

## Enhanced Disclosures for Endowment Funds

Effective for the fiscal year ending June 30, 2009, the Financial Accounting Standards Board Staff Position 117-1 will require not-for-profit organizations, whether or not it is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA), to disclose additional information including information to enable users of the financial statements to understand the net asset classification, net asset composition, changes in net asset composition, spending policies, and related investment policies of its endowment funds (both donor-restricted and board designated). At a minimum, an organization shall disclose the following information:

1. A description of the governing board's interpretation of the law that underlies the organization's net asset classification of donor-restricted endowment funds.
2. A description of the organization's policy for the appropriation of endowment assets for expenditure (its endowment spending policy).
3. A description of the organization's endowment investment policies. The description shall include the organization's return objectives and risk parameters; how those objectives relate to the organization's endowment spending policy; and the strategies employed for achieving those objectives.
4. The composition of the organization's endowment by net asset class, in total and by type of endowment fund, showing donor-restricted endowment funds separately from board-designated endowment funds.
5. A reconciliation of the beginning and ending balance of the organization's endowment, in total and by net asset class, including, at a minimum, the following line items (as applicable):
  - Investment return, separated into investment income and net appreciation or depreciation of investments
  - Contributions
  - Amounts appropriated for expenditure
  - Reclassifications
  - Other changes

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