

## FUNDS POLICY

<b>Policy Approved by</b>	Management
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### Purpose

The UND Alumni Association and Foundation (the UNDAAF) establishes and manages funds according to the following policy approved by the UNDAAF's Management Team.

### Donor Gift/Philanthropic Funds

The UNDAAF promotes, accepts, and manages private gifts for the benefit of the University of North Dakota ("UND"). The UNDAAF recognizes the importance of private gifts in providing UND colleges and departments the flexibility needed to achieve strategic objectives. The UNDAAF solicits, receives, records, and administers private gift funds in collaboration with UND. Both have a fiduciary responsibility to donors to ensure that funds are utilized in accordance with the terms and conditions of gifts.

### Types of Funds

1. **UND Annual Impact Fund**  
Unrestricted gifts provide the greatest flexibility for UND to meet today's most immediate needs. Annual gifts are an embedded part of this university's spirit, providing the resources necessary to achieve new levels of distinction. UND's margin of excellence is funded each year with your gifts to the UND Annual Impact Fund.
2. **Annual Excellence Funds**  
Colleges and units look to these gifts to fund their most immediate strategic needs and respond to new opportunities that arise during the year. When you give to college and unit excellence funds, you are supporting the innovative, creative and entrepreneurial spirit that abounds on campus.
3. **Program Funds by College and Unit**  
Funds spent from these accounts must conform to the specifications made by the donor.
4. **Student/scholarship funds**  
UND is committed to success for students through the power of scholarships. Donations to these funds provide awards that are impactful to increase students' chances of academic and financial success.
5. **Facility funds**  
Contributions go directly to support new or improved infrastructure on campus to keep UND a premier campus.
6. **Educator funds**  
UND is committed to excellence in higher education at all levels.

## 7. **Endowment Funds**

Endowments are gifts that keep on giving. Endowments are permanently invested by the UNDAAF generating a payout that is used for the purpose the donors choose to support—scholarships, graduate fellowships, research, libraries, lectureships, programs, and much more.

## 8. **Donor Advised Funds**

Designed for individuals who make substantial gifts and have varied philanthropic interests. The donors advise the UND Foundation of gifts they would like to make to eligible charities including the University. Annually 51% of grants have to be to UND causes. The Foundation handles all payments and administration, providing full documentation to donors and the charitable organizations that benefit from their gifts.

# **Guidelines for Fund Establishment**

## ***Donor Funds***

1. Non-Endowed named funds can be established for scholarships. Non-endowed named funds for other purposes may be established with the approval of the UNDAAF's CFO.
2. The minimum needed to establish an annual named scholarship is \$1,000 and have a minimum commitment of five years. A gift agreement must accompany the fund agreement showing the five-year commitment.
3. All scholarship criteria must be approved through the Finance Department to ensure the scholarship can be awarded.
4. The fund will not be invested or earn interest.
5. The agreement states that if no funds are received in a three-year period, any remaining balance will be spent for purpose and the fund will be closed.
6. Gifts to non-endowed funds are subject to the Organization's Development Reinvestment Fee policy.
7. The Internal Revenue Service does not allow a charitable tax deduction if the donor retains "control" over the gift or how it is used. Therefore, a donor may not participate in the final selection of scholarship or award recipients, name an individual to the scholarship committee, or structure the criteria so narrowly as to limit selection to a small population comprised solely or primarily of individuals related to the donor.
8. UND Student Financial Aid will make the final scholarship recipient selection. Recipient selection will be based upon the requirements listed on each fund agreement.
9. Publicity regarding the fund may be released to the public unless the donor stipulates otherwise.
10. The Colleges and departments are informed of new funds established by donors on a monthly basis. Finance includes the details of funding in the email.

## ***College/Department Funds***

1. If a college or department wishes to set up a new fund the following guidelines must be followed:
  - a. No fundraising may take place before approval and establishment of the fund at the UNDAAF.
  - b. A fundraising initiative must be approved first by the Dean of the College or appropriate VP. Final approval will be made by the UNDAAF's Chief Development Officer and the UND Provost.
  - c. There must be a unique purpose and a reasonable expectation of additional gifts or material activity in the fund.

