



FOUNDATION EXPENSE POLICY

Area:	University Advancement	Number:	
Subject:	Foundation Expense Policy	Issued:	April 1, 2014
Applies To:	Faculty, Staff	Revised:	July 24, 2015
Sources:	Advancement Services/Financial Services	Updated:	
Responsible Party:	Vice President for University Advancement	Page(s):	Page 1 of 7

I. Purpose

The Georgia Southern University Foundation exists in order to support Georgia Southern University in its endeavors by raising, investing, and distributing private dollars needed for the funding of programs, projects, scholarships, equipment, and buildings that serve the students and help the University earn and maintain its reputation as one of the most esteemed Doctoral Research Universities in the South. Increasingly, private philanthropic dollars are necessary to supplement public appropriations in order for Georgia Southern to accomplish its goals and progress into the future. Private philanthropic support depends, in part, on the confidence the donors possess in the Foundation's commitment to the sound fiduciary management of funds, including expenses.

II. Policy Statement

The following general principles should be applied in the determining of classification and delegation of Foundation expenses:

All expenses should be paid from the University System of Georgia to the maximum extent permitted under University System rules and regulations; thereafter, application should be made to the Foundation for payment of those expenses not covered by the University System rules, regulations, and guidelines. Exceptions may be made for expenses associated directly with fundraising and capital campaigns.

All expenses must be both reasonable in amount and necessary to the support of the mission of Georgia Southern University. Those requesting payment of funds from the Foundation should consider that funds will come from contributions allocated by donors and that all expense requests are subject to public scrutiny. Expense requests that are unreasonable, unnecessary or not properly documented may subject the Foundation to criticism and therefore will not be processed. In any event when it is unclear whether or not an expense is reasonable or necessary, the Director of Foundation Accounting should be consulted prior to the finalizing of any commitment.

To comply with the Internal Revenue Code and its Articles of Incorporation, the Georgia Southern University Foundation and any individual funds therein must be organized and operated exclusively for the benefit of the University with no part of its net earnings benefiting any private individual.

Each Vice President, Dean, Director, and Department Head is responsible for ensuring that the 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 provisions of the Internal Revenue Code, and the Foundation's Articles of Incorporation. If the Vice President, Dean, Department Head or Director determines the responsibility can be delegated to a University employee within their respective unit, written documentation making this request should be forwarded to the Georgia Southern University Foundation Accounting Office and approved by the Director of Foundation Accounting prior to implementation.

PROCEDURE FOR PROCESSING CHECK REQUESTS

To request funds from the Foundation, a Check Request Form (available on Foundation website) must be completed and submitted to the Foundation Accounting Office (P.O. Box 8053). Requests will be processed and checks will be produced in a timely manner. Once a check is written and produced, it will be returned to the individual requesting the funds, unless otherwise specified. If more than one office requests a check designated to the same vendor, the check will be mailed directly to the vendor and a copy will be sent to the requestor.

Account numbers are required - All Check Requests must include the correct account (project) number. If the number is not known, please refer to the Opportunities for Giving listed on the Foundation website or contact the Foundation Accounting Office (912-478-2000).

Documentation is required - Documentation for expenses must be in the form of an original invoice, bill or receipt. If none of the previous examples are available, a memo on departmental letterhead detailing the expense may suffice. If proper documentation is not given, the request cannot be processed.

Two signatures are required - One signature must be from a Dean, Director, Department Head, or Vice President. Requests for disbursements of funds that benefit an individual must be signed by a person deemed to be at minimum one level senior to the individual receiving the benefit. Requests for disbursements from unrestricted accounts require the signature of the appropriate Vice President.

The Foundation is not exempt from Georgia sales/use tax. All invoices and receipts should include applicable sales tax.

The Foundation does require an IRS W-9 form on all vendors that are not incorporated and individuals who are non-Georgia Southern University employees when payment is requested. Form W-9 must include the vendor's name, address, and social security number or federal identification number. This is to insure proper federal income tax reporting (Form 1099).

TRAVEL

The Georgia Southern University Foundation does not ordinarily reimburse employees directly for expenses incurred while performing approved official travel away from headquarters and places of residence. Travel expenses will be reimbursed by Georgia Southern University in accordance with University policies. Reimbursement to Georgia Southern University by the Foundation may be made by

submitting a Foundation check request with “Georgia Southern University” as payee, and attaching the travel reimbursement forms to the check request.

