



BOARD OF REGENTS

SUMMARY OF ITEM FOR ACTION, INFORMATION OR DISCUSSION

TOPIC: UMB Request to Convert Loan Funds to Scholarships

COMMITTEE: Committee of the Whole

DATE OF COMMITTEE MEETING: June 10, 2016

SUMMARY: The University of Maryland, Baltimore is requesting approval to convert selected loan funds to scholarship funds as part of an ongoing effort to eliminate loan funds, which are difficult to administer, while still ensuring that the donations are used to directly benefit students.

ALTERNATIVE(S):

FISCAL IMPACT:

CHANCELLOR'S RECOMMENDATION:

COMMITTEE ACTION:

DATE: 6.10.16

BOARD ACTION:

DATE:

SUBMITTED BY: Leonard Raley, lraley@usmd.edu, 301-445-1941

May 18, 2016

Mr. James L. Shea
Chair, University System of Maryland Board of Regents
3300 Metzert Road
Adelphi, MD 20783

Dear Mr. Shea:

On behalf of the University of Maryland School of Dentistry, I seek permission from the University System of Maryland Board of Regents to change the purpose of two quasi-endowed funds held at the Common Trust. Because quasi-endowments are restricted not by the donor, but by the governing board, as fiduciary for the Common Trust, I believe the Board of Regents has the authority to approve these changes.

In the past two years, fundraising efforts at the University of Maryland, Baltimore have focused on providing more philanthropic financial aid to offset the burdensome debt our students acquire. Part of that effort has included a review of student loan funds, most of which were established prior to 1995 and sadly, remain unused. Students have no desire to accumulate more loan debt, so outright scholarships are a much more attractive option. And, because we have only a handful of loan funds (less than 10 university-wide), our unit finance offices find the loan collections process cumbersome and impracticable to administer.

With that in mind, I am hopeful the Board of Regents will approve this request to change the purpose of two quasi-endowed Common Trust funds from student loans to outright scholarships.

The Clyde Virginius Matthews Memorial Loan Fund was established in 1971 by bequest from Mrs. Sydney Weatherall Matthews as a memorial to her late husband, Clyde Virginius Matthews, the first Professor of Histology at the Dental School. Mrs. Matthews' Will declares that "the principal and income of said sum to be used as the Dean of the Dental School of the University of Maryland may determine to aid needy students at such schools, and I request but do not require that only the income be so used." Changing the purpose to scholarship would not negate Mrs. Matthews' intention of assisting needy students; in fact, it would assist our dental students to an even greater degree.

Mr. James Shea
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The Carl H. and Etta C. Stoetzer Dental Educational Fund was also established in 1971 by a bequest from Carl H. Stoetzer. While Mr. Stoetzer directed that the gift be endowed by the Board of Regents and suggested that students repay the "scholarships," his Will goes on to state: "I specifically vest in the Board of Regents, however, the authority and discretion to determine the conditions upon which such scholarship shall be granted and to vary and change such conditions from time to time." We would honor Dr. Stoetzer's request that scholarships be awarded to "needy or worthy" students who have completed their first year of study and have demonstrated academic achievement.

The documentation establishing both quasi-endowments is included. I hope the Board of Regents will approve the University's request to change the purpose of these two funds from student loan to scholarship.

If you require additional information, please do not hesitate to contact me. I look forward to hearing the Board's decision.

Sincerely,



Michael B. Dowdy
Vice President, Development and Alumni Relations

August 12, 1970

Dean John J. Salley
School of Dentistry
University of Maryland
Baltimore Campus

Dear Dean Salley:

I have obtained a copy of the Last Will and Testament of Sydney Wetherall Matthews which discloses that Mrs. Matthews bequeathed to the Board of Regents of the University of Maryland the sum of five thousand dollars (\$5,000) as a memorial to her late husband Clyde Virginius Matthews, the first Professor of Histology at the University. Mrs. Matthews' Will declares that "the principal and income of said sum to be used as the Dean of the Dental School of the University of Maryland may determine to aid needy students at such schools, and I request but do not require that only the enclosed be so used."

