HOW TO READ CHAPTER ENDOWMENT STATEMENTS

An Endowment’s net assets (fair market value) are broken down into three (3) parts on the Statement:

1. Permanent Endowment Fund Corpus
2. Amount Available for Grants and Scholarships
3. Investment Allocation – Temporarily Restricted

PERMANENT ENDOWMENT FUND CORPUS

The Corpus represents donor contributions to the endowment which remain intact in perpetuity.

Some endowments stipulate that, if the entire spendable amount is not granted in a particular year, the funds will be added to the corpus of the endowment. This increase to the corpus appears as “FY16 Unspent Amount Transfer to Corpus” on the Statement.

AMOUNT AVAILABLE FOR GRANTS AND SCHOLARSHIPS

A chapter endowment must reach $10,000 in its permanent endowment fund corpus before any amounts are available for grants and scholarships.

Alpha Sigma Phi Foundation reviews each chapter endowment fund annually and makes available a percentage of the fair market value of the Chapter Fund’s assets to be distributed during the subsequent year, which is presently four and one-half percent (4.5%) of the rolling five-year average of the market value of the endowment at the end of the previous fiscal year (June 30th). The spendable amount is transferred from the endowments’ “Investment Allocation” to the “Amount Available for Grants and Scholarships” annually on July 1st.

Distributions represent grant and scholarship disbursements from the endowment during the reported period. All chapter endowments must spend their available balances within two (2) years. Unspent balances after two years will be transferred to corpus.

INVESTMENT ALLOCATION – TEMPORARILY RESTRICTED

Endowment funds are pooled and invested in accordance with the Investment Policy of Alpha Sigma Phi Foundation. The chapter endowment’s proportionate share of interest, dividends, and realized and unrealized gains (losses) for the reported period, less an administration and investment management fee, are reflected in this portion of the Statement. The endowment’s spendable amount is transferred from the “Investment Allocation” to the “Amount Available for Grants and Scholarships” or the “Permanent Endowment Fund Corpus” annually on July 1st.
The amount available for grants and scholarships for the next fiscal year are summarized at the bottom of the Annual Statement. The amount comprises the sum of (1) unspent amounts available for grants and scholarships as of June 30th and (2) four and one-half percent (4.5%) of the rolling five-year average of the market value of the endowment at June 30th.

As mentioned previously, some chapter endowments stipulate that, if the entire spendable amount is not granted in a particular year, the funds will be added to the corpus of the endowment. Some chapter endowments require that the amount spendable be added to the corpus until a certain corpus amount is reached. If a chapter endowment has either of these stipulations, the amount transferrable to the corpus is reflected as a reduction in the amount available for grants and scholarships for the next fiscal year.

Some grant and scholarship disbursements for a fiscal year are made up to sixty (60) days after the close of the fiscal year (June 30th). These amounts are reflected as a reduction in the amount available for grants and scholarships for the next fiscal year.