



University of Massachusetts  
Amherst

Controller's Office  
405 Goodell Building  
140 Hicks Way  
Amherst, MA 01003-9334

phone: 413.545.1675  
fax: 413.545.6088  
email: amangels@admin.umass.edu

**Memorandum**

TO: Deans, Directors and Department Heads

FROM: Andrew P. Mangels, Controller

DATE: April 15, 2009

SUBJECT: FY2010 Endowment Payout Projections

Endowment distributions are governed by foundation policy and state law, known as UMIFA, and only allow payouts of income and accumulated gains of each individual fund based on spending rules adopted by the institution. Given the dramatic declines in endowment market values in fiscal year 2009, a majority of the endowments are unable to support a payout at the levels normally expected.

The campus has elected to only distribute income earned by the endowment investment pool during fiscal year 2009 in order to preserve future earnings potential. The endowment distribution policy recently adopted by the foundation using a percentage of the fund's average market value over the preceding twelve quarters will not be used for the FY2010 payout.

The Controller's office will work with each Dean's office to distribute a projection of the FY2010 income budget to each department for planning purposes in mid April. This spreadsheet will show the actual FY2009 distribution and estimated FY2010 distribution for each endowment to allow departments to assess the operational impact of the decreased payout. The FY2010 payout will be distributed by the foundation early in the fiscal year after actual income earnings are known and may vary from the estimates provided. The spreadsheet will also show the March 31, 2009 balance in the endowment account and whether the year-end balance returns to principal or remains on campus.

Please contact the Controller's office at 545-0806 if you have any questions.