

 <p><b>BRANDON UNIVERSITY</b> Founded 1899</p>	<p><b>Capitalization of Unspent Earnings on Endowment Funds</b></p>	<p><b>Approved by:</b> Brandon University <i>Board of Governors</i></p> <p><b>Administered by:</b> <i>Vice-President (A&amp;F)</i></p>
<p><b><i>Board of Governors Policy</i></b></p>	<p><b><i>First Approved:</i></b> <i>November 23, 2006</i></p>	<p><b><i>Updated:</i></b> <i>June 25, 2009</i></p>

The objective is to preserve the initial capital contributed to create the endowment as long as possible and invest that capital to produce earnings. Annually, an authorized distribution is made to support the object of the endowment. The objective is to increase the value of the endowed capital through re-capitalization of a portion of earnings, to provide inflationary increases in distributions in future years.

Each year, there are funds distributed that are not completely used. Reasons for this may include lack of eligible recipients, in the case of scholarships or bursaries, or lack of sufficient activity, in the case of recipient programs. Unused distributed earnings from endowments may, if authorized, be deferred to future years or, more typically, are capitalized to produce future earnings.

The Brandon University Foundation, by policy, distributes funds after the earnings are recorded. The following policy guidelines apply to the re-capitalization of unused distributed earnings.

Policy Guidelines

- Investment earnings distributed shall normally be available for use for a period not to exceed 15 months from the date of distribution (January 1<sup>st</sup>).
- Units authorized by the University to defer expenditure of distributed earnings may carry balances to future periods, subject to annual review.
- Unused distributed earnings after 15 months shall be re-capitalized in the original endowment.

Approved by BU Foundation on August 29, 2006  
Amended by BU Foundation on May 28, 2009