ENTERTAINMENT

Foundation funds may be used for payment to vendors or reimbursement to individuals for expenses related to entertainment incurred while conducting official University business. The following information must be documented on the Foundation Check Request or other supporting documentation in some manner:

- Where did the entertainment occur?
- When did the entertainment occur?
- Why was the entertainment expense incurred?
- Who attended and/or was invited to the event?

Each respective Vice President, Dean, Director, and Department Head is responsible for determining whether each expense is appropriate, moderate and in support of furthering institutional goals or programs before submission to the Foundation Accounting Office for processing.

The following are instances where entertainment expenses can be paid:

1. Meals involving individuals external to the University are authorized for the purpose of conducting business related to University matters, entertaining and cultivating donors to the University, and entertaining significant relationships for the benefit of the University.
2. Meals for University personnel (i.e., not involving individuals external to the University) that are scheduled for the purpose of conducting business related to University matters or as an official function of the University. Solo (individual employee) meals will not be approved. These type meals should only be reimbursed if on official University business travel.
3. Entertainment (whether for University personnel only or involving individuals external to the University), while necessary and useful for conducting business should be reasonable and appropriate, and attendees should be limited to those necessary to achieve the business purpose.

Expenses that are excessive in frequency, number of participants, and/or cost, may not be approved by the Foundation at the discretion of the Director of Foundation Accounting.

4. Foundation funds may not be used to purchase tickets to athletic/other events for personal use. Reimbursement may be made for those tickets purchased for business uses and for which an accounting of use is submitted with the request for reimbursement.
5. Expenses for meals and entertainment for a Georgia Southern University employee's spouse may be paid if the spouses of guests are also present or invited and if it can be shown that the spouse had a clear business purpose, rather than a personal or social purpose. The entertainment expense for a

spouse may also be paid if the spouse is acting as a chaperone for a small party where men and women are present. This must be clearly stated on the entertainment form though for this spouse.

HONORARIUMS

The Foundation follows the same guidelines as Georgia Southern University Administrative Procedures for honorariums. Honoraria payments for services cannot be paid directly to active Georgia Southern University employees, or retired Georgia Southern University employees. These payments must be handled through the extra compensation process at Georgia Southern University. Direct payment from the Foundation to an employee for services can only be processed with written permission from Georgia Southern University Payroll.

The Foundation can only process honorarium payments for U.S. citizens or permanent resident aliens. Payments for non-resident aliens or international persons must go through the Georgia Southern University Accounts Payable Office.

As with any other payments, original receipts and/or invoices are required along with an IRS W-9 form for an honorarium. Each check request must be properly documented for auditing purposes; therefore, information must be submitted for each subsequent request for payment for that vendor from the Foundation.

1. **Professional Services:** Professional services are considered the fee or fees rendered to honoraria for services rendered. Guest lecturing is a common professional service in which an honorarium fee is paid. The type of service must be clearly stated in the business purpose of the check request.
2. **Reimbursable Expenses:** Honorariums may be reimbursed for other expenses such as travel or business supplies. Original receipts are required for reimbursement. For travel expenses, the Georgia Southern University Travel Expense Statement may be utilized to organize the honorarium's travel expenses.

SCHOLARSHIPS

The Foundation supports the payment of scholarships to Georgia Southern University students.

Scholarship Selection:

All Georgia Southern University Foundation administered scholarships should be awarded by using the Academic Works online scholarship management system. Each college is responsible for awarding and using the funds that have been allocated through Academic Works. It is highly recommended that all colleges and departments make their awards in late spring for the upcoming school year. Any scholarships not awarded for the current academic year by March of that same year, will be automatically assigned by the Office of Donor Relations to the most qualified individuals through the scholarship system.

Once the department has chosen a student recipient, the Donor Relations Office utilizes Academic Works to verify the merits of the chosen recipient to make sure that it matches the criteria set forth by the donor. If the student meets all requirements, and is indeed eligible for the award, the student will then receive an email notifying them of their scholarship award. At this time, the Donor Relations Office submits the following information to Georgia Southern University Financial Aid:

Name of scholarship

- Name of student receiving the scholarship
- Eagle ID of student recipient
- Amount of award for each term (most awards are split equally between fall and spring semesters)
- Banner Access Code that corresponds to the scholarship

If the scholarship is new and has not been awarded previously, then a new Banner Access Code must be created through the Bursar's office. Georgia Southern Financial Aid is in charge of this task.