## Non gift Deposits

Deposits generated and received by a UND department should not be deposited at the UNDAAF. The purpose of the UNDAAF is to receive gifts and the UNDAAF is not the appropriate entity to receive revenue for academic activities or programs. Accounts for such activities should be set up through the University. However, gifts of support made to the UNDAAF can be used to reimburse such accounts.

## Guidelines for Fund Disbursements

UND employees should consider that all expense disbursements are subject to public scrutiny and that spending activity is available to donors

### UND Responsibility for Oversight

Generally the Dean of the appropriate academic unit, the Vice President of a University Division, or other similar academic or administrative leader who is responsible for an area of the University will designate an administrator for philanthropic fund oversight. These individuals are responsible for insuring that all requested disbursements from UNDAAF funds are in accordance with the fund guidelines and the donor's restrictions. Specific responsibilities of UND administrators include:

1. Be familiar with governing donor documents;
2. Review all forms requiring signature and submitting them to the University or UNDAAF Office for processing on a timely basis;
3. Abide by UNDAAF and University policies and procedures;
4. Review balances to ensure appropriate management of the funds;
5. Ensure that the funds available for expenditure each year are spent (if possible) before the end of the fiscal year for the appropriate and strategic purpose;

There are two ways to spend out of UNDAAF Funds:

- **INDIRECT** - Paid directly by UND, and then reimbursed by the UNDAAF fund To utilize this method, the expenditures must comply with UND policies for allowable expenditures. This arrangement allows a systematic transfer of funds between the UNDAAF and UND, whereby the UNDAAF reimburses the University accounts on a regular basis. The expenditures are subject to University controls, shall be spent in accordance with the University guidelines, and be in compliance with donor restrictions.
- **DIRECT** - Directly paid by the UNDAAF [NOTE: only for allowable expenses which cannot be paid by the University]

### Direct UNDAAF Payments

Payments for University business that are not able to be paid directly through UND may be paid directly from UNDAAF funds if the payment is allowable. To be allowable:

1. The expense must be for University business
2. A business purpose must be clearly stated on the Request for Payment form (RFP)
3. Payment must comply with the restrictions and conditions placed upon the funds by the donor
4. Appropriate approvals must be documented on the RFP.
5. Any reimbursement to an individual must be signed by the individuals supervisor ( or equivalent)
6. Additional RFP approval is required for requests of \$2,500 and over
7. For UND President funds:
  - ❖ **UNDAAF Payments on behalf of the University President from priority needs funds**

Payments over \$500 to be made to or on behalf of the University President from funds designated to the UND Presidents office should be signed by (or approved by) the VP of Finance) and Operations. This oversight ensures that expenses paid from the UNDAAF are aligned with overall University business and that the institution is aware of expenditures.

❖ **UNDAAF Payments on behalf of the University President from board designated fund - 69984**

Payments over \$500 to be made to or on behalf of the University President from The UNDAAF board designated fund should be dual signed ( or approved by) the UND VP of Finance and Operations.

Expenses from this fund include travel and other expenses the President incurs in fundraising activity as well as other University business. This dual oversight ensures that expenses paid from this fund are appropriate and relevant for the related activity.

- This fund activity is reported to the board of directors annually

❖ **UNDAAF Payments from the UND Annual Impact Fund - 64572**

Payments are for priority programs at UND. Expenses from this fund must be dual signed (or approved by) from the UND President and the UND VP of Finance and Operations.

