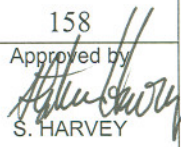


**FINANCIAL MEMORANDUM**

Memorandum No. 158	<b>MOUNT SINAI SCHOOL OF MEDICINE</b>	Page 1
Approved by  S. HARVEY	<b>SUBJECT: POLICIES AND PROCEDURES FOR ADMINISTRATIVE CHARGES TO ENDOWMENT AND SIMILIAR FUNDS</b>	Date Issued Amended 12/22/99
		Replaces 157-A 10/05/93

**I. Purpose**

The purpose of this memorandum is to set forth the institutional policies and procedures for allocation of endowment income.

**II. Administrative Charges on Certain Restricted Endowment Funds.**

The allowable administrative charges are calculated as a percentage of distributed investment income based on spending rate as follows:

(Three-year rolling market value of fund X spending rate X administrative percentage.)

The current administrative charges used by the School for various classes of endowment and similar funds are as follows:

To name/and endow a department or center, to name/and or endow a Chair, or to name a professorship	25% of endowment income to School: 75% of endowment income to endowment income account available for restricted purpose.
Endowment Research Funds	15% of endowment income to School: 85% of endowment income to endowment income account available for restricted purpose.
Endowment Scholarship Funds	15% of endowment income to School: 85% of endowment income to endowment income account available for restricted purpose.
To name and/or endow Fellowship Fund	8% of endowment income to School: 92% of endowment income to endowment income account available for restricted purpose

The applicable administrative charge rates are assigned when the endowment is received and remain in effect unless modified by the School of Medicine Dean and approved by the board.

The School's share of total return endowment income may be increased beyond the applicable administrative charge with the approval of the School of Medicine Dean and approved by the Board (use of unrestricted accumulated gains) if the School provides significant indirect support of the department or faculty member benefiting from the endowment beyond the applicable administrative charge.

No charge should be made to any restricted fund for which a charge would be improper. The Dean's Office, Finance Department and Development Office can answer questions about the appropriateness of an administrative charge for a restricted income source.