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Preliminary Report on Endowment Accounts

Budget & Research Committee, NMT Faculty Senate (Ashok Ghosh, Ken Minschwaner, Fred Phillips, Richard Sonnenfeld, John Starrett, Bill Stone)

One of the charges of the Budget and Research Committee is to review and report on budget allocations, research policy, and priorities at NMT. We are currently in the process of reviewing the structuring and administration of endowment accounts. This preliminary report is based on information provided by the NMT Office of Administration and Finance.

Structuring: Endowment funds can either be set up publicly through New Mexico Tech, or privately through the NMT Research Foundation. The donor, in conjunction with the NMT Advancement Office, makes the decision of whether to gift NMT or the Foundation. To date, no funds have ever been transferred from NMT to the Foundation, or vice versa.

Investing: NMT uses the State Investment Council (SIC) to manage the investment of endowment accounts, except for the Langmuir Endowment which is managed by Smith-Barney. The Foundation independently uses Merrill-Lynch and the SIC. NMT and the Foundation do not assess service fees for managing accounts; however, the SIC and brokerage firms do charge service fees.

Available Income: According to the NMT Investment Policy, "... investments will be managed on a total return basis with 4.5% of the average five year market value being made available for expenditure, and the remaining returns retained in the fund to compensate for inflationary growth."

The Budget & Research Committee is continuing to review specific issues related to these general ones and will report on findings within the next few months.