



THE CORELLA & BERTRAM F.  
BONNER FOUNDATION

## **BONNER SCHOLAR PROGRAM ENDOWMENT**

### MID- AND YEAR-END REPORTING GUIDELINES

*updated September, 2013*

The following provides a brief description of the Bonner Program Endowment reporting process.

#### **BACKGROUND**

The Bonner Scholar Program Endowment at your institution is governed by an endowment agreement signed by the Foundation and your college president. Among other information, the endowment agreement includes the amount of the original Foundation gift and the college's matching requirement, the reporting requirements, and a set of Bonner Program Rules.

The only funds tracked in the reports described below are those used to establish the original Bonner Scholar Program Endowment, namely the original Foundation gift plus the College's matching requirement. *(Note: Any funds raised to establish a Bonner Program Operations Endowment should not be included in these reports since there are no Foundation requirements to report on the performance or use of those funds.)*

#### **BONNER ENDOWMENT ALLOCATIONS & REIMBURSEMENTS**

The endowment agreement stipulates that the Bonner Foundation must approve allocations and reimbursements to the Bonner Scholar Program Endowment.

The regular semester allocation process is described in detail in Section 4 and 5 of the Bonner Scholar Program Rules, which you can find here:

- <http://bonnernetnetwork.pbworks.com/w/page/13112122/BSP%20Rules%20-%20Finances>
- <http://bonnernetnetwork.pbworks.com/w/page/13112124/BSP%20Rules%20-%20Reporting>

In all instances, the Bonner Foundation sends a formal letter addressed to the Business Office and the Bonner Scholar Program Director in which the respective allocation from or reimbursement to the Bonner Scholar Program Endowment is approved. These approval letters

are required for each transaction and are used to reconcile the college's endowment reports to the Foundation's internal records.

*Note: Generally speaking, the semester allocation process should be completed within the first two weeks of each semester and summer session. If you have not received the official allocation letter but believe it to be overdue, please contact the director of your Bonner Scholar Program.*

## **ENDOWMENT REPORTING**

The Bonner Scholar Program Endowment Agreement is being modified to require only two fiscal reports each academic year:

- a mid-year report of the market value of the Bonner Scholar Endowment at the end of the second quarter (December 31); and,
- a year-end report.

### **Mid-Year Report**

The Mid-Year Bonner Scholar Endowment Report is simply a report on the market value of your Bonner Scholar Endowment at the end of the second quarter (December 31) each year. We ask that you submit this figure as soon as possible each year, but no later than 45 days after the end of the end of the second quarter. It can be submitted via an email from the school's Business Office to the Bonner Foundation President.

### **Year-End Report**

The Year-End Bonner Scholar Endowment Report is a full summary report of the endowment activity for the fiscal year, as outlined below. We ask that the year-end report be submitted to the Bonner Foundation within 60 days after the end of the college's fiscal year.

The Foundation developed the attached endowment spreadsheet forms for the year-end report. As you can see on these forms, there are lines for the beginning and ending endowment market value, realized and unrealized gains/losses, additional gifts, and separate lines for each of the allocation and reimbursement categories (as described in Section 4 of the Bonner Rules). These lines are as follows:

Less:

- Fall Allocation
- Spring Allocation
- Summer Allocation
- Bonner Congress Travel

First Year Service Trip  
Local Summer Service  
Bonner Junior/Senior Leadership Fund  
Bonner Endowment Enrichment Fund Grant  
Bonner Endowment Supplemental Financial Aid  
Administrative Costs: Bank Fees/Taxes/Misc.

Add:

Fall Reimbursement  
Spring Reimbursement  
Summer Reimbursement

Upon receipt of this report, the Foundation reconciles these figures with our own internal allocation and reimbursement reports, and perform certain reconciliation procedures. We will work with your staff to resolve any discrepancies.

We then provide a full year-end report on the Bonner Scholar Program Endowments to the Foundation's Board of Trustees.

*Note: Please do not alter the report format. Do not reduce allocation amounts by the amount of the corresponding reimbursement. For example, if you received a Fall allocation letter authorizing you to draw down \$100,000 from your endowment and then receive a request from the Foundation to reimburse your endowment for the Fall semester \$10,000, please report the \$100,000 and the \$10,000 separately on the respective line items on the report. Do not report net amounts for each semester allocation.*

## GLOSSARY OF TERMS

- **Beginning Market Value** — The beginning market value on your first endowment report should be the sum of the endowment amount awarded to you from the Foundation plus the college's required match amount. Thereafter, the amount appearing on this line should coincide with the ending market value from the report submitted for the period immediately preceding this submission to the Foundation. DO NOT include the required Operating Budget amount on these reports. You do not have to report on these funds to the Foundation.
- **Unrealized Gains/Losses** — Change in value of an asset that is still being held. It is the difference between the current fair market value on the valuation date v. the cost basis or the fair market value on some previously defined valuation date, depending on the measurement objective: quarterly or annual.
- **Realized Gains/Losses** — When you sell an investment for more than you paid, you have a realized gain. When you sell an investment for less than you paid, you have a realized

loss. For example, if you buy a stock for \$20 a share and sell it for \$35 a share, you have a realized gain of \$15 a share. In contrast, if the price of the stock increases, and you don't sell, your gain is unrealized, or a paper profit (see above unrealized gains / losses). Realizing your gains means you lock in any increase in value, which could potentially disappear if you had continued to hold the investment.

- **Investment Income** — Income from a portfolio of invested assets, such as Capital Gains / Losses (this is realized gains or losses), dividends & interest. Also included are the flow through items reported on a Partnership K-1 form. Unless the endowment holds an investment in a partnership, the endowment report will not have to take into account items flowing through or from K-1 forms. For the endowment reconciliation reports it is meant to only include interest and dividends since capital gains / losses are referred to on other lines.
- **Cost Basis** — Cost basis is the original price of an asset, such as stocks, bonds, mutual funds, property, or equipment. Cost basis includes the purchase price and any associated purchase costs such as commissions and fees in connection with the purchase. Cost basis may increase or decrease because of tax-deferred gains or tax-deferred losses. Cost basis forms the foundation for calculating adjusted basis, capital gains, capital losses, and depreciation.
- **Ending Market Value** — The ending market value is determined by adding all realized and unrealized gains/losses and interest and dividend income to the beginning market value less withdrawals plus refunds.