

UNIVERSITY OF CENTRAL MISSOURI FOUNDATION EXPENDITURE POLICY

I. PURPOSE

The University of Central Missouri Alumni Foundation (Foundation) has a fiduciary responsibility to donors to ensure that funds are utilized in accordance with the purpose, terms, and conditions of their charitable gifts. This standard is commonly referred to as “donative intent” and is the primary limitation on the expenditure of Foundation funds. There are additional restrictions that apply universally to the expenditure of Foundation funds. Some of these restrictions represent controls intended to enhance the fiduciary function of the Foundation, while others emanate from the various legal and administrative constraints within which the Foundation operates. Those entrusted with managing funds at the University and Foundation must complete procurement, budget, and credit card usage training. The University has various policies that are referred to within the Foundation Expenditure Policy which further clarify or support this policy.

II. PRINCIPAL AND OBJECTIVES

This policy for the expenditure of Foundation funds is based on the following principles and objectives:

- A. To disburse funds in accordance with the wishes of the donor.
- B. To assist in achieving and advancing the University’s mission, vision, and values as adopted by the UCM Board of Governors.
- C. To maintain the charitable tax-exempt status of the Foundation.
- D. To obtain goods and services efficiently and at the most reasonable cost.
- E. To generate increased income from fund management and stewardship fees and other sources that can be invested in an expanded fundraising program to provide greater private philanthropic support for the University as directed by the [Foundation Investment and Development Fee policies](#).
- F. To provide proper documentation and detail of disbursement for audit purposes.

III. FOUNDATION FUNDS

Many gifts are made by donors with a very specific purpose in mind. The Foundation ensures that such restricted funds are utilized for that purpose.

In addition, gifts are designated by donors to Foundation accounts that provide general philanthropic support of the University and its colleges, departments, and programs. The gift money in these Foundation funds is utilized to meet priorities, goals, and needs under the discretion of the primary fund manager. The Foundation has a responsibility to ensure that all Foundation funds are distributed and spent in a prudent manner.

As a general principle, any financial support provided to University programs through gifts to the Foundation shall be processed using the University’s regular budgeting and

financial accounting system. The Foundation will transfer funds to the University for such payments of approved expenditures, or the Foundation will make payments directly to a vendor for a University program or purpose.

Payments made directly to student recipients for scholarships, fellowships, prizes, awards, etc., or to employees for services or honoraria are initially approved by the Foundation, but then processed accordingly through either the University's Office of Student Financial Services, Office of Payroll Services or Accounts Payable Office.

In certain cases, the IRS has ruled that activities of organizations related to a University, such as a University Foundation, must be considered activities of the University for tax purposes. In such cases, the payments made by the Foundation will be made in accordance with applicable tax regulations.

IV. PROCESS FOR SUBMISSION, REVIEW, AND APPROVAL

Each Foundation fund shall have a primary fund manager, who shall be registered and updated as needed with the Foundation office. The primary fund manager may make requests for payments or reimbursement from the fund. However, the College Dean or the Program Director must approve the requests prior to review by the Foundation if they are not the designated primary fund manager.

In submitting a payment request or reimbursement from Foundation funds, the primary fund managers acknowledge compliance with the principles stated above. However, this does not guarantee that the Foundation will approve the expenditure if donative intent, policy, disbursement procedures, and/or other requirements have not been followed.

If a college, program, or individual has a question about whether an expenditure from a Foundation fund will be approved by the Foundation, it is highly recommended that the person communicates with the Foundation about the anticipated expense prior to incurring the expense.

V. REVIEW AND APPROVAL OF EXPENDITURE REQUESTS

Requests for payments and reimbursements from Foundation funds shall be reviewed and approved or denied by the Director of Foundation Financial Operations. The University Advancement Associate Vice President and/or Vice President will have final signature approval.

Expenditure requests that the Foundation considers to be questionable will be reviewed by the Associate Vice President and if necessary, returned to the requesting primary fund manager for further clarification. If ultimately denied, an appeal process can be initiated directly with the University Advancement Vice President.

VI. EXAMPLES OF ACCEPTABLE EXPENDITURES OF FOUNDATION FUNDS

Below is a list of examples of acceptable expenditures from Foundation funds. Faculty and staff members should note that this list is for reference only; it is not all-inclusive and does not guarantee that a payment will be approved by the Foundation.

Student Aid

Student aid payments are made by the Foundation through the University in the form of scholarships or awards for academic achievement, financial need, and/or special student efforts. The Scholarship Program is administered by the University's Office of Student Financial Services.

Guest Expenses

Reimbursement is allowed for reasonable (moderate and fair, not extreme or excessive) expenses incurred by guest lecturers, speakers, visiting professors, and other guests of the University. These expenses may include honorariums and/or speaker or performer fees, travel, lodging, meals, and entertainment.

Food Service Expenses

Food service expenditures are allowed for meetings and events in accordance with University protocol regarding utilization of appropriate vendors, provided they are University-related and pre-approved by the College Dean or Program Director.

Some examples of acceptable expenditures include:

- Department-sponsored, work-related training, or annual staff/leadership retreat at which the meal plays a minor role. Must provide an agenda and list of attendees. *(Example: An all-day departmental training or retreat where lunch and/or refreshments are served.)*
- Food for Advertised Alumni Receptions/Events on campus or off campus.
- Refreshments (not a meal) for a department-sponsored student meeting.
- Refreshments (not a meal) for a college scholarships or awards reception to honor recipients and donors.
- Refreshments (not a meal) for a department to celebrate a major work-related achievement.

