



The Corella & Bertram F.
Bonner Foundation

BONNER LEADER PROGRAM ENDOWMENT

MID- AND YEAR-END REPORTING GUIDELINES

updated as of September, 2013

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

BACKGROUND

The Bonner Leader 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.

BONNER LEADER ENDOWMENT ALLOCATIONS & REIMBURSEMENTS

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

The annual Bonner Leader Program allocation process occurs after the Bonner Foundation sends a formal letter addressed to the college president (and copied to the Business Office and the Bonner Program Director) approving the proposed budget as submitted by the Bonner Program Director.

ENDOWMENT REPORTING

The Bonner Leader 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 Leader Endowment at the end of the second quarter (December 31); and,
- a year-end report.

Mid-Year Report

The Mid-Year Bonner Leader 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 Leader 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 a line for the annual Bonner Leader Program 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.
- **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.