

Foundation Disbursement Policy

Spending Policy - Money deposited in an account at the Foundation can be withdrawn or used for the same purposes (and only those) approved for college account disbursement, with one major exception - food purchases. When using a Foundation account to pay for travel, computer(s) or equipment, follow all college procedures (i.e., secure arrangements through Travel Office, secure IT department approval, secure a P.O. from Purchasing, etc.) and approval process. The Foundation will reimburse the college for the expenses once it has been through the system.

Account Purpose - Program/Academic Accounts and Scholarship Accounts

Scholarship Accounts (SFA) - These accounts are **accessed only by the Foundation and Financial Aid departments**. The computerized application and distribution system is used to gather applications, select and distribute funds. Payments are made to a student's college account, not directly via a check.

Program/Academic Accounts (ACA) - These accounts are accessed by departments/programs to support their academic purpose i.e. nursing, automotive, cosmetology, business, etc. A wide variety of items can be paid to support a program. Typically, they include purchase of machines, equipment, computers, materials, printing, salaries, etc. Payments of \$100 or greater are processed by completing a Check Request form (see College's forms page), with proper approvals.

Whenever possible, miscellaneous small value payments (total amount not exceeding \$100) should initially, be paid through the department's Fund 6 college account. The Foundation will periodically reimburse the respective Fund 6 account on a lump sum basis. The objective is to minimize the incidence of writing numerous checks for small value expenses.

Account Types - Endowed or Annual

Annual Accounts - Annual accounts are so named because they are generally replenished by a donor or funds gathered as a result of activities and deposited to the Foundation on a net basis- every year. There is no limit on the amount that may be expended from an annual fund other than the available balance of that fund. All spending must be in accordance with the purposes and restrictions established by the donor. If no restrictions exist, other than for a specific program or department, spending shall be by agreement with the department chair and the approval of the Dean, Vice President and/or Provost. - Use Check Request form.

Endowed Accounts - Spending from an Endowment account is not permitted to degrade the value of the endowed corpus relative to inflation. Therefore, an annual **spending authority** is calculated to support programs in accordance with donor intent, while preserving the long term purchasing power of the endowment. This policy is intended to benefit the current generation of students while promoting savings to benefit future generations. The spending authority is calculated annually and that is the **total** that can be spent from that fund for the year. Due to IRS and tax considerations, the Foundation operates on a calendar year - not academic.

Prohibited Expenditures - If the use of the funds is for a purpose that by statute, College policy, and/or established practice **is not permissible**, then the use of program funds from the Foundation is similarly not permissible. A few exceptions are listed below. **Examples of prohibited expenses are:**

1. In compliance with IRS regulations, no payments can be made from a Foundation fund directly to any **college employee** for services rendered to the college. Examples of this include faculty awards, honoraria payments, etc. The Foundation will reimburse the College for payment it authorizes, and the employee will be paid through the College payroll department.
2. Expenditures whose primary purpose is the convenience of faculty and staff:
 - a. Purchase of food for screening committee consumption during recruitment.
 - b. Purchase of refrigerators, microwave ovens and other kitchen-related items.
3. Payments to businesses or individuals for specific services rendered must be made directly to that party and not as reimbursement to a College employee.
4. Payments to political campaigns/lobbying costs etc.
5. Flowers.
6. Decorative items - (this includes lamps).
7. Trophies, plaques - following State Accounting guidelines recognition awards are only allowed as part of an annual recognition ceremony that is meaningful to the entire college.
8. First Aid Kits - (the exception is first aid kits required by law for programs such as Criminal Justice, Fire, EMT, EMS/Paramedics).
9. Promotional Items - (per a memo from Grace Truman 11/16/2006 and a memo from Mr. Becker 3/22/2005) CRM and Outreach/Recruitment should order general College giveaway items rather than individual programs purchasing giveaway items.
10. Kleenex - unless it is used in the classroom as a teaching item.
11. Garbage cans - this item is provided by the Facilities Department.
12. Cleaning items - hand sanitizer, cleaning supplies (other than monitor screen cleaners and phone cleaners), vacuum cleaners, Swiflers, brooms, mops, etc.

Exceptions to Prohibited Expenses - There are purposes permitted by the College for the expenditure of College funds for the professional development that are limited to full-time faculty and staff. College policy, however, does not permit the spending of funds from this source for adjunct and clinical faculty. By policy and custom, such expenditures are permitted for adjunct and clinical faculty from the Foundation. The limitations on amounts and uses for such expenditures are the same as they would be for fulltime faculty receiving support from College sources.

Food purchases are prohibited from the college but are allowed through the Foundation.

Direct, unrestricted donations for community agencies are not permitted. However, it is recognized that the College maintains relationships with a number of agencies and programs in the community and that, on occasion, disbursements may be made in accordance with the process described above for support for a program or activity that advances the College's education and service missions.

Approval Path

1. The path of approval for program and administrative expenditures from Foundation accounts will generally follow the College's approval path and move as follows:
 - a. Program Director
 - b. Associate Dean
 - c. Dean
 - d. Provost
 - e. Foundation Executive Director
2. Requests to the Foundation for travel for full-time faculty are an exception to policy, and must be approved by the Vice President for Academic Affairs.
3. Requests for the purchase of furniture and equipment through a Foundation fund must be reviewed and approved by the Vice President for Business and Administration.
4. Any expenditures of an unusual nature as determined by the Foundation Executive Director will be referred for approval to the Vice President for Business Administration.
5. When new programs or activities are being developed, the Foundation should be contacted prior to expenditure commitments to assure that the expenditures are permissible.

Check Request Forms - Requests for disbursements will be made on forms approved by the Foundation and available from the Foundation office and from the College's forms web page.

All requests will include:

1. A clear statement of the purpose of the expenditure.
2. Original supporting documents such as contracts, invoices, receipts etc.
3. Required approval and authorization.

While the Foundation will generally disburse checks on Friday of each week, there may be times when the College, Foundation, or Foundation staff's schedule does not permit Friday distribution. It is the responsibility of the requesting department to submit requests for payment on a timely basis.

Resources - [College Purchasing Procedures](#)