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THE ROLE OF ENDOWMENT FUNDS IN THE FINANCIAL SECURITY OF HIGHER EDUCATION INSTITUTIONS

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Abstract. *The article provides a theoretical justification of the role of endowment funds in financing higher education in Ukraine. The advantages, main problems and recommendations regarding their active distribution of this source of financing in the activities of domestic universities are highlighted.*

Key words: *endowment funds, institutions of higher education, endowment capital funds, endowment capital, financing.*

The article is devoted to the substantiation of the role of endowment-funds in the processes of development of higher education in Ukraine and highlighting recommendations for the active spread of this source of funding in the activities of domestic institutions of higher education.

Based on the analysis of well-known approaches in the scientific literature to the study of target capital, it is proposed to consider the essence of endowment-funds as accumulation and distribution funds, in which voluntary donations from donors are formed and their transformation into target capital by transfer to trust management with subsequent placement in investment assets, as well as the use of the received income to finance the continuous activities of non-profit organizations and cover the administrative costs of managing these funds. According to the directions of operation and specifics of endowment-funds, their functions are distinguished: accumulative,

transformational, protective, investment, operational, social, guarantee, promotion-image, moral-psychological functions and the function of ensuring organizational development. The basic transformative function is highlighted, which consists in the fact that the investment resources transferred to the ownership or use of the endowment fund, through their investment in market assets, bring investment income that is spent on its current activities.

The problems that hold back the processes of creating endowment-funds as a tool for additional financing of higher education in Ukraine have been identified: the lack of experience in the majority of Ukrainian universities in terms of creating and managing their activities; lack of formation of charity culture and traditions in Ukraine; weak desire of citizens and businesses to participate in the creation and filling of endowment-funds; the imperfection and incompleteness of the legislative regulation of the process of creation and

activity of these funds; lack of clearly developed and approved tax benefits and preferences for donors and founders of endowment-funds; the closed nature of the activities of the created endowment-funds, the lack of transparency and publicity in the coverage of their activities; lack of stable economic conditions and proper infrastructure that would contribute to the effective formation and functioning of endowment-funds in Ukraine.

The author's recommendations regarding the activation of the processes

of creation and functioning of endowment-funds in Ukrainian universities are highlighted. It is proposed to develop and adopt the Law of Ukraine "On the procedure for the formation and use of target capital of non-commercial organizations". A set of measures aimed at popularizing the idea of creating endowment-funds by universities and forming a culture of philanthropy in Ukraine is given.

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