

THE BOARD OF
ADMINISTRATORS
RESOLUTION TO
REINSTATE NEWCOMB'S
ENDOWMENT

RESOLVED, that the Board of Administrators hereby affirms its recognition of the unique and historic mission of Newcomb College to educate women and its commitment to preserve the fundamental spirit and special qualities that have distinguished it during its 100-year history.

RESOLVED, that in order for the College to continue to create new opportunities to attain an even greater degree of distinction and excellence in fulfillment of its historic and valuable mission, the Board of Administrators hereby dedicates \$11,919,031 of available and otherwise unrestricted funds functioning as endowment for Newcomb purposes, effective July 1, 1996.

RESOLVED FURTHER, that the spendable income from said funds functioning as endowment will be used in its entirety to offset partially the operating budget of Newcomb College, rather than used for general university support or for enhancement of programs in Newcomb College.

May 16, 1996



PROVIDING FOR THE FUTURE OF NEWCOMB

In an historic move on May 16, 1996, the Tulane University Board of Administrators voted unanimously to return millions of dollars to Newcomb College, effective July 1, 1996. The Board action was a positive response to a request from Newcomb to reimburse the H. Sophie Newcomb Memorial Fund monies that were spent to meet financial needs of the university during 1974-79. The reimbursement of this money is clearly a significant event in the life of Newcomb College. We want to share with all Newcomb alumnae the facts related to this reimbursement and to the future financial stability of the college.



"The Board's decision was a very strong and positive statement about the coordinate relationship between Newcomb College and the university."

NEWCOMB DEAN JEANIE WATSON

How much money has been returned to Newcomb?

Altogether, more than \$13.9 million. On July 1, 1996, \$11,919,031 was restored to the H. Sophie Newcomb Memorial Fund. Previously, in 1987, \$2 million was returned to Newcomb. These two amounts, when added together, total \$13,919,031.

Why this amount?

Over the years 1886 to 1923, Josephine Louise Newcomb donated more than \$3.5 million to Newcomb College. This money was not given as an endowment. Rather, from her donations, Newcomb established the college, bought land, and built buildings on the present Newcomb campus. In 1923, with the college established, approximately \$2.2 million remained. This sum was then invested in the H. Sophie Newcomb Memorial Fund as "funds functioning as endowment" (funds that the university chooses to treat as endowment—not legally endowed funds). Over the next 50 years, that fund grew to approximately \$6.39 million. Had the H. Sophie Newcomb Memorial Fund remained intact and continued to grow, it would have accumulated to \$13,919,031 when Newcomb petitioned to have the funds reimbursed.

Who was responsible for the request?

The four Newcomb alumnae who serve as members of the Tulane Board of Administrators—Carol Downes Cudd N'59, Sybil Muths Favrot N'56, Joyce Frank Menschel N'63, and Virginia Niehaus Roddy N'60—worked with Newcomb Dean Jeanie Watson to draft the request and bring it, first, before the appropriate committees of the

Board of Administrators and, ultimately, to the full board. Tulane President Eamon M. Kelly and Ambassador John G. Weinmann, chairman of the board, supported the request, as did the other members of the Board.

Why now?

The time was right. When Tulane University Hospital was transferred in 1995 to a joint venture with Columbia/HCA Healthcare Corporation, the university realized \$100 million in proceeds. The Board of Administrators chose to allocate \$25 million of those proceeds to university "funds functioning as endowment." This event acted as a catalyst for the restoration of Newcomb's money.

How much of the money will be spent?

The money will be invested, and only the income earned will be spent. The principal will not be touched.



"... it is a wonderful feeling to be able to return the money to the place it is meant to be."

JOHN GIFFEN WEINMANN
CHAIRMAN, TULANE BOARD
OF ADMINISTRATORS

THE THREE MAJOR ENDOWED FUNDS AT NEWCOMB COLLEGE

NAME OF FUND	THE NEWCOMB ENDOWMENT FUND	THE H. SOPHIE NEWCOMB MEMORIAL FUND	THE NEWCOMB 90/90 FUND
KIND OF ENDOWMENT	<i>True endowment</i> (Legally endowed)	"Funds functioning as endowment" (Not legally endowed)	"Funds functioning as endowment" (Not legally endowed)
ORIGIN OF FUND	Created in 1987. Today, all donations to the Newcomb Endowment go into this fund.	Created in 1923. This is the account from which funds were spent by the university in 1974 through 1979 and to which funds have been restored.	Created in 1987. This is the \$2 million that was returned to Newcomb in 1987.
CURRENT VALUE as of June 30, 1996	\$1,688,153	\$ 1,038,279 as of 6/30/96 <u>+11,919,031</u> added 7/1/96 \$12,957,310 Total	\$2,425,123
STATUS	Tulane University is legally bound to administer any gift as directed by the donor. Written instructions from the donor constitute a legal contract between the donor and the recipient. Also protected by Louisiana State Law—The Uniform Management of Institutional Funds Act.	Protected by the resolution passed by the Tulane University Board of Administrators on May 16, 1996.	Included in Article VII of the Charter of Tulane University, which includes the "90/90 provision." (This provision states that Article VII may be amended, revised or repealed only after written notice has been provided to each member of the Newcomb Foundation Advisory Board of Trustees at least 90 days prior to a regular meeting of the Tulane Board of Administrators. Any change to the Article requires the approval of 90% of the entire Board of Administrators.)



"The fact that this proposal was fully supported by the Tulane administration and adopted unanimously by the Tulane Board of Administrators augurs well for the future of Newcomb."

CAROL DOWNES CUDD N°59
MEMBER, TULANE BOARD
OF ADMINISTRATORS

Who will administer the H. Sophie Newcomb Memorial Fund?

