Mines’ ability to help shape the world’s future and its responsibility to the global community have never been greater. Donors of endowed funds are vital to sustaining the students, faculty and programs that carry on the school’s long tradition of expertise in earth, energy and environment. A robust and growing endowment is key to moving this institution toward greater financial independence, and to sustaining the level of excellence that we expect from Colorado School of Mines.

M.W. Scoggins
President
Colorado School of Mines

Just as the world requires resources to prosper, Mines requires resources to succeed. Now, more than ever, Mines must continue to increase its endowment to maintain its position as a global leader. Given current trends in public funding for higher education, private investments in the people, programs and facilities that provide the basis for high-quality technical education take on even greater importance.

Endowed funds are one of the most effective ways that you can help the school meet the fiscal challenges it will face in the coming years.

Endowed funds are gifts held in perpetuity for the benefit of an educational or charitable institution. The CSM Foundation manages the Mines endowment – the aggregate pool of all its endowed funds – to strike a balance between preserving capital and providing a steady income stream for programmatic activities. The foundation pools and invests its endowed funds and releases annual spending percentages to support donor-designated areas.

Endowed funds tie your wishes to the school’s plans. They enable you to put some of your wealth to work for an institution you believe in, while leaving a personal legacy or memorializing a loved one. They enable corporations and foundations to invest in the future of Mines, while creating long-term branding opportunities. And they provide Mines with a crucial source of strength and stability, enabling us to fund our priorities and take advantage of opportunities as they arise.
The Mines endowment constitutes an increasingly important tool for strengthening the school and supporting its mission. Over the years, endowed funds at Mines have helped to bring a talented and diverse student body to the school, attract and retain outstanding faculty members and scholars, and enrich academic programs and athletics.

More than 400 endowed funds support Mines students. In fiscal year 2009, endowed scholarship funds provided approximately $2.3 million in student assistance.

Thanks in part to the 27 distinguished endowed chairs and professorships that donors have established at the school, Mines is able to maintain its position as a national and international leader.

A total of 77 endowed funds support academic programs such as the McBride Honors Program, library collections, curriculum enhancement, and athletics – programs and activities that make Mines the dynamic learning center it is today.

“The James L. Bruce Memorial Endowed Scholarship makes it possible for me to help the world by becoming an engineer. Ultimately, I want to bring water purification technology to people in developing countries. Professors at Mines teach us to excel at what we do, so I know I will be able to fulfill my professional goals.”

Nicolle Kindall, Class of 2010
Meeker, Colorado
Civil Engineering, McBride Honors Program
This year, the CSM Foundation endowment will provide just over $3.5 million in funding to support students, faculty and programs at Mines. Over the last decade, foundation endowment support for the school exceeded $49 million.

Due to the generosity of the school’s loyal community of donors and the CSM Foundation’s prudent investment policy, the value of the Mines endowment has increased from $17 million in 1990 to approximately $148 million as of June 30, 2009. Over the last 15 years, endowment assets have averaged a total annual return of 10.4 percent. Due to turbulent U.S. and global market conditions over the course of fiscal year 2009, the net investment return on endowment assets was -15.3 percent, a return that outperformed major market indices such as the S & P 500, which reported -26.2 percent.

Ranked 25th among 269 public U.S. universities in endowment dollars per student as of June 30, 2008, the Mines endowment helps to secure the school’s position as one of the nation’s leading public universities.

**Establishment of the Coors Chair was a major factor in my decision to come to Mines.** These funds gave me the flexibility to jump start our research program and allowed me to hire a senior researcher, Dr. Hans-Heinrich Carstensen, as a permanent member of my research group. With his expertise in electronic structure calculations, we have developed detailed kinetic models that are the central focus of our research projects that range from the kinetics in solid-oxide fuel cells, to biomass conversion, to combustion of alternate fuels.

*Anthony M. Dean
William K. Coors Distinguished Chair in Chemical Engineering*
Creating an Endowed Fund

1. You decide to establish a named endowed fund with one of the minimum commitments outlined on page 5.
2. Foundation staff work with you to establish fund guidelines and to discuss the most beneficial and tax-wise giving strategies.
3. Donated assets are converted to cash, and your endowed fund is established. Cash gifts, securities, real estate, pledges, corporate matching gifts, and many deferred giving options may be used to create the endowed fund.
4. CSM Foundation, Inc. pools endowment assets for investment purposes, but maintains a separate accounting so that the identity of your fund is preserved and disbursements made in accordance with your wishes.
5. The foundation, with the assistance of professional financial consultants, strategically manages endowment investments to maximize benefits for the school, today and in perpetuity.
6. Each year, the foundation releases a percentage of the fund balance for current use. Current policy sets this amount at 4.5 percent of the fund balance, as calculated on a three-year moving average.
7. The total value of a new endowed fund must reach 106 percent of the original contribution by December 31 of a given year to receive a spending payout for the following fiscal year.
8. Under current policy the foundation charges an annual management fee equal to 1.5 percent of the fund balance, as calculated on a three-year moving average.
9. Earnings in excess of 6 percent are retained in the endowment balance to hedge against inflation and help ensure growth.
10. The foundation provides you with annual stewardship reports outlining the financial status of the fund, as well as information on fund activities and beneficiaries.
11. You may choose to increase the balance of your endowed fund, and make a greater impact each year, through additional gifts and/or a bequest. Existing endowed funds may receive gifts from any interested, legitimate donor in any amount at any time.
Scholarships and Fellowships
Minimum gift of $25,000
Scholarships enable the school to recruit a diverse and talented undergraduate population. Fellowships attract graduate students who help develop new ideas, technologies and applications for the school and its partners.