Upon notification of the scholarship, Financial Aid enters the award onto the student's financial aid account. The student is able to verify that the award has been posted by logging on to his or her WINGS account. The money is disbursed through Georgia Southern Financial Aid. Financial Aid bills the Georgia Southern University Foundation in late fall, late spring, and again in the summer.

The Donor Relations Office prepares the Foundation Check Request. Disbursements will be made from individual endowments when the bill is paid.

Funds from other endowments (non-scholarships) are paid with a Georgia Southern University Foundation Check Request. The donor relations office must approve all expenditures before they can be paid to make sure that they are spending within the amounts allocated.

AWARDS

Awards are allowed under certain restrictions for Georgia Southern University Faculty, Staff, Graduate Students with Assistantships, students, etc.

Employees:

For restricted Foundation funds that provide salary payments (e.g. endowed professorships), the University pays the employee through payroll and a Check Request Form must be submitted to the Foundation to reimburse the state account from which the expense was originally paid. Funding for and payment of awards for faculty/staff/graduate students should be requested through the Foundation, with submittal of a Check Request Form. The Check Request should be forwarded to the Foundation office well in advance of the award presentation in order to ensure timely processing.

Graduate Assistants:

Awards to inactive or active student assistants may be made to the student. However, if the student is a graduate assistant and is being paid as a Georgia Southern University employee through the Georgia Southern University payroll system, the award must be paid through the Georgia Southern University Payroll Department.

Non-Employee:

Monetary awards to non-employees, such as students, may be made to the individual, provided the proper documentation is submitted. A Check Request Form must be submitted for the amount of the award. For international persons that are not U.S. citizens, the award will have to be processed through the Georgia Southern University Payroll Department.

RELOCATION EXPENSES

Expenses for employees relocating to work at Georgia Southern will be reimbursed by Georgia Southern University in accordance with their guidelines.

PETTY CASH

Authorized individuals may make direct payments by cash for certain purchases. The Georgia Southern University Foundation Petty Cash funds are subject to the same guidelines as Georgia Southern University. The Georgia Southern University spending guidelines are therefore considered an integral part of the Foundation's Petty Cash Policies and Procedures, except as modified herein. Certain authorized individuals may make direct purchases from suppliers for immediate needs of not more than \$300 per purchase.

NOTE: The Georgia Southern University PETTY CASH funds are separate from the Foundation's Petty Cash funds. Georgia Southern University policy does not allow for state petty cash funds to be reimbursed by the Foundation. Therefore, the Foundation will not honor requests to reimburse custodians of state petty cash accounts. Requests to reimburse state accounts that have been charged for approved state petty cash expenditures will be considered under the Foundation's general expense policy.

UNALLOWABLE EXPENDITURES

The following are examples of expenditures that are not considered as serving the primary purpose of furthering institutional goals and programs and will not be approved:

- Payment for farewell entertainment; i.e., luncheons, dinners, etc.* other than for retirements which are considered an allowable expense.
- Purchase of gift**, flowers***, and other gratuities for University employees.
- Contributions to other organizations not associated with the performance of services to or for a University Program.

*Foundation funds may be used to pay for the cost of a retirement reception. Expenses for the reception should be appropriate and moderate in the use of donors' funds.

**When a faculty member/employee leaves the University, colleagues may solicit funding from other employees and friends to cover the costs of a party and/or gift. Funds collected may be deposited in the Foundation. Checks collected should be written payable to the Foundation. The Foundation will issue payment for the expenses. It should be clearly documented on the Foundation Check Request Form that funds were collected and previously deposited into the Foundation for this purpose. A copy of the Other Income Deposit Form is excellent documentation for this type of expenditure. The Foundation does not treat these funds as contributions and does not retain any of the funds raised.

Discretionary funds have been provided to the President and the Vice Presidents of Georgia Southern University for the sole purpose of funding gifts for key personnel upon departure from the University.

***The Foundation will consider requests for reimbursement of expenses for flowers in memory or in honor of retired faculty/staff, current faculty/staff, and special University friends. This includes requests for expenses associated with illnesses. Each Vice President, Dean, Department Head, and Director should assure the appropriateness of the expenditure and the amount before requesting reimbursement. Payment of such requests may not be approved at the discretion of the Director of Foundation Accounting or Foundation Board