I shall inform you as soon as I obtain information as to when the bequest will be distributed to the University.

Very truly yours,

Estelle A. Fishbein (Mrs.)
Assistant Attorney General

EAF: jmp

cc: Mr. Cisse

SEARCHED
SERIALIZED
INDEXED
FILED
AUG 12 1970
FBI - BALTIMORE

BEQUEST OF SYDNEY W. MATTHEWS

The University has received notice of a bequest to the School of Dentistry under the Will of Sydney W. Matthews which provides as follows:

"THIRD * * *

"16. To the Board of Regents of the University of Maryland as a memorial to my late husband Clyde Virginus Matthews, who was the first Professor of Histology at the University of Maryland, the sum of Five Thousand Dollars (\$5,000.00), the principal and income of said sum to be used as the Dean of the Dental School of the University of Maryland may determine to aid needy students at such School, and I request but do not require that only the income be so used."

IT IS RECOMMENDED THAT the Board of Regents indicate its acceptance of this bequest and approve its use as a loan fund for needy students in the School of Dentistry as recommended by Dean John J. Salley.

Aug 17 1971

#0061

OFFICE OF

BURCH
GENERAL



HENRY R. LORD
NORMAN POLOVOV
ATTORNEYS AT LAW

Legal Staff
Committee
9/17/71

THE ATTORNEY GENERAL

ONE SOUTH CALVERT STREET

14TH FLOOR

BALTIMORE, MARYLAND 21202

301 382 3737

August 17, 1971

Dr. Wilson H. Elkins, President
University of Maryland
College Park, Maryland 20742

Re: Bequest of Carl H. Stoetzer

Dear Dr. Elkins:

I have been informed by the trustees under the Will of Carl H. Stoetzer of a specific legacy in the amount of \$25,000 to the Board of Regents of the University of Maryland for the use and benefit of the Dental School. The text of the bequest is as follows:

"SEVENTH: I also direct that my Trustees shall pay the sum of Twenty-Five Thousand Dollars (\$25,000.00) from the assets of the trust estate then remaining in their hands unto the BOARD OF REGENTS OF THE UNIVERSITY OF MARYLAND, for the exclusive use and benefit of the Dental School at said University. I direct that said Board of Regents shall cause this amount to be set up as a separate endowment fund or held as a part of the existing endowment funds of said University and invested and reinvested from time to time by said Board of Regents. The net income therefrom shall be used for the establishment of such number of scholarship grants as the income may from time to time permit, to assist as many needy or worthy students as possible in pursuing their professional studies at the Dental School of the University of Maryland." It is my suggestion that the students receiving such scholarships shall be selected from among those who have completed their first year of study, in order that funds may be made available to students who have demonstrated their scholastic ability, and will thus be assured of continuing their studies toward the completion of their professional training. I further suggest that scholarship grants shall be awarded upon the condition that funds paid to each student shall be repaid to the

Board of Regents of the University of Maryland within five (5) years from such student's graduation, with interest at the rate of two per cent (2%) per annum. I specifically vest in the Board of Regents, however, the authority and discretion to determine the conditions upon which such scholarships shall be granted, and to vary and change such conditions from time to time." I direct that the fund thus created shall be known as the "CARL H. AND ETTA C. STOETZER DENTAL EDUCATIONAL FUND."

I can see no legal objection to the acceptance of this legacy if the Board of Regents is willing to establish the "Carl H. and Etta C. Stoetzer Dental Educational Fund" under the conditions specified. In that event, I would suggest that a resolution be placed in the minutes of the Board indicating its acceptance of the legacy under the terms stipulated. Also, in the event of acceptance, the enclosed release should be executed by Dr. Kaplan and notarized and returned to me.

Very truly yours,

Estelle A. Fishbein

Estelle A. Fishbein,
Assistant Attorney General

EAF:k

cc: Dr. Albin O. Kuhn
Dr. John J. Salley
Mr. C. Wilbur Cissel
Mr. Elwood C. Hewitt

Enclosure