Endowed Funds across Campus
Minimum gift of $25,000
Endowed funds may be designated to support existing activities at Mines such as academics, athletics, library collections and student life projects.

Endowed Professorships
Minimum gift of $500,000
Endowed professorships recognize outstanding accomplishments of the Mines faculty by providing partial support for teaching and research activities. Such positions offer incentive for all faculty members to achieve excellence in these areas.

Endowed Chairs
Minimum gift of $1,500,000
Endowed chairs recognize teaching and research excellence, strengthening the school’s ability to attract and retain key faculty. Endowed funds support and enhance the instructional activities of the recipient.

Distinguished Endowed Chairs
Minimum gift of $2,500,000
A distinguished endowed chair is the highest level of distinction held by a faculty member. Such opportunities bring leading scholars to campus to serve as intellectual catalysts for the area in which they are appointed. The endowed fund supports a chair holder’s compensation, research and instructional activities.

Designating Endowed Funds
Whatever your interest, there is an area at Mines that can benefit through an endowment. You can designate your endowed fund for program support, scholarships, fellowships, or faculty chair and professorship positions. Endowed funds can be established and named with the amounts listed to the left.
Spending Policy

New endowed funds are officially established at Colorado School of Mines once the CSM Foundation has received the minimum contribution for the identified purpose. The level of spending from endowed funds seeks to strike a balance between providing current benefit to the school and preserving the principal and purchasing power of the endowment for the future.

Annual Distribution
At present, 4.5 percent of the fund balance is paid out annually for the fund’s designated purpose. The annual distribution is calculated as a percentage of market value, based on a three-year moving average, and is made without regard to an endowed fund’s income, appreciation or historical dollar value. In some years, under poor market conditions, the principal may be drawn upon. This calculation method minimizes fluctuations in the annual distribution, providing a consistent funding source over time.

Management Fee
In addition to the percent payout, each endowed fund is assessed a 1.5 percent management fee annually. The fee supports the foundation, advancement and alumni programs, as is common practice among state universities and their foundations. All investment income in excess of 6 percent is retained in the fund’s total balance.

New Endowed Funds
Before new endowments make a payout distribution, their total value must reach 106 percent of the original contribution. This policy helps to ensure the long-term health of endowed funds and prohibit premature spending from newly established funds. A new endowed fund must reach 106 percent prior to December 31 of a given year to receive a spending payout for the following fiscal year.
Investment Strategy

The foundation’s goal is to provide current income for the school while increasing the value of each endowed fund to maintain its purchasing power. As a result, the Executive Committee of the CSM Foundation Board has adopted an investment policy that seeks to earn a total return equal to the annual endowment payout plus inflation.

Long-Term Investment Pool (LTIP)
The aggregate pool of all foundation-managed endowed funds is referred to as the LTIP. Pooling funds for investment maximizes return and cuts costs, benefiting all of the funds and the programs they support.

LTIP Management
The CSM Foundation appoints a volunteer Investment Committee to oversee the LTIP. The Investment Committee, which includes members of the CSM Foundation Board and experienced professional investors, meets quarterly to monitor asset allocation and review investment manager performance. Monticello & Associates, a leading investment firm, provides consulting services to the foundation. Each investment manager is closely monitored by benchmarking performance against an appropriate market index.

Asset Allocation at June 30, 2009
The CSM Foundation, in consultation with the Investment Committee, sustains an asset allocation that is suited for both the prevailing market conditions and long-term outlook – one that reflects a balance between capital preservation and sustainable income.
Colorado School of Mines is working strategically to gain greater financial autonomy and flexibility, and a robust and growing endowment is critical to achieving our goals. Share in our continued success: explore the rewards of creating an endowed fund to benefit Colorado School of Mines.

Contact CSM Foundation, Inc. at 303.273.3275 or giving.mines.edu to find out how your investment can make an impact on our future.

Colorado School of Mines Foundation, Inc., the official gift-receiving agency for the school, holds and professionally manages the Mines endowment. A tax-exempt entity founded in 1928 and incorporated in 1951, the foundation works to advance public understanding and philanthropic support for Mines’ unique mission. Donations to the foundation are tax-deductible as provided by the Internal Revenue Code.

The Colorado School of Mines Foundation promotes the school’s mission and enhances its continuing excellence by maximizing support from the private sector and being a prudent steward of its resources and friendships.

The policies outlined in this brochure are established by the Executive Committee of the CSMF Board of Governors and reviewed annually with consideration for growth objectives, market conditions and alignment with industry best practices. Accordingly, the CSMF policies outlined herein are subject to periodic change.