

# Tamil Nadu Open University

Saidapet, Chennai – 600 015

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## Endowment fund Policy Endowment Lecture(s) and Medal(s)

### I. PURPOSE OF POLICY

Tamil Nadu Open University creates “Endowment Fund Policy” based on the provision of Tamil Nadu Open University Act, 2002 as follows:

*Chapter II-4 (2):*

*(viii) says “to institute and award fellowships, scholarships, prizes and such other awards for recognition of merit as the University may deem fit”.*

*(xvi) says, “to receive benefactions, donations and gifts and to acquire, hold, maintain and dispose of any property movable or immovable, including trust and Government property, for the purpose of the University”.*

Endowment refers to a donation of money, financial assets or property to the University, which uses the resulting investment income for a specific purpose. The donation is an investable asset, also known as “principle” or “corpus”. The principle amount shall be intact while using the investment income for professional activities that are consistent with the wishes of the donor.

An endowment is an aggregation of assets invested by a University to support its educational mission in perpetuity. An institution’s endowment actually comprises hundreds or thousands of individual endowments. An endowment allows donors to transfer their private money to public purposes with the assurance that their gifts will serve these purposes for as long as the institution continues to exist. An endowment represents a compact between a donor and an institution. It links past, current, and future generations. It also allows an institution to make commitments far into the future, knowing that resources to meet those commitments will continue to be available.

Creating a community of philanthropy at Tamil Nadu Open University [TNOU] is one of the priorities for the University, with the eventual goal of serving communities covered by TNOU, and sustaining the University as it grows.

Endowments are critical in our ability to achieve our desired goals in an unimpeded manner. We look upon endowments to be the permanent legacy of the institution. Interest from endowments is a key source of funds for the University and its activities.

## II. ENDOWMENT LECTURE(S)

1. The University has a scheme to organize endowment lecture in honour of the person the donor would like the University to organize.
2. The Endowment Lecture will be initiated Faculty-wise.
3. Atleast one endowment lecture will be initiated in each School of Study of TNOU per year.
4. The Chairman of the concerned Faculty may discuss with the faculty members and decide on the Discipline of the Endowment Lecture, based on the agreement of donation made by the donor.
5. The Chairman of the Faculty may decide in consultation with the faculty members on the topic, duration, participants and other requirements for the endowment lecture as per the availability of the fund.
6. For creation of **Endowment Lecture**, the donor has to make a contribution of **minimum of Rs.5,00,000/-**
7. The Endowment fund for Lecture may be created on the name of the faculty/ staff member by his/her contribution or contribution of others for the concerned faculty/ staff member. Such donation is the quantum of Rs.2,00,000/-
8. The lecture delivered would be published in the form of a booklet by the concerned Chairman of the Faculty.

## III. ENDOWMENTS FOR INSTITUTION OF PROGRAMME-WISE MEDALS

1. TNOU will institute Programme-wise Endowment Medals for all its discipline on offer at both Under Graduate and Post Graduate Level.
2. A Gold Medal can be instituted by Institutions or individuals upon donation of a sum of not less than Rupees One Lakh.
3. The endowment amount shall be invested in fixed deposits which earn the maximum possible interest.
4. The interest so derived shall be utilized for the award of the Gold Medal and the unspent balance, shall be added to the corpus of the endowment.
5. The donor can with the agreement of the University institute the gold medal in the name of an institution or individual.
6. The Medal to be awarded shall have inscribed on it the name of the medal and the name of the recipient.
7. The selection of candidates for the award of the Medals shall be done by a Selection Committee in accordance with prescribed Rules. The decision of the

University shall be final and no representation shall be entertained in this regard.

8. The donor shall be informed the name of the student(s) selected for the award by the University.

#### **IV. GENERAL POLICY**

- All donations will be used only for the benefit of TNOU, its programmes, its faculty, staff and students.
- All funds will be used as intended by the donors.
- All tax and other requirements under Indian law will be followed.
- All donations will be governed by applicable University policies.

#### **V. STATUTES ON DONATION GIVING**

1. The Vice-Chancellor shall set priorities for fund raising, and to review and set administrative policies and procedures concerning donations to the University.
2. The University shall promote the solicitation, acceptance and stewardship of donations to secure resources that shall enable the University to further advance its priorities and commitment to excellence in teaching, learning, research and extension services.
3. The University shall not accept any donation that precludes the University from accepting donations from other Donors and the University shall not accept donations that violate any applicable law or regulation and reserves the right to reject any donation.
4. The act of giving a donation to the University shall be irrevocable whilst the donation and the donation Purpose shall be subject to the University's prevailing policies and procedures.
5. All donations shall be used in accordance with the donation Purpose and all information pertaining to a Donor and his/ her donation shall be handled with respect and given confidential treatment to the fullest extent available in law.
6. The University shall appropriately acknowledge and recognize Donors and their donations according to such criteria as may be stipulated in the Statutes.
7. The Vice-Chancellor shall have the sole right to invest the donations in accordance with guidelines approved by the Syndicate.
8. The University may charge all reasonable costs and expenses incurred in administering a donation or a donation purpose to the relevant underlying fund.
9. The Vice-Chancellor shall, in consultation with the Donor, have the power to make changes to a donation purpose, which has in whole or in part ceased to

provide a suitable or effective way of using the relevant donation and the University shall endeavour to use the donation for such purposes as nearly as possible akin to the original donation purpose.

## **VI. MANAGING THE ENDOWMENT**

All endowment funds are deployed strictly in accordance with the donor's wishes as set out at the time of making the gift. Each gift is handled individually and managed as an individual entity. Donors receive accurate reports, periodically from the University, on the status of their funds and expenses from the account. This ensures that our donors continue to be involved in the University and its growth. All excess funds are reinvested in the corpus of the endowment.

A Donation Agreement must be prepared and submitted prior to establishing an Endowment account. At a minimum, the Donation Agreement shall contain the following information:

- Description of the Donation, including amount;
- Statement of the purpose of the fund and how its proceeds will be administered;
- Description of how the fund will be recognized; and
- Future considerations.

An endowment is a permanent fund that is maintained in perpetuity. The income from the investment of the endowment is utilized by the University to provide a permanent and stable source of funds that allow the University to support a range of activities to achieve its teaching, research goals and other academic and service activities.

Any leftover income is put back into the endowment fund to help it grow. Endowments provide a stable income for the University and thus aid the pursuit of academic excellence. By making an endowment donation to the University, each donor is making an investment that will last forever.

## **VII. Approval of new endowed funds**

Before a Donation is accepted to create a new endowed fund, the new fund must have the approval of the Vice-Chancellor. Where the funds are to be used for a new Prize, this initial approval will be subject to Syndicate approving the establishment of that Prize. The creation of new endowments, and receipt of donations to existing endowment funds, will be reported to both Finance Committee and Syndicate as part of the annual Report.