The New University of Louisville Foundation:
A NEW DAY TODAY AND BEYOND

Staff Senate
March 12, 2024
University of Louisville Foundation

The UofL Foundation is a not-for-profit organization whose work is exclusively for the charitable and educational purposes of the University of Louisville and its affiliated entities.

Separate institution, separate board, and separate governance from UofL.
University of Louisville Foundation

- A separate 501 (c)(3) with an independent board of directors, bylaws and articles of incorporation.
- It was created to receive, invest and steward donor gifts made in support of the academic mission of the University of Louisville. [We also now do the same for UofL Health.]
- Financial support is provided to the University pursuant to donor gift agreements (often referred to as charitable gift agreements [CGAs]).
  - Funds are transferred to the University on a reimbursement basis.
Current Use Gifts vs Endowments

➢ Expendable Gifts (Current Use) (Gxxxxxs)
  ➢ Total amount available for spending
  ➢ No earnings

➢ Endowments (Exxxxs)
  ➢ Corpus intended to last forever
  ➢ Only a portion of earnings are spent
  ➢ Intergenerational equity
  ➢ UPMIFA (Uniform Prudent Management of Institutional Funds Act)
UofL Foundation and UofL Real Estate Foundation Key Values
as of March 8, 2023

UofL Foundation- $1.1B Total Assets
  • $1B+ Total Endowment Assets
  • $905M Main Endowment Pool (Prime Buchholz OCIO)
  • Approximately $85M of other assets

UofL Real Estate Foundation- $240M Total Assets

Combined Total Assets = $1.3B+
Total Endowment Market Value
5-Year History

$850,000
$900,000
$950,000
$1,000,000

(-12.4%) 2022 loss

11.2% 2023 return

in thousands

June 2021
June 2022
June 2023
September 2023
December 2023
Endowment Pool Underwater Funds ($)

Calendar Year Returns (losses):
- 2020 = 10.2%
- 2021 = 21.3%
- 2022 = (-12.2%)
- 2023 = 11.3%

$5M infusion

$15M infusion

15% annual 2017 return

12% qtrly loss; COVID-19

$4M infusion

$5M infusion

June 2016
June 2017
March 2018
December 2018
September 2019
June 2020
March 2021
December 2021
September 2022
June 2023

in thousands
Compliance

➢ Donors (correctly) expect their gifts to be used to support the purposes stated in their gift agreements.

➢ The compliance team at the Foundation ensures this is the case.

➢ Deans or their designee sign an attestation each month that the funds they spent are consistent with donor intent.

➢ We follow up on a certain number each month, seeking documents to substantiate the spend. If issues are found, we work with the Unit on corrective actions.
Endowment Spending Policy Overview

- Calculated each December 31\textsuperscript{st} for distributions the following July 1\textsuperscript{st}.
- Spending is calculated on a rolling 12-quarter average.
- FY25 spending distributions are 4%. Administrative fee reduced to .75% which is the third consecutive year at these levels.
## Main Endowment Pool Spending Policy Proposal Model

$’s (000’s)

<table>
<thead>
<tr>
<th></th>
<th>FY 23-24 Spending Policy %</th>
<th>FY 24-25 Spending Policy %</th>
<th>% Change from Prior Year</th>
<th>$ Change from Prior Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Academics</td>
<td>4.00%</td>
<td>4.00%</td>
<td>0%</td>
<td>$2,494</td>
</tr>
<tr>
<td>Admin Fee</td>
<td>0.75%</td>
<td>0.75%</td>
<td>0%</td>
<td>428</td>
</tr>
<tr>
<td>Total</td>
<td>4.75%</td>
<td>4.75%</td>
<td>0%</td>
<td>$2,922</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>FY 23-24 Spending Policy $</th>
<th>FY 24-25 Spending Policy $</th>
<th>$ Change from Prior Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Academics</td>
<td>$ 29,506</td>
<td>$ 32,000</td>
<td>$2,494</td>
</tr>
<tr>
<td>Admin Fee</td>
<td>$ 5,672</td>
<td>$ 6,100</td>
<td>428</td>
</tr>
<tr>
<td>Total</td>
<td>$ 35,178</td>
<td>$ 38,100</td>
<td>$2,922</td>
</tr>
</tbody>
</table>
Approved Spending Policy Totals History
$’s (in 000’s)

Academics | Administrative Fee | Spending Policy %

<table>
<thead>
<tr>
<th>FY 18 - 19</th>
<th>FY 19 - 20</th>
<th>FY 20 - 21</th>
<th>FY 21 - 22</th>
<th>FY 22 - 23</th>
<th>FY 23 - 24</th>
<th>FY 24 - 25</th>
</tr>
</thead>
<tbody>
<tr>
<td>10,000</td>
<td>15,000</td>
<td>20,000</td>
<td>25,000</td>
<td>30,000</td>
<td>35,000</td>
<td>40,000</td>
</tr>
<tr>
<td>5.50%</td>
<td>5.50%</td>
<td>4.25%</td>
<td>4.00%</td>
<td>4.75%</td>
<td>4.75%</td>
<td>4.75%</td>
</tr>
</tbody>
</table>

UNIVERSITY of LOUISVILLE FOUNDATION
Keith Sherman
502-212-8201 (office)
502-417-8785 (cell)
keith.sherman@louisville.edu