

**UNIVERSITY OF HOUSTON SYSTEM  
ADMINISTRATIVE MEMORANDUM**

**SECTION: Fiscal Affairs**

**NUMBER: 03.F.03**

**AREA: Asset Management**

**SUBJECT: Distribution of Income from Selected Endowments**

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1. **PURPOSE**

This document sets forth guidelines for the distribution of income from selected University of Houston System and UH Foundation endowments established to support academic scholarships for students throughout the System.

2. **POLICY**

The provisions of this document apply to the following endowments:

- a. Nina J. Cullinan Endowed Scholarship Fund;
- b. International Paper Endowed Scholarship Fund;
- c. Cullen Leadership Endowment Scholarship;
- d. Delores Welder Mitchell Endowed Scholarship Fund;
- e. Enron Endowed Scholarship Fund; and
- f. Hugh Roy Cullen Leadership Scholarship Fund at UH Foundation.

3. **GENERAL DISTRIBUTION GUIDELINES**

- 3.1. Income from these endowments is to be used for academic scholarships. The Provost of each component university should establish criteria and procedures for distributing these awards at the component university level.
- 3.2. The minimum award for the Cullen Leadership Endowment Scholarship is \$1,000. The minimum award for the other scholarships described herein shall be set by each component university for scholarship awards to be granted by each such component university, subject to any award requirements of the scholarships themselves.

- 3.3. Funds are to be distributed to each component university annually, based on income amounts posted in the general ledger on August 31 of each year.
- 3.4. Enrollment figures to be used for calculating proportions are fall figures for the previous year.
- 3.5. For the Cullinan, International Paper, and Cullen Leadership, the System Treasurer will calculate the percentage of headcount enrollment for each component university.
- 3.6. For the Enron Endowment, the System Office of Stewardship will obtain enrollment figures and report them to the System Treasurer's Office.
- 3.7. For Foundation endowments, the System Treasurer will initiate the request for funds from the UH Foundation.

**4. SPECIFIC PROVISIONS AND RULES FOR SYSTEM ENDOWMENTS**

- 4.1. Nina J. Cullinan Endowed Scholarship Fund
  - a. Recipients are to be notified that they are receiving Cullinan scholarships.
  - b. Distribution to the component universities is based on proportion of total headcount enrollment.
- 4.2. International Paper Endowed Scholarship Fund
  - a. Scholarships are merit-based to U.S. citizens who are graduates of Texas high schools, with preference to East Texas.
  - b. Distribution to the component universities is based on proportion of total Texas resident enrollment.
- 4.3. Cullen Leadership Endowment Scholarship Fund
  - a. Scholarships are awarded to students with leadership potential.
  - b. Distribution to the component universities is based on proportion of total headcount enrollment.
- 4.4. Delores Welder Mitchell Endowed Scholarship Fund
  - a. Scholarships are merit based.
  - b. Annual distribution to University of Houston and University of Houston – Victoria will be determined by the Chancellor.

- c. Income available for distribution in excess of the amount allocated to University of Houston and UH Victoria shall be used at the discretion of the Chancellor for specific projects, services or activities.

4.5. Enron Endowed Scholarship Fund

- a. Scholarships are awarded to Project GRAD graduates who are full-time undergraduate degree-seeking students in good standing
- b. Distribution to the component universities is based on the head count enrollment of Project GRAD students at each component university

5. REVIEW AND RESPONSIBILITIES

Responsible Parties: Associate Vice Chancellor for Finance

Senior Vice Chancellor for Academic Affairs and Provost

Review: Every five years on or before September 1

6. APPROVAL

Approved: Jim McShan  
Interim Vice Chancellor for Administration and Finance

Renu Khator  
Chancellor

Date: August 27, 2015

## REVISION LOG

Revision Number	Approval Date	Description of Changes
1	03/15/1991	Initial version
2	04/24/1996	Rephrased Section 1 to emphasize System and UH Foundation endowments. Added Hugh Roy Cullen Leadership Scholarship to Section 2. Added Sections 3.5 and 3.6 on UH System Treasurer responsibilities for UH System Endowments and Foundation endowments. Added Section 4.5 on distribution provisions. Removed Senior Vice Chancellor from Responsible Parties. Changed review period from every third year before February 15 starting in 1994 to every fifth year before December 15 starting in 1995
3	04/11/2002	Applied revised SAM template to meet current documentation standards. Added Enron Endowed Scholarship Fund to Section 2. For Section 3.5, specified Cullinan, Southland, Cullen Leadership and Mitchell endowments being calculated based on percentage of headcount enrollment for each component university. Added Section 3.6, specifying Enron Endowment for enrollment figures obtained by the UHS Office of Development. Added Section 4.5 on Enron Endowed Scholarship Fund provisions and rules. Removed Section 4.5 on distribution provisions and procedures. Changed the responsible parties to AVC for Finance and Senior Vice Chancellor for Academic Affairs. Changed review period to every five years on or before December 15 <sup>th</sup> . Added Vice Chancellor for Administration and Finance to approval process
4	04/29/2005	Applied revised SAM template to meet current documentation standards. Revised Section 4.4.b for distribution to be determined by the Chancellor. The excess figure of \$75,000 for use on other projects, services or activities was removed from Section 4.4.c
5	04/03/2006	Applied revised SAM template to meet current documentation standards. Revised Section 3.2 for minimum awards for scholarships other than the Cullen Scholarship to be determined by each component university

Revision Number	Approval Date	Description of Changes
6	08/27/2015	<p>Applied revised SAM template and added new Revision Log. Removed the Southland Paper Mills Foundation Endowed Scholarship Fund from Section 2.b, and replaced with the International Paper Endowed Scholarship Fund. Specified the Cullen Leadership Endowment Scholarship in Section 3.2 for a \$1,000 minimum award. Revised Section 3.3 for funds to be distributed annually based on income amounts in the general ledger on August 31<sup>st</sup>. The International Paper Endowment Scholarship Fund was added to Sections 3.5 and 4.2. In Section 3.6, the System Office of Stewardship obtains the enrollment figures for the Enron Endowment. Corrected titles throughout the document. Changed the review period to every five years on or before September 1<sup>st</sup>. Removed Section 7, Indexing Terms</p>