



For Immediate Release  
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## Uniform Prudent Management of Institutional Funds Act

The Alaska State Legislature will positively affect how the University of Alaska Foundation administers endowments. Alaska joined 46 other UPMIFA states when the Legislature adopted this act.

UPMIFA provides the foundation, and other Alaska charities, with guidance on how to administer endowments and charitable funds. First and foremost, donor intent, as outlined by donors in endowment and fund agreements, will always take precedence on how endowed funds are administered.

Maintaining an endowment in perpetuity is a core principle of endowment management. This fiduciary duty is one the Board of Trustees takes seriously. UPMIFA provides the board the flexibility to make distributions that are prudent in light of the fund's purposes, maintain the fund's viability in perpetuity and provide for inflation on future distributions. UPMIFA also provides the board with clarity on how prudence shall be determined.

The foundation will adjust how it administers endowments, which, prior to UPMIFA,

would not have received a spending distribution.

To better assess the financial health of the endowments, a viability ratio (accumulated earnings ÷ total value of the endowment) will be calculated for each endowment. A high viability ratio indicates good financial health; a negative ratio indicates the endowment is under water. In those cases, the respective program managers will seek other revenue sources, including new donations, to sustain the program or purpose of the endowment during periods of financial stress. Donors can always make contributions to the endowment's "spendable" portion, which will ensure available funds to support the purposes of the endowment.