The Newcomb Dean administers all Newcomb accounts. In addition, the Newcomb Foundation Advisory Board of Trustees meets regularly with the dean. The Endowment Management Committee of the Board of Administrators oversees the investment of the principal of all endowed accounts at the university.

Will the income be spent on Newcomb or on Tulane?

On Newcomb only. In restoring the H. Sophie Newcomb Memorial Fund, the Board of Administrators reaffirmed its commitment to Newcomb College. The Board resolution states: "The spendable income from said funds . . . will be used in its entirety to offset partially the operating budget of Newcomb College, rather than used for general university support."

How will the income be used at Newcomb?

The income earned from the H. Sophie Newcomb Memorial Fund will be used to underwrite a portion of Newcomb's existing operating expenses.

What does the reinstatement of the H. Sophie Newcomb Memorial Fund really mean for Newcomb?

Since a portion of the college's annual operating expenses will now be supported by "funds functioning as endowment," Newcomb will be more stable and self-sufficient. Financial stability and self-sufficiency are vital to Newcomb in its role as the women's college of Tulane University, while providing Newcomb with a strong and positive voice for women's education.

Is Newcomb now financially self-sufficient?

Partially. The income from the H. Sophie Newcomb Memorial Fund will cover only a portion of Newcomb's annual operating expenses. Newcomb must still depend on tuition income, alumnae donations and support from Tulane University. However, as the *true endowment (The Newcomb Endowment Fund)* increases, Newcomb becomes more self-sufficient.

Aren't there several endowed funds at Newcomb?

Yes, many. In addition to a number of smaller endowed funds supporting specific projects (scholarships, lecture series, some student programs, etc.), there are three **major endowed funds at Newcomb**, outlined in the following table.

What are "funds functioning as endowment"?

Funds that the university chooses to treat as endowment, that is, only the income is spent—the principal is not touched. "Funds functioning as endowment" are so designated by the Tulane Board of Administrators, but are not legally endowed.

Does this mean that the principal of the H. Sophie Newcomb Memorial Fund can be spent?

It is possible, but not probable. The H. Sophie Newcomb Memorial Fund has never been *true endowment*. But, in returning \$13.9 million to Newcomb, the Tulane Board of Administrators has made a strong public statement, affirming the value of Newcomb College and the board's desire to support the college.

What is *true endowment*?

True endowment is protected by law. The income may be spent, but the principal may not be touched. Therefore, *true endowment* is truly safe—forever.

How can we be absolutely certain that Newcomb's future is secure?

It is vital that we build the *true endowment*: *The Newcomb Endowment Fund*.

What size gifts are appropriate for *The Newcomb Endowment Fund*?

All gifts, large or small, are welcome—and encouraged!



"The university's ability to restore these funds allowed the Board of Administrators to fulfill its obligation to Newcomb. It is only right that the Board has done this."

SYBIL MUTHS FAVROT N'56
MEMBER, TULANE BOARD OF
ADMINISTRATORS

When can gifts be made to *The Newcomb Endowment Fund*?

Gifts may be made at any time during your lifetime or in an estate plan.

When an alumna gives to the *Newcomb Endowment* today, what happens to her money?

It is placed into *The Newcomb Endowment Fund*, the *true endowment*, which is legally protected in perpetuity; and thus, the principal may not be touched.

How can I ensure that my gift to *Newcomb* goes where I want it to go?

Please be specific when making your gift and send written instructions. We cannot know your intentions unless you tell us. If there are no instructions enclosed with the gift, it will go into the Newcomb Annual Fund. If you are unsure or have a question, please ask. All inquiries are kept strictly confidential unless you state otherwise.

HOW TO GIVE TO NEWCOMB COLLEGE

NEWCOMB ENDOWMENT FUND

- *True endowment*, which is legally protected forever.
- Permanently endowed—the principal is never spent.
- Gifts may be of any size.
- Memorial or honorary gifts are particularly appropriate.
- Used in support of Newcomb only.

When making a gift to the *true endowment*, specify: "The Newcomb Endowment Fund"

NEWCOMB RESTRICTED FUNDS

- Funds are used only in support of the designated Newcomb program.

ENDOWED

- \$10,000 is required initially to create a named, truly endowed fund for a specific purpose (scholarships, lecture series, student programs, etc.)
- Once an endowed fund is created, gifts of any size may be added to it.
- Only the income is spent—not the principal.

NON-ENDOWED

- Gifts of any size may be given to existing funds or programs, such as Newcomb College Center for Research on Women, Newcomb Student Career and Leadership Programs, or Newcomb Dance Program, etc.

When making a gift to a fund or program, specify: "Newcomb College [name of fund, program or area of interest]"

NEWCOMB ANNUAL FUND

- Supports Newcomb's current operating expenses.
- Not endowed—the entire gift is spent in the current fiscal year.
- Gifts may be of any size.
- Used in support of Newcomb only.

When making a gift for current operating expenses, specify: "The Newcomb Annual Fund"

For every gift, it is important that you specify who is making the gift:

- You alone;
- You and your spouse, jointly; or
- Your spouse alone.

Gifts may be in the form of cash, checks and/or securities.

If you wish, gifts may be pledged over time, e.g., \$2,000 each year for 5 years = \$10,000.

You may wish to check with your or your spouse's company to determine if your contributions may be matched.

NOTE: The Friends For Newcomb organization is not affiliated with Newcomb College or the Newcomb Alumnae Association, but is a separate entity that operates independently from Newcomb College. Donations to Friends For Newcomb cannot be credited as gifts to Newcomb College.