Top rankings and achievements

- South Carolina’s flagship university has reached record enrollment, added faculty, hit fundraising marks, built up its endowment, and had its most successful run in athletics.
- Graduate rankings are essential in determining a university’s standing. U.S. News and World Report gives the College of Education a No. 5 ranking for selected graduate education programs and names seven other graduate programs—business, library science, public health, criminology and psychology—among the nation’s best.
- The National Research Council has ranked our Electrical Engineering department first in the South, and seventh in the nation among public and private in program quality.
- University 101 earned Carolina a spot among the best first-year experiences in the nation in the “America’s Best Colleges” guide.
- Carolina Honors College was ranked No. 1 in the nation in the 2012 “Review of Fifty Public University Honors Programs.”
- For the 17th year, the Darla Moore School of Business remains the premiere undergraduate school of international business and continues to attract extremely bright students from around the globe.
- For the sixth-consecutive year, South Carolina leads the Southeastern Conference by placing 97 student-athletes on the league’s First-Year Academic Honor Roll.
- Annual contributions have risen by about 40 percent, approaching $150 million last year, while the school’s endowment has grown 39 percent since 2009.
- After falling sharply for a few years, USC’s state funding has risen slightly over the past two years as money has been added for new programs to make college more accessible, such as the online Palmetto College and expanded summer semester.
State Appropriations

For the 2014 fiscal year, state appropriation changes include recurring funds for Palmetto College and new recurring funds for parity for the three comprehensive campuses at Aiken, Beaufort and Upstate. Additionally, one time funding of $2.5M was provided to USC Columbia to advance the On Your Time Graduation Initiative. All campuses received funds for deferred maintenance from the South Carolina Education Lottery. These non-recurring funds total $5,471,533 for this year. Federal grants and contracts are expected to be reduced due to the ongoing impact of Sequestration. Auxiliary enterprises are up slightly, driven by increases in ticket prices and sales for USC Columbia athletics. Revenue for Housing at the Columbia campus is expected to be down slightly as the nearly 550 beds in the Women’s Quad are offline for renovation. Tuition and fees will increase due to an average 3.15% tuition increase across the system and the larger freshman class expected at USC Columbia.

Tuition and Fees
$597,373,652 – 46.8%
Grants, Contracts and Gifts
$340,578,124 – 26.6%
Sales and Services - Auxiliary Enterprises
$164,575,070 – 12.9%
State Appropriation
$137,486,275 – 10.8%
Sales and Services - Educational and Other Sources
$37,346,787 – 2.9%

System Total
Current Funds Budget
$1,277,359,908

How does your endowment grow?

As the benefactor of an endowed fund, you are aware of the great impact your fund has had on University of South Carolina students and faculty. Your generosity has affected the lives of many, and for that we are extremely thankful. To ensure that future generations can continue to receive the wonderful benefit of your generosity, we offer the following vehicles to help grow your endowment.

Cash

Additional contributions may be added to your fund by anyone at any time. Honorary and/or memorial gifts may be directed to your fund to increase the principal. Gifts may also be made directly to the annual spendable amount to increase the benefit for any given year(s).

Matching gift

Many companies have matching gift programs available to employees. These matches increase the overall impact of your personal gift and can make the difference for many of our students. Questions about matching gifts should be directed to Advancement Services at 803-777-7190 or at scgift@mailbox.sc.edu.

Stock gift

A contribution of long-term appreciated securities, either publicly traded or from a closely held company, may provide you with greater tax advantages than a gift of cash. You may deduct the current fair market value as a charitable gift and avoid capital gains tax on the appreciation. Questions about gifts of stock should be directed to Advancement Services at 803-777-7190 or at scgift@mailbox.sc.edu.

Planned gift

You might wish to consider making a planned gift that benefits you and the University of South Carolina. There are many gifts available that can be customized to meet your needs. Questions about planned giving should be directed to the Office of Gift Planning at 803-777-4196 or at giftplan@mailbox.sc.edu.

