



July 16, 2019

TO: Presidents, 1994 Land Grant Institutions

FROM: Cynthia Montgomery, Deputy Director
Office of Grants and Financial Management (OGFM)

SUBJECT: 1994 Institutions Endowment Fund – 2018 Interest Distribution

This notification indicates the distribution of interest earned in 2018 from the 1994 Endowment Fund to the individual 1994s. Title V, Part C of the Improving America's Schools Act of 1994, Public Law 103-382 (October 20, 1994), cited as "Equity in Educational Land-Grant Status Act of 1994," provides that certain tribal colleges, designated as "1994 Institutions," receive various benefits. These include contributions by the Federal Government to an endowment fund, the interest income from which is distributed to the 1994 Institutions.

Section 533(c) of the Equity in Educational Land-Grant Status Act of 1994 ("the Act") establishes "1994 Institutions" as Land Grant colleges established for the benefit of agriculture and the mechanic arts in accordance with the provisions of the Act of July 2, 1862 (12 Stat. 503; 7 U.S.C. 301 *et seq.*) Additionally, the Act requires that the Secretary of Treasury establish, contribute to the corpus and distribute the interest from an endowment fund to eligible 1994 Institutions. This endowment fund is dubbed the "1994 Institutions Endowment Fund." The interest income is distributed according to a formula: 60 percent of the income is distributed among the 1994 Institutions based on the Indian Student Count (as defined in section 390(3) of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2397h (3))) for each 1994 Institution for the fiscal year and 40 percent of the income is distributed in equal shares to the 1994 Institutions. By interagency agreement, the Secretary of Treasury has delegated to USDA NIFA the authority to 'compute and distribute' the interest to the 1994 Institutions.

Legislation designates the purpose of the Endowment Fund is for support and maintenance of land grant colleges for the benefit of agricultural and mechanical arts. Accordingly, these funds may be used to support the following or similar activities:

- Curricula design and instructional materials
- Faculty development and preparation for teaching
- Instruction delivery systems, equipment and instrumentation for teaching

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- Student experiential learning
- Student recruitment and retention activities
- Facility renovation, repair, construction and maintenance to support the land grant mission (allowable for funds distributed after 2001)

In order to receive Endowment Interest Distribution Funds, 1994 Institutions must meet certain accreditation requirements. Those institutions that do not meet these requirements will not participate in this program and the share of their funds may be redistributed to other eligible 1994 Institutions.

Reporting:

As part of its oversight and accountability responsibilities, the following documents should be kept internally by your institution:

- An annual internal budget of what funds were spent on for auditing purposes.

FAQ on Endowment Policies and Procedures:

- Endowment Distribution is on interest earned based on a formula
- Beginning in FY 2019 Funds will be made available in a single lump-sum, provided to each school via check with the exception of the Federally operated schools which will continue to use the Intra-governmental Payment and Collection (IPAC process.)
- Endowment Funds do not expire -they may be held indefinitely
- Funds may be drawn down and put into an interest bearing College account
- Funds may be used for federal cost sharing or matching funds on federal grants
- Funds may be used for new construction relating to the 1994 as a Land Grant Institution

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