### **Non Allowable UNDAAF payments**

The following types of expenditures are not allowed to be paid from UNDAAF funds:

1. Any payment in conflict with existing law, stature, or regulation applicable to gift funds
2. Direct payment to any student or University employee other than a reimbursement of allowable expenses. Gift cards to students or UND employees are not allowable.
3. Personal expenses including but not limited to: travel, lost departmental key replacement, parking permits for UND staff, faculty, or students or any expense that might otherwise be deemed compensation if paid directly by the University.
4. Gifts made to University personnel except in recognition of retirement from the University (Max \$400)
5. Payment of fines imposed for violations of local, state, or federal law, including but not limited to parking or other traffic tickets of UND employees or students.
  - a. Any expenditure which does not comply with IRS regulations as an allowable business expense.
  - b. Unreasonable travel as defined by the IRS( example: first class airfare vs coach)
  - c. Expenditures for personal portions of a business trip such as entertainment
  - d. Charitable contributions made to entities or individuals external to the University
  - e. Any payment from a fund that does not follow the donor's restrictions.

**The UNDAAF's CEO can authorize or deny any payment requests for University expenses. Any exceptions to the above policy will be reviewed by the UNDAAF's CEO or CFO.**

### **How to fill out an UNDAAF Request for Payment Form**

- Please provide the complete Name, Address, Tax ID # or Social Security # for the Vendor. (expense reimbursements do not require SSN)
- Please check appropriate box if the person being paid is a UND Faculty/Staff or a UND Student.
- Check the appropriate box for how you want a check delivered. (Allow 3 to 5 business days for completion of payment)

- The address to submit paperwork is:  
     UND Alumni Association and Foundation (Attn: Finance Department)  
     3501 University Ave, Stop 8157
- Or paperwork may be submitted electronically by email to: [payrequest@undfoundation.org](mailto:payrequest@undfoundation.org)
- Include where indicated, requesting dept, stop #, authorized name & phone # and signature.
- The signature should match the typed/printed authorized name.
- Additional approval is required for requests of \$2,500.00 and over and any reimbursement to an individual must be signed by the individual's supervisor (or equivalent).
- Original receipts are not required. All receipts that are not full sheets of paper are to be photocopied onto one sheet, (more than one receipt can go on each sheet).
- If the form is not completed properly, the form will be returned with an explanation.
- Requests for individual reimbursement payments must be at least \$25. If possible, save several invoices and submit them on one form. This minimum will not apply for payments to a business.
- Submit the completed form with proper supporting documentation and signatures along with either the original vendor invoice and one copy, or two copies to our office. We would like to encourage departments to submit electronic Requests for Payments along with supporting documents to [Payrequest@undfoundation.org](mailto:Payrequest@undfoundation.org). Electronic submissions are not required.

### **Split Invoice Process**

When a vendor will be paid by both a UNDAAF Fund and a UND Fund, the portion paid by the UNDAAF Fund must be submitted on a separate UNDAAF Request for Payment Form. A copy of the vendor invoice, the UND voucher and/or any other documentation must be attached to UNDAAF Request for Payment Form. The original vendor invoice and the UND voucher, however, must be submitted to UND Accounting Services.

If the UNDAAF Request for Payment contains an over per diem amount, be sure the per diem is figured correctly. If you are unsure of the per diem, submit your invoice to UND Accounting Services first in order to verify the amount you are sending to the UNDAAF for reimbursement. The UNDAAF does not have a per diem on expenses.

### **Faculty and Staff Gifting Policy**

University faculty and staff are encouraged to make gifts to the University through the UNDAAF. To avoid any perception that their gift is being used to support a program over which they have discretion, the UNDAAF will not issue a gift receipt if the donor has expenditure control. Gifts may be made to support any endowment, scholarship, or other restricted fund outside their area of supervision.

The UNDAAF is responsible for determining whether a donation to UND may be counted as a gift in conjunction with the IRS code which defines the conditions under which any donation may be taken as a deduction for income tax purposes. The following each have elements of private benefit and are not considered to be charitable contributions for which charitable receipts are issued.

#### **Examples where funds given would not be considered gifts**

- Funds to support the salary of the donor or employees of the donor
- Funds to pay for travel by the donor
- Financial aid to a specific student
- Compensation for a named faculty or staff person
- Funds directed for the purchase of equipment, or furnishings for offices or laboratories of specified individuals or for their travel or sponsored activities
- Gifts to a fund over which the donor has expenditure control.