

FCR 1

Office of the President
October 16, 2007

Members, Board of Trustees:

ANONYMOUS GIFT TO REPLACE UNFULFILLED PLEDGES TO ENDOWMENT
MATCH PROGRAM ACCOUNTS

Recommendation: that the Board of Trustees approve the use of \$383,350 of a \$1 million anonymous gift previously accepted to replace three pledges designated as matching funds for the Kentucky's Endowment Match Program. Council on Postsecondary Education guidelines require that the Board of Trustees acknowledge its responsibility for UK's participation in the program and for all university endowment funds.

Background: The Council on Postsecondary Education's guidelines require that pledges that have been matched with state funds must be paid within five years of the date of the initial pledge. At the end of the five-year deadline or immediately when a pledge has been revoked, the university must replace unpaid pledges with eligible cash gifts or return the matching state funds. At its September 2007 meeting, the Board of Trustees accepted a \$1 million anonymous gift to add to the existing Virginia T. Barrow Chair in Brain Disease Research fund. A portion of this gift will be used to replace \$383,350 in unpaid pledges that have or were expected to be matched by the Endowment Match Program.

Action taken: Approved Disapproved Other _____