Faculty and Staff Travel

Payment is permissible for faculty and staff to participate in professional development activities on a regional, national, or international level, in alignment with [UCM Travel Guidelines and Procedures](#).

Recruitment of New Faculty and Staff Members

Expenses for the recruitment of new faculty and staff members exceeding the University of Central Missouri budget limitations may be paid from Foundation funds.

Association Dues and Publication Costs

Unit and/or institution association dues and publication costs may be paid if it benefits the whole unit vs. for the direct benefit of an individual employee.

Magazine and Professional Journal Subscriptions

Subscriptions can be paid if directly related to teaching, research, and/or public service activities. All journals, magazines, etc., must be delivered through University systems (i.e., UCM email address or campus address).

Equipment and/or Computer Software for Faculty and Student Use

The purchase of equipment and/or computer software must be related to the teaching, research, and public service mission and activities of the University and must be pre-approved by the appropriate supervisor of the area receiving the equipment and/or computer software. Equipment and software are to be purchased in accordance with University purchasing policy in coordination with Technology Support Services, and the Office of General Counsel. Ownership title of purchased equipment and software is registered to the University and the items are added to the University's inventory records. Refer to [UCM Acceptable Use Policy](#) and [Procurement of Hardware and Software Procedures](#).

Miscellaneous

Examples of other acceptable expenditures include:

- Student travel, fees, etc., to attend a national or regional student organization conference.
- Payment of admission charges to professional, business, and other meetings and events in which attendance is required or recommended as part of an employee's and/or board member's official duties.
- Membership in civil or service organizations or trade associations that is required or recommended as part of an employee's official duties.

VII. EXAMPLES OF UNACCEPTABLE EXPENDITURES OF FOUNDATION FUNDS (These Requested Disbursements Will Not Be Approved by the Foundation)

Examples of expenditures from Foundation funds that are not acceptable and will not be approved include:

- Any expenditure that jeopardizes the Foundation's status as a charitable organization, as defined by Internal Revenue Code Section 501(c)(3).
- Outright charitable donations to other nonprofit organizations (Note: It is permissible, however, for the University of Central Missouri Alumni Foundation and KMOS-TV to spend funds to be a sponsor of an event, activity, organization, etc., for promotion and advertisement of said organizations.)
- Lobbying or political advocacy activities: The IRS Compliance Guide for 501(c)(3) Public Charities states that a public charity is not permitted to engage in substantial legislative activities. (Note: Please see guide which provides testing to determine what is considered substantial.)
- Payment for time served by advisory council or board members.
- Buying flowers, candy, greeting cards, gifts/presents, gift cards, etc., for UCM employees and/or their relatives and friends, for retirees, for students, and for other individuals. This includes birthdays, weddings, anniversaries, retirements, holidays,

funerals, etc. The only offices authorized to make expenditures on behalf of the entire University from Foundation funds for the purpose of donor stewardship which may include sending flowers or other expressions of gratitude, congratulations, sympathy, etc. are the Foundation, KMOS-TV, and UCM President's office. If a UCM department feels an expenditure should be made for these purposes, they are encouraged to call the Foundation for approval prior to purchase.

- Fines, penalties, parking tickets, criminal or civil penalties on behalf of an individual
- Maintenance or replacement of a University employee's personal property
- Office decorations or party supplies
- Coffee, tea, soda, bottled water, and other beverages for consumption by office and department employees or students
- Alcohol, unless the expense is related to donor stewardship.

VIII. EXPENDITURES OF FOUNDATION FUNDS TO MEET FOUNDATION ADMINISTRATIVE AND FUNDRAISING COSTS

Administrative and fundraising expenses of the Foundation are financed through fund management and stewardship fees in accordance with the [Foundation's Investment Fee and Development Fee policies](#) and an annual allocation from some unrestricted contributions. Operating expenditures will include, but are not limited to, the following:

- Accounting and financial/fund records management
- Investment and bank account fees
- Professional memberships in organizations that benefit the whole unit.
- Office of University Advancement and UCM Alumni Foundation development/fundraising work and activities, including:
 - Personal cultivation, solicitation, and stewardship of donors and prospective donors, including travel expenses to meet with said donors
 - External engagement opportunities as identified by the Executive Director
 - Coordination of donor and prospect assignments, contacts, and gift solicitations
 - Donor and prospect research, data mining, analytics
 - Annual giving telephone, direct-mail, and e-mail solicitations
 - Alumni programs, communications, and events
 - Alumni Magazine production and mailing expenses
 - Maintenance of donor, alumni, and constituent computer records
 - Gift and pledge processing
 - Donor recognition and appreciation, including publishing an annual report and honor roll of donors, donor societies, ordering and installing plaques and signage for donor-named facilities, etc.
 - Donor galas, receptions, fundraising special events, etc.
 - Fundraising collateral, including case for support publications, video programs, charitable gift, and grant proposals
 - Website development and content management
- Printing and office supplies
- Reimbursement of salaries

IX. CONCLUSION

In conclusion, if a college, program, or individual has a question about whether an expenditure from a Foundation fund will be approved by the Foundation, it is highly recommended that the person communicates with the Foundation about the anticipated expense prior to incurring the expense.

Adopted: April 23, 2021