

§ 628.10

or by a foundation that is exempt from taxation and is maintained for the purpose of generating income for the support of the institution. The principal or corpus of the fund may not be spent. “Endowment fund” includes “quasi-endowment fund”.

Endowment fund corpus means an amount equal to the endowment challenge grant or grants awarded under this part plus matching funds provided by the institution.

Endowment fund income means an amount equal to the total value of the endowment fund established under the grant minus the endowment fund corpus.

Quasi-endowment fund means a fund which the governing board of an institution or foundation establishes to function as an endowment in that the principal is to be retained and invested. However, the entire principal and income may be spent at any time at the discretion of the governing board.

(Authority: 20 U.S.C. 1065)

[49 FR 28521, July 21, 1984, as amended at 52 FR 11258, Apr. 8, 1987; 52 FR 36375, Sept. 28, 1987; 58 FR 11163, Feb. 23, 1993]

Subpart B—What Type of Grant Does the Secretary Award Under the Endowment Challenge Grant Program?

§ 628.10 What are the characteristics of an endowment challenge grant?

Each endowment challenge grant awarded by the Secretary under this part—

(a) Must be matched by the institution receiving the grant with one dollar of non-Federal funds for every two dollars of Federal grant funds;

(b) Must be invested by the institution; and

(c) Must have a duration of 20 years.

(Authority: 20 U.S.C. 1065)

[58 FR 11163, Feb. 23, 1993]

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Subpart C—How Does an Eligible Institution Apply for an Endowment Challenge Grant?

§ 628.20 What shall an applicant include in an application for an endowment challenge grant?

An applicant shall include in its application the amount of the endowment challenge grant it is requesting, a description of its short-term plan and long-term plan for raising and using endowment challenge grant funds, and information sufficient for the Secretary to—

(a) Evaluate the application under the selection criteria set forth in § 628.31 and the priorities set forth in § 628.32; and

(b) Determine whether the applicant will administer the endowment challenge grant in accordance with the regulations in this part.

(Approved by the Office of Management and Budget under control number 1840–0531)

(Authority: 20 U.S.C. 1065)

[49 FR 28521, July 21, 1984, as amended at 52 FR 11258, Apr. 8, 1987; 58 FR 11163, Feb. 23, 1993; 59 FR 46175, Sept. 7, 1994]

Subpart D—How Does the Secretary Award an Endowment Challenge Grant?

§ 628.30 How does the Secretary evaluate an application for an endowment challenge grant?

(a) In evaluating an application for an endowment challenge grant, the Secretary—

(1) Judges the application using the selection criteria in § 628.31 and the priorities in § 628.32;

(2) Gives, for each criterion and priority, a score up to the maximum possible points in parentheses following the description of that criterion or priority; and

(3) Gives up to 130 total points, 90 points maximum for the criteria in § 628.31, and 40 points maximum for the priorities in § 628.32.

(b) In selecting recipients for grants, the Secretary follows the procedures in