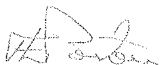


MICHIGAN STATE
UNIVERSITY

August 29, 2012

MEMORANDUM

To: Trustee Finance Committee

From: Fred L. Poston 

Subject: Fund Functioning as an Endowment
Council of Graduate Students Fund in Support of Graduate
Fellowships Endowment Conversion

RECOMMENDATION:

The Trustee Finance Committee recommends that the Board of Trustees adopt the following Resolution:

BE IT RESOLVED that the endowment fund currently known as the Council of Graduate Students Endowment in Support of Graduate Fellowships (COGS Fellowship Endowment) be reconstituted as a fund functioning as an endowment entitled the Council of Graduate Students Fund in Support of Graduate Fellowships (COGS Fellowship FFE); and

BE IT FURTHER RESOLVED that the COGS Fellowship FFE shall have a term of five years, which may be renewed for additional terms of five years at the request of the Vice President for Student Affairs and the Council of Graduate Students (COGS); and

BE IT FURTHER RESOLVED that the purpose of the COGS Fellowship FFE be the purpose set forth in the document which was the basis for the establishment of the COGS Fellowship Endowment, provided that all students in graduate and professional programs at MSU shall be eligible for awards from the COGS Fellowship FFE, including, as long as they have lifelong or other student status at MSU, students in the MSU College of Law, and that, at the request and direction of the College of Law, any COGS Fellowship FFE award made to a Law College student shall be credited to that student's account at the College of Law.



OFFICE OF THE
VICE PRESIDENT FOR
FINANCE AND
OPERATIONS

Fred L. Poston
Vice President and
Treasurer

Michigan State University
426 Auditorium Road, Room 412
East Lansing, Michigan
48824

Phone 517.355.5014
Fax 517.353.6772
www.vpfo.msu.edu

BACKGROUND:

In May 2010, COGS and the Administration entered into a document that was the basis for the establishment of the COGS Fellowship Endowment. Endowments must be funded by gifts from non-University sources. Funds used to establish the COGS Fellowship Endowment were derived from student taxes collected by the University for COGS. For this reason, and consistent with the recent confirmation of COGS's status as a part of the University, the fund in question should be a fund functioning an endowment, not an endowment fund. The Board's action on this resolution will make that correction.

In general, the purpose of the COGS Fellowship FFE (to award fellowships to graduate students) will remain unchanged from the purpose of the COGS Fellowship Endowment, and the administration of awards under the COGS Fellowship FFE will be the same as it would have been under the COGS Fellowship Endowment. The resolution clarifies that all students in graduate and professional degree programs at MSU, including students in the College of Law, are intended to be eligible for awards from the COGS Fellowship FFE. This was what COGS had desired and expected when establishing the COGS Fellowship Endowment,¹ but the document which was the basis for that Endowment did not express the intention clearly, nor had law student eligibility for the COGS Fellowship then been addressed directly with the College of Law. Pursuant to its affiliation with the College of Law, the University has granted law students lifelong student status and integrated them into the academic governance system through participation in COGS, of which they are tax-paying members. In light of this, the College of Law has endorsed COGS's request that College of Law students be eligible for awards from the COGS Fellowship FFE and has asked and directed that, if its students are made eligible and a law student receives a COGS Fellowship FFE award, the amount of that award should be credited by the University to the recipient's College of Law account, just as COGS Fellowship FFE awards to MSU graduate and professional students will be credited to their MSU accounts.

Additional funds may be added to the COGS Fellowship FFE.

Limiting the COGS Fellowship FFE to renewable terms of five years will provide an opportunity for the Vice President for Student Affairs, the Dean of the Graduate School, and COGS periodically to revisit whether the COGS Fellowship FFE remains a COGS priority for the use of the funds deposited in that account.

cc: M. Haas, G. Klein, K. Lindahl, K. Mackley, K. Wilcox, D. Maybank,
J. Howarth, R. Lameti

¹ Indeed, awards from the COGS Fellowship Endowment have been made to professional, including Law College, students since the inception of that Endowment. Adoption of the resolution will be deemed to ratify these past awards.