center request form.
- Submit a block endowment form and a block cost center request form for the current endowment fund and its spending distribution cost center.
- Once the new endowment is created, Endowment Accounting will create a JV to move everything in the old endowment to the new endowment.
- If there is anything in the old spending distribution cost center, it is the department's responsibility to move the expenses and revenue to the new spending distribution cost center.
- If there is any budget in the old spending distribution cost center, the department will also need to have the budget moved to the new spending distribution cost center.