

**MICHIGAN STATE UNIVERSITY
FUND AND SUB-FUND DESCRIPTIONS**

| <i>Fund</i> | <i>Sub-Fund</i> | <i>Sub-Fund Name</i> | <i>Fund/Sub-Fund Description</i> | <i>Restricted or Unrestricted Funds</i> | <i>Description of Cash Inflows</i> | <i>Description of Cash Outflows</i> |
|---------------------------------|--|---|--|---|---|---|
| Endowment Fund (Nxxxxxx) | Endowment Fund is used to account for funds gifted to MSU as an endowment or that have been designated by the Board of Trustees to be invested like an endowment. Endowment funds are those in which the principal may not be spent. Only the investment earnings from the endowment investments are allowed to be spent. Endowment Fund accounts for the nonexpendable principal portion of the investments. | | | | | |
| | NB | END-Unrestricted Funds Functioning as Endowment | Used to account for the principal portion of unrestricted gifts or University operating funds that the Board has approved will be invested/function as an endowment (i.e. Quasi-endowments). | Unrestricted | Funding comes from gifts or University operating funds transferred from unrestricted operating accounts per Board approval. | No expenses are allowed in these accounts. DE accounts are the spending accounts which receive the spending policy distributions. |
| | NC | END-Charitable Remainder Trust (CRT) | <i>For Central Use Only</i> – accounts are used to account for donor contributions to MSU, whereby MSU acts as trustee and the donor is entitled to receive beneficiary payments for a specified period of time. At the expiration of the beneficiary time period, all remaining assets remit to MSU and in most cases are invested as a restricted true endowment (NX). | Restricted | Funding comes from gifts received from external donors in the form of a Charitable Remainder Trust. | No expenses are allowed in these accounts. Spending policy is distributed to NZ accounts for distributions of beneficiary payments. |
| | NE | END-Unrestricted Term Endowment Principal | <i>For Central Use Only</i> - used to account for the principal portion of unrestricted University operating cash in excess of Board approved liquidity levels. Per Board approval, funds in excess of designated liquidity levels are temporarily (minimum of 5 year term) used to invest in a trust as an unrestricted term endowment. | Unrestricted | Funding comes from unrestricted University Operating Cash. | No expenses are allowed on these accounts. Spending policy is distributed to DM accounts for designated purposes. |

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|-------------|-----------------|---|--|---|---|---|
| | NG | END-Unrestricted True Endowment Principal | Used to account for unrestricted, nonexpendable gifts from donors whereby the principal portion must remain intact and only the investment income from the endowment is allowed to be used for the designated purposes. | Unrestricted | Funding comes from unrestricted, nonexpendable gifts received from external donors. | No expenses are allowed on these accounts. Spending policy is distributed to DX accounts for designated purposes. |
| | NM | END-Restricted Term Endowment Principal | Used to account for the principal portion of temporarily nonexpendable restricted gifts received from external donors, which may become expendable or transferred to another endowment under certain circumstances or in certain events. | Restricted | Funding comes from restricted gifts received from external donors. | No expenses are allowed on these accounts. Spending policy is distributed to RM accounts for restricted purposes. |
| | NR | END-Restricted Funds Functioning as Endowment | Used to account for the principal portion of restricted gifts that the Board has approved will be invested/function as an endowment (i.e. Quasi-endowments). | Restricted | Funding comes from restricted gifts received from external. | No expenses are allowed on these accounts. Spending policy is distributed to RH accounts for restricted purposes. |
| | NU | END-Undistributed Gains and Losses | <i>For Central Use Only</i> – used to account for undistributed net dividends, interest and realized and unrealized gains/ (losses) on the Common Investment Fund (CIF). | Restricted | Funding comes from net dividends, interest and gains on the Common Interest Fund. | Spending Policy Distributions to the associated endowment spending accounts. |
| | NX | END-Restricted True Endowment | Used to account for restricted, nonexpendable gifts from donors whereby the principal portion must remain intact and only the investment income from the endowment is allowed to be used for the restricted purposes. | Restricted | Funding comes from restricted, nonexpendable gifts received from external donors. | No expenses are allowed on these accounts. Spending policy is distributed to RT accounts for restricted purposes. |

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|-------------|-----------------|----------------------|--|---|------------------------------------|-------------------------------------|
| | NZ | END-Administration | <i>For Central Use Only</i> - used to facilitate year-end adjustments and transactions for financial reporting purposes. | Restricted or Unrestricted | N/A | N/A |