



## *International Union of Pure and Applied Chemistry*

### *Fund Policy Statements*

#### **1. PURPOSE**

Biennium Operating Reserve Fund This fund shall contain an amount of money equal to the currently approved biennium budget minus the operating funds for the publications. It is the prime financial protection for the Union in the event of a severe worldwide economic downturn.

General Assembly Special Fund This fund is to be used to supplement the expense of holding General Assembly meetings in locations where the costs are considerably more expensive than the norm. General Assembly meetings such as the recently held one in Brisbane, Australia and the upcoming 2005 General Assembly in Beijing, China will draw on this fund.

IUPAC Endowment Fund This will be treated as an “endowment fund”, that is, only the interest earned on the principal in this fund will be used for special projects of a broad nature that enhance the stature of the Union. For example, the recently established IUPAC Prize for Young Chemists will be supported by the proceeds from this fund. Other projects approved by the Executive Committee and the Finance Committee may be supported by this fund..

Special Funds IUPAC encourages individuals and organizations to participate in its mission. While in most cases this takes the form of collaboration and participation in IUPAC projects, it can also be financial aid to various IUPAC activities. Such financial aid can directly support specific IUPAC projects, or it can be set up as a special fund that is used to accomplish certain goals over a period of time or in perpetuity.

#### **2. Investment of Funds**

The aggregate of these funds is managed as a single long term portfolio according to the IUPAC Investment Policy and the guidelines contained therein.

#### **3. Allocations to Funds**

Biennium Operating Reserve Fund This fund shall contain an amount equal to the total approved budget for the next biennium.

General Assembly Special Fund The level of this fund shall be set by the Finance Committee at its annual meeting. The maximum held in this fund is \$250,000 USD. (At the present time, 1 March 2002, it totals \$150,000 since \$100,000 was approved to be used to support the higher expenses of the 2001 General Assembly in Brisbane, Australia)

Special Funds Any funds which are set up as Special Funds shall have the principal amounts designated according to agreements with the Division controlling these funds.



The principle contained in these funds will appear as separate line items in the accounting documents of the organization.

IUPAC Endowment Fund The level of this fund shall be the residual long-term portfolio after allocations for the Biennium Operating Reserve Fund, General Assembly Special Fund and any Special Funds are subtracted.

#### **4. Disbursement Guidelines from Funds**

Disbursement of funds from these accounts must be approved by the Finance Committee, or the Treasurer and Chairman acting on behalf of the Finance Committee.

As needed funds from the Biennium Operating Reserve Fund and General Assembly Special Fund may be approved for disbursement, decreasing these funds until new levels are established at the annual Finance Committee meeting.

Disbursement of Special Funds shall follow the following guidelines:

1. The goals for which such a special fund is established must be consistent with and support the IUPAC mission and goals.
2. The purposes of the fund should be defined and the body or group within IUPAC that is responsible for administering the funds should be specifically identified (i.e. is it a Division Committee, the President of IUPAC etc.).
3. The fund should be categorized as either an endowment (i.e. only the interest on the money will be used to fund projects) or a consumable fund (i.e. a fund in which both the interest and some principal will be used until the fund is exhausted).
4. The money in the fund shall be invested in the long-term IUPAC investment portfolio and shall earn the prevailing interest based on the portfolio of fixed income instruments in the IUPAC portfolio such as bonds and fixed income funds. In recent years this has provided an annual return in the range of 5 to 6%.

The disbursement from these special funds will be under the control of the responsible group subject to all the guidelines contained in this policy and the accepted IUPAC practices for reimbursed expenditures such as travel and subsistence.

The IUPAC Endowment Fund will maintain its principal and the funds available for disbursement will not exceed the annual yield on this fund at the fixed interest rate (bonds and fixed funds). Currently that is 6.0%.