Foundation Account Policies and Procedures

OBJECTIVE:

The University of West Georgia Foundation is a tax-exempt charitable organization under Section 501(c)(3) of the Internal Revenue Code and a direct support organization of the University of West Georgia. The Foundation raises funds to provide the university with resources for scholarships and support to supplement its programs. Foundation accounts support the university in achieving its goals and its pursuit of excellence.

Foundation accounts may be established for expenditure of funds held by the University of West Georgia Foundation for support of university development, fundraising, or support group activities.

POLICY:

The Foundation has general spending guidelines and procedures to assist university employees with the administration and fiscal oversight responsibility for Foundation funds.

All persons administering Foundation funds will ensure the purpose of all expenditures is to benefit the university. In addition, payments from Foundation funds will be consistent with applicable donor intent and/or restrictions and comply with Foundation guidelines.

PROCEDURES:

The following sets forth the responsibility and authority of appointed Foundation account approvers and the guidelines to which they must adhere. Requests that do not adhere to the policies and procedures set forth by the Foundation will be denied and returned to the requestor.

Establishing New Foundation Accounts

A Foundation Account Application Form must be submitted to establish a new account. This form must be completed in full. Incomplete forms will be returned to the applicant. The donor’s wishes often provide the most important criteria for determining the fund name and account purpose. The account name is referred to in all donor acknowledgements and stewardship reports and, therefore, should clearly and concisely reflect the purpose and intent of the account. The account purpose should identify the type of activity the fund is intended to support. Be specific.

Once the application is approved and a new account has been established, a Foundation Account Verification Form must be submitted in order to begin using the account. The account name and purpose should match the information provided on the account application. An account number will be forwarded to the applicant once the account is approved. This number should be included on the Verification Form. A minimum of 2 approvers is required.

Authority and Responsibility

Each Foundation account must have a minimum of two approvers. Fund approvers are assigned in the department, college, or unit for which the account supports. Fund approvers are responsible for disbursing monies for the purpose intended by the donor. The Foundation Account Verification Form establishes the account approvers as well as the purpose of the account (refer to “Establishing New Foundation Accounts”).

In some cases, Foundation accounts are established for the general use of a given department, school, center or program with no specific donor restrictions. It is the account approvers responsibility to ensure the expenditures of such funds are reasonable and benefit the university. All funds shall be administered with due regard to conditions attached to the gift, in accordance with what is reasonable and equitable, and lastly, in the manner in which persons of ordinary prudence would act in the management of another’s property.
**Changing Existing Accounts**

All requests to modify or change the existing account name, department/division title, or purpose should be submitted using the Foundation Account Change Request Form.

A new Foundation Account Verification Form must be submitted to add or change account approvers. Any change to an account approver designation requires a new form with all applicable signatures as of the change date. Any previous Account Verification Forms on file will become void.

**Spending Available Funds**

**Deposits**

The Foundation processes all Foundation account deposits. Deposits must be sent to the Alumni House (Attn: Dale Duffey/Office Manager).

Funds deposited into Foundation accounts must be obtained exclusively from donations. Special rules apply for situations in which the donor receives items or services of value in exchange for monies given. Further information regarding deposits is available by contacting Wendy Cooley at 678-839-6582 or wcooley@westga.edu.

**General Disbursement Guidelines**

It is important for the Foundation to maintain a positive reputation for being a good steward of all donor funds. Therefore, expenditures must be:

- reasonable and beneficial to the university
- fall within the donor’s intent for the gift
- have a clear business purpose
- have written justification suitable for auditing purposes

Each account approver is responsible for ensuring that expenditures adhere to the purpose of the fund. It is extremely important that the fund purpose is followed in compliance with the donor’s intent. The purpose of account description is included on the Account Verification Form.

Departments should have controls in place to ensure proper use of funds. Department policies may be established at the discretion of the account approver; however such policies must not be in conflict with Foundation policy.

The Foundation is **not** exempt from GA sales and use tax. Sales tax must be included where appropriate on all expenses paid from Foundation funds. *Please contact the vendor, if necessary, to ensure sales tax is added to the invoice prior to submitting a payment request.* Payment requests submitted that do not include sales tax will be returned to the requestor for correction.

The account approver is responsible for ensuring the Foundation account has sufficient monies to cover disbursements. Requests from funds with insufficient available balances are subject to being returned without processing.

All requests for disbursement must follow Foundation policies and procedures and be submitted on Foundation forms. Proper documentation must be submitted with all requests along with written justification suitable for auditing purposes.

**Submitting a Payment Request**

All payment requests must be accompanied by receipts, invoices, and/or other pertinent documentation.
The Payment Request Form and all supporting forms, invoices, and receipts should be stapled together. It is not the Foundation’s responsibility to make copies of any documents meant to accompany checks mailed to vendors. Any remittance advice, order form, renewal form, invoice copy, or other relevant correspondence should be copied, attached and ready to be mailed with the check. A note should also be included on the “Special Instructions/Requests” line of the payment request form to ensure any necessary attachments are included with the check.