USC Foundations Pooled Portfolio Allocations

Asset Allocation at June 30, 2013

<table>
<thead>
<tr>
<th>Composite</th>
<th>Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large Cap Composite</td>
<td>$137,265,281</td>
</tr>
<tr>
<td>Small Cap Composite</td>
<td>$31,445,250</td>
</tr>
<tr>
<td>International Equity Composite</td>
<td>$63,366,525</td>
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<tr>
<td>Fixed Income Composite</td>
<td>$41,349,288</td>
</tr>
<tr>
<td>Hedge Fund Composite</td>
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</tr>
</tbody>
</table>

For additional information, visit the USC Foundation Web site at www.sc.edu/foundations.
What is an endowment, and why are they so important?

An endowment is an investment in the future of the University of South Carolina. It is a permanent gift that provides one of the most secure sources of future revenue for this university to have leading-edge research and vital support for students, faculty and programs. Endowments are the most lasting way a donor can give. They forever benefit the mission of the university and ensure excellence in perpetuity.

Endowment funds are managed to provide a permanent source of income to support the educational mission of a college or university. The endowment, a set of pooled assets, is generally composed of many individual funds and is invested in a purposeful and accountable manner to generate income that will honor the donors’ intended purposes for their gift.

How is the spending allocation determined?

Once your endowment is fully funded and invested for at least one fiscal year, an annual spending allocation will be calculated for your fund. Waiting at least one fiscal year allows your endowment to earn investment returns to support spending and increases the probability of an annual increase in the amount available to spend from your endowment. If, during the first year of eligibility, the endowed gift does not exceed the original amount, then no initial spending allocation is allowed.

The annual spending allocation is based on a predetermined rate applied to the average balance of your endowment and is limited to available investment return. The current spending rate is 4.5 percent. The average balance of your endowment is calculated using the previous balances for up to 36 months. This averaging helps smooth the effects of market fluctuations. Unused spending allocations are carried forward to be used in subsequent years. Investment return in excess of the spending allocation is retained within the endowment, increasing its size over time and, therefore, increasing the amount of support generated for the donor’s specified program.

How does the market affect my endowment account?

The amount of earnings added to the fund fluctuates with the markets. Although the portfolio is well diversified, some investments might occasionally lose value. The spread of the investment allocation helps to compensate for losses by a particular style of investment and takes advantage of earnings that can be realized when an investment style is in favor with the market.

What are the minimum gift amounts for endowed funds?

A minimum of $25,000 is required to create an endowed fund; endowments can be established with as little as $5,000 at other USC campuses. Some examples of minimum guides for named endowed funds are:

Scholarship: $100,000  Chair: $1.5 million
Fellowship: $100,000  Department: $3 million
National Merit/Achievement Award: $150,000  Deanship: $5 million
Carolina Scholar Award: $300,000  College or School: $10 million
Professorship: $500,000

Glossary of Terms

Market Value represents the actual worth of the endowment fund invested in the general endowment pool as of the specified date.

Gifts Received reflects the sum of all gifts received into the fund during the fiscal year (July 1 to June 30).

Net Investment Income/(loss) is what an investment company receives in capital gains, dividends and interest payments, less administrative fees.

Distributions are the award amounts that were distributed to beneficiaries (as specified by the donor in the endowment agreement) during the prior fiscal year.

Total Market Value represents the total of the dollars invested plus investment earnings and appreciation, less distribution.

Funds Available for Spending are the award amounts available for distribution to beneficiaries (as specified by the donor in the endowment agreement) during the current fiscal year.

Contact Information

We strive to be good stewards of the gifts that you have invested in USC. If you have any questions about this report, or would like to update your personal information, please contact Debbie Bass, Assistant Director of Donor Relations, 1600 Hampton Street, Seventh Floor, Columbia, SC 29208, at (803) 777-7964 or bassdh@mailbox.sc.edu.

The University of South Carolina does not discriminate in educational or employment opportunities or decisions for qualified persons on the basis of race, color, religion, sex, national origin, age, disability, genetics, sexual orientation or veteran status. 1982 USC 10/13