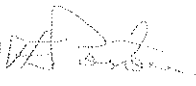


MICHIGAN STATE UNIVERSITY

June 11, 2012

MEMORANDUM

To: Trustee Finance Committee

From: Fred L. Poston 

Subject: Fund Functioning as an Endowment
R.E.S.P.E.C.T. Scholarship Fund

RECOMMENDATION:

BE IT RESOLVED that the Trustee Finance Committee recommends that the Board of Trustees establish a fund functioning as an endowment entitled the R.E.S.P.E.C.T. Scholarship Fund (R.E.S.P.E.C.T. FFE); and

BE IT FURTHER RESOLVED that the purpose of the R.E.S.P.E.C.T. FFE be the purpose set forth in the University Endowment Guidelines for the R.E.S.P.E.C.T. Endowed Scholarship dated February 16, 2005.



OFFICE OF THE VICE PRESIDENT FOR FINANCE AND OPERATIONS

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BACKGROUND:

The initial funding of \$104,666.73 to establish the R.E.S.P.E.C.T. FFE will be transferred from the account of the R.E.S.P.E.C.T. Endowed Scholarship endowment fund (R.E.S.P.E.C.T. Endowment). At the request of the Associated Students of Michigan State University (ASMSU), funds derived from student taxes collected by the University for ASMSU were transferred from an ASMSU account at the University to the R.E.S.P.E.C.T. Endowment. Endowments must be funded by gifts from non-University sources. For this reason, and consistent with the recent confirmation of ASMSU's status as part of the University, the ASMSU funds should be in a fund functioning as an endowment rather than in the R.E.S.P.E.C.T. Endowment. The Board's action on this resolution will make that correction.

Consistent with ASMSU's wishes in transferring funds to the ASMSU endowment, the spending policy distributions from the R.E.S.P.E.C.T. FFE will be used for the purpose stated in, and administered pursuant to, paragraphs 3 and 4 of the University Endowment Guidelines for the R.E.S.P.E.C.T. Endowment and the related Endowment Guidelines Administration Agreement. The purpose of the R.E.S.P.E.C.T. Endowment is to award scholarships "to help

those undergraduate students who might not otherwise be able to continue their education at" MSU. Scholarship awards under the R.E.S.P.E.C.T. Endowment and the R.E.S.P.E.C.T. FFE may be coordinated or combined.

Additional funds may be added to the R.E.S.P.E.C.T. FFE.

cc: M. Haas, G. Klein, K. Lindahl, K. Mackley, K. Wilcox, D. Maybank