To ensure accurate processing, a Foundation Payment Request Form should be used. Forms from other university departments are not acceptable and will be returned to the requestor.

**Vendor Information** – The vendor is the individual, company, or institution receiving payment. The request must provide the payee’s complete name and complete permanent mailing address. Reimbursement requests should include a home or other permanent address (not a campus address). Reimbursement checks are sent through campus mail unless otherwise indicated; however, for auditing purposes a permanent address must be provided.

**Type of Purchase** – A brief 2-4 word summary should be indicated to ensure proper account coding. Examples include supplies, travel/lodging, membership dues, registration fees, meals expense, special events, etc… Reimbursements should be indicated as such.

**Purpose** – This section is vital for auditing purposes and must be detailed enough to explain the expense, its business purpose and benefit. The purpose of the request must be clearly stated and must conform to the account purpose.

**Approval** – All payment requests must be signed by an authorizer approver. These individuals are indicated on the Foundation Account Verification Form.

Once the Foundation receives the payment request, a check will be processed within 2-4 business days. Checks will be mailed directly to the vendor unless otherwise indicated. Employee and student reimbursements will be sent via campus mail unless otherwise indicated.

In the event that a check is needed immediately or by a certain date, please contact the Foundation in advance to ensure expedited processing. Please indicate if a check needs to be picked up at the Alumni House or mailed to a certain individual. Special requests or circumstances should always be indicated on the payment request.

**Reimbursements**

Requests for reimbursement **cannot** be approved by the individual making the request. Reimbursement requests must be approved by a university employee senior in job position to the individual submitting the request.

Itemized receipts should be submitted for reimbursement. Summary receipts that fail to list each item separately will not be processed, (e.g., restaurant receipts).

Primary reliance will be placed upon the sound discretion and judgment of account approvers regarding expenses for which reimbursement is sought in consideration with the account purpose and donor’s intent.

Receipts must be marked “PAID” if handwritten by the vendor.

Travel expense reimbursements should include a complete and concise description. Organize receipts by date and expense type. Detailed receipt information for meals and/or entertainment is required. Indicate the travel expense type if it is not clearly evident. Receipts in foreign currency must refer to the exchange rate used and have the U.S. dollar equivalent written on each. Attach a copy of your itinerary whenever possible. Travel forms that are required by other university departments are not necessary for travel reimbursements paid from Foundation funds.
Requests for event expense reimbursements relating to a reception or any gathering where food or refreshments are served should include details such as date, time and reason for the event.

**Petty Cash**

Reimbursements of less than $100 may be processed as petty cash through the Cashier’s Office.

The Cashier’s Office maintains a list of Foundation account approvers for verification purposes. Petty cash reimbursements bear the same documentation and approval requirements as normal Foundation payment requests.

The Foundation is billed on a monthly basis for petty cash transactions and any other campus charges (e.g., pub & print, mailing, and bookstore) incurred using Foundation account funds. Any discrepancies concerning the detailed transaction information for a specific charge may be resolved by contacting the Bursar’s Office.

**Fund to Fund Transfers**

A transfer from one Foundation account to another Foundation account may be initiated by submitting a Foundation Account Fund Transfer Request Form. An approval signature is required. Fund to fund transfers are subject to approval by the Foundation. Please note that fund to fund transfers only affect fund balances and do not impact donor records. If donor records need to be adjusted, contact the Office of Development and Alumni Relations for further assistance.

A Payment Request Form is required for transfers from a Foundation account to a university department account. The appropriate account code should be included with the vendor information and description provided on the form.

**Independent Contractors**

Payments for services must be made directly to the individual providing the service. For amounts paid above $600, an IRS Form 1099 will be issued by the Foundation to the recipient for income tax purposes. A vendor profile is required for all payees, including university employees. Checks will not be released if a completed form is not on file with the Foundation.

University employees and/or students receiving compensation for work performed payable through Foundation account funds are considered independent contractors and will receive a 1099 for amounts paid above $600.

**Gifts and Awards to Employees**

In accordance with IRS regulations, generally gifts to employees must have a value of $25 or less to avoid being taxable income to the employee. An IRS Form 1099 will be issued by the Foundation to applicable recipients for income tax purposes.

**Restrictions**

Disbursement requests for purchases of capital goods in excess of $1,000 per item must be reported to the Controller’s Office so that all appropriate equipment, etc. will be placed on the correct inventory lists.

Most Foundation accounts are classified as unrestricted funds. Unrestricted funds may be spent for a broad range of purposes that coincide with the donor’s intent and account purpose.

**Any questions or concerns regarding the policies and procedures outlined above should be directed to Renee Pritchett at (678) 839-4111 or rpritche@westga.edu**