

# FCR 6

Office of the President  
April 25, 2024

Members, Board of Trustees:

## EXPANSION OF THE PERMITTED USES OF THE COLDSTREAM RESEARCH CAMPUS QUASI-ENDOWMENT FUND

Recommendation: that the Board of Trustees approve an expansion of the permitted use of the Coldstream Research Campus Quasi-Endowment Fund to support the University's economic development and business engagement activities.

Background: On May 9, 2014, the University of Kentucky Board of Trustees established the Coldstream Research Campus (CRC) Quasi-Endowment Fund. At that time, the CRC requested that \$800,000 of its current fund balance be used to establish a quasi-endowment fund. The quasi-endowment's annual spending distributions may be used for CRC's future capital projects and infrastructure improvements. In addition, the CRC was granted the following authority regarding the quasi-endowment:

1. The option to reinvest distributions from the quasi-endowment not spent in any particular year;
2. The option to invest future positive cash flow from operations of the CRC into the quasi-endowment; and
3. The option to withdraw up to 20 percent or \$400,000, whichever is greater, of the current balance of the quasi-endowment to fund an unforeseen capital need. Any withdrawal under this provision, however, shall not reduce the market value of the quasi-endowment to less than \$500,000 without prior approval from the Board of Trustees.

Given the growth in the current market value of the quasi-endowment to \$2,489,368 and the CRC's leadership role in coordinating and supporting the University's expanding economic development and business engagement activities, it is recommended that the permitted uses of the annual spending distributions be expanded to support the University's economic development and business engagement activities, including priorities identified by the UK Economic Development Collaborative's Core Committee, and for other needs of the CRC at the discretion of the CRC quasi-endowment administrator.

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Action taken:  Approved     Disapproved     Other \_\_\_\_\_