**Glossary/Frequently Used Terminology**

**Accumulated appreciation** - Market Value less Book Value.

**Book Value** - See 'Historical Dollar Value'

**Corpus** - See 'Historical Dollar Value'

**Distribution of Gains/Losses** – Monthly Banner process that allocates the overall change in value of the endowment (consisting of income, realized gain/loss, change in unrealized gain/loss, and spending/expenditures) as expressed on a per share basis to the individual endowment funds.

**Distribution of Spendable Income** – Monthly Banner process that allocates spendable income to an endowment’s spendable income fund.

**Endowment Pool** - Assets pooled together for the purpose of investment and spending management. Consists of contributions, income, as well as accumulated gains and losses. The pool concept allows for the implementation of a leveraged diversified investment strategy with the goal of achieving balanced returns. Pooling endowment assets also allows for expedited administration of endowment functions (e.g. allocation and tracking of historical gains/losses, spendable allocations).

**Historic Dollar Value** - The amount of contributions/additions to an endowment fund permanently restricted by the donor at their originally gifted value. Synonymous with the terms 'Book Value', 'Corpus' and 'Principal'.

**Income** – Assets received as a return/distribution on investment. Generally this consists of cash-flow received through interest and dividend distributions from investments.

**Income Fund** - Fund in the Banner endowment module for tracking application of endowment spending formula as well as expenditures of allocated endowment spending consistent with endowed purpose.

**Market Value** – All-encompassing value of the endowment fund. Includes historical income and appreciation net of any appropriated spending, expense, and distributions.

**NYPMIFA** - New York Prudent Management of Institutional Funds, legislation enacted by New York State that took effect September 17, 2010. This legislative Act governs the management and investment of funds held by not-for profit corporations and other institutions. It serves as a replacement and update to provisions as outlined in the Uniform Management of Institutional Funds Act ("UMIFA"), originally adopted in 1978.

**Principal Fund** - Fund in the Banner endowment module for tracking an individual endowments historical dollar value of contributions ("Corpus") as well as any change in market value through the ‘Distributions of Gains/Losses’ process.
**Quasi Endowment** - Amounts designated by the Board of Trustees for pooled endowment use (not donor restricted). Also known as board-designated endowment funds and funds functioning as endowment.

**Reinvestment** - Process by which the spendable allocation is credited back to an endowment fund.

**Restricted Endowment** - Endowments (Both Quasi and True) whose spendable allocation is restricted for a specific purpose (e.g. Scholarships, Research, Facilities Support).

**Spendable Allocation** - Amount of funds allocated from an individual endowment that may be expended for the endowed purpose. The spendable allocation is calculated on the basis of a spend rate per share determined and approved annually by the Board of Trustee's. The Spendable Allocation for any given fiscal year is pro-rated to the individual Income Funds on a monthly basis through endowment month-end closing procedures.

**Surcharge** - Amount appropriated from the Spendable Allocation to account for endowment administrative expenses.

**True Endowment** - Contributions made from outside constituents and donors specifically restricted to be maintained in perpetuity. Also referred to as donor-restricted endowment funds.

**Underwater Endowment** - An endowment whose Appreciation is less than zero (i.e. Market Value is less than Corpus).

**Unitization** - Process by which new contributions to an endowment fund are assigned participation shares in the endowment pool. This process is performed monthly as part of endowment month-end closing procedures.

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\text{Dollar Value of Gift} \times \frac{\text{Market Value per Share at Gift Date}}{\text{Month End}} = \text{Unitized Shares}
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**Unrestricted Endowment** - Endowments (Both Quasi and True) whose spendable allocation is unrestricted in nature. The institute may expend the spendable allocation for these funds for any purpose.