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ENDOWMENT FUNDS IN HIGHER EDUCATION INSTITUTIONS: FOREIGN AND DOMESTIC EXPERIENCE

Annotation. The essence of endowment funds, their place in the practice of functioning of foreign and domestic higher education institutions was considered. Problems of endowment development in Ukraine and conditions for their solution were identified.

Keywords: ENDOWMENT FUNDS, CHARITY, HIGHER EDUCATION INSTITUTION, TARGET CAPITAL, INVESTMENT.

Basic scientific results. Endowment funds or trust funds are funding that operate in non-profit organizations. Endowment funds are created through charitable contributions, which are made in the form of cash or securities for the purpose of generating income, and are deposited with a bank or non-banking financial institution.

Endowment funds are characterized by a number of features that distinguish them from ordinary charities:

1. Target character - the financial resources raised are used for educational, research or other projects of public importance.
2. Investment of endowment funds' capital has a long-term character and only profits obtained from investments are used for implementation of projects.
3. The high level of transparency is ensured by not managing the received funds independently, but with a professional management company; in addition, the fund is obliged to report on the movement of financial resources at the request of each benefactor.

Endowment funds are traditionally established in the fields of education, science, healthcare, social support, culture, etc. Foreign practice of using endowment funds in higher education institutions is quite long - more than five hundred years. Today, endowment funds account for 25% to 45% of the total budgets of foreign HEIs.

Endowment fund units in the USA are concentrated at Harvard University (over 38,3 billion dollars), Yale University (31,2 billion dollars), Princeton University (18,2 billion dollars) and Stanford University (18,7 billion dollars). Overall, there are more than 800 endowment funds at universities and colleges in the US. In the UK, the largest endowment funds have been established at Oxford (4,1 billion dollars) and Cambridge (3,2 billion dollars) Universities.

The Nobel Endowment Fund, which funds awards to scientists and public figures (one premium is at least \$1 million), is internationally renowned, The endowment funds have an accumulated share of about 500 million - almost double the amount of the initial capital.

The Economic Strategy of Ukraine 2030 developed by the Ukrainian Institute of the Future considers endowment funds as a mechanism for financing domestic universities, which can be replenished by their alumni, industry and professional associations, and private investors [1].

As of today, endowment is not widespread in Ukraine. The first endowment fund was established at the Institute of International Relations of the Taras Shevchenko National University (2013). The interest generated by the fund's capital is used to develop the institute's infrastructure, provide tuition assistance to students and postgraduates, pay bonuses to teachers, etc. [2].

The University of Banking has an endowment fund called "Banking Education and Science Development Fund", whose key features have been identified as creating an alternative to budget financing, increasing the level of financial sustainability, expanding investment opportunities. The structure of the endowment fund is as follows: passive income - 95 UAH thousand, charitable contributions - 64 UAH thousand, non-repayable financial aid - 386 UAH thousand. [3].

The problems, solving which will allow creating favorable conditions for development of endowment in the field of education in Ukraine are:

- improving the legislative framework for endowment funds, eliminating the existing shortcomings in the regulation of their activities;
- overcoming the crisis situation connected with the pandemic, which led to the deterioration of charitable sentiments in the society;
- raising the level of charitable culture among the population through education;
- active dissemination of endowment experience in higher education institutions of Ukraine and foreign EHEs.

Conclusions. Supporting and investing in the development of higher education institutions in the form of endowment funds is an established global practice. Ukraine needs to introduce the best international practices, possibly by involving successful and financially stable companies with a clear awareness of their own social responsibility in the endowment fund processes.

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