

RESOLUTION #2

Future Transfers to the UKRF Research Innovation Quasi-Endowment

May 24, 2017

RECOMMENDATION:

That the Corporation be authorized to make future additions to The University of Kentucky Research Foundation Research Innovation Quasi-Endowment Fund in conjunction with development and approval of the annual operating and capital budget, effective for fiscal 2018-19, as follows:

1. The Vice for President for Research (VPR) will determine the appropriate amount to be added to the quasi endowment each year based on the operating and capital needs of the Corporation;
2. The amount to be added to the quasi endowment will be limited to a maximum of five percent of annual budgeted revenues and will be reflected as a separate line item within the budgeted transfers and expenditures section of the annual budget; and
3. Quasi additions approved by the UKRF Board will be recommended to the University's Board of Trustees for final approval.

BACKGROUND:

At its May 2016 meeting, the University of Kentucky Research Foundation Board authorized creation of the University of Kentucky Research Foundation Research Innovation Quasi-Endowment Fund and transfer of \$5,000,000 from unrestricted royalty income. Subsequently, at its June 2016 meeting, the University of Kentucky Board of Trustees approved establishment of the quasi endowment and related \$5,000,000 transfer for participation in the University's endowment investment pool to provide future support of UKRF operations and research initiatives. The quasi endowment was established in June 2016 and has grown to a market value of approximately \$5,300,000.

The recommendation is made to grow the value of the quasi endowment and provide a sustainable, growing income stream to support future research initiatives of the University.

ACTION TAKEN:

APPROVED

DISAPPROVED