

UWG Foundation, Inc. - Funds Use Policy (a/k/a Expenditure of Funds Policy)

Effective Date: March 7, 2019

Revision History: January 20, 2015; February 13, 2019, February 27, 2020

Governance Oversight by: UWG Foundation, Inc. Executive Committee

I. Purpose of the policy/Policy statement

This policy outlines acceptable and unacceptable expenditures and/or usage of The University of West Georgia Foundation funds.

II. Definitions

Definitions are contained with **V. Detailed Policy Statement**.

III. Applicability

The policy applies to all expenditures, payments requests, and/or reimbursement requests paid with University of West Georgia Foundation funds.

IV. Exceptions

Exceptions, if any, are contained with **V. Detailed Policy Statement**.

V. Detailed policy statement

A. General statement of fund administration

The University of West Georgia Foundation, Inc. (the Foundation) is a charitable corporation (501(c)(3) organization that receives and administers private contributions made in support of University of West Georgia (the University). The purpose of the Foundation is to promote in various ways the cause of higher education, to expand educational opportunities, to acquire and administer funds, which shall be devoted to such purposes. The Foundation acknowledges contributions as tax deductible to donors pursuant to the Internal Revenue Code, along with any goods and services received by the donor in return.

All expenditures of Foundation funds must be consistent with the intention of the donor and mission of the University and have a bona fide business purpose. Funds received are classified according to two general groups for administrative purposes (without donor restrictions and with donor restrictions), each of which requires different administrative processes for approval of expenditures. However, the general policies apply for all disbursements, regardless of additional restrictions placed upon donor-restricted funds.

In administering Foundation funds, all individuals must ensure that purchases are reasonable as defined by Internal Revenue Service (IRS) standards, which means that payments are similar to those paid by like enterprises for the same or similar services and that all expenditures are approved based on the established signing authority document

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on file with the Foundation Accounting Office. The Foundation adheres to IRS regulations related to accountable expense reimbursement plans.

1. Funds with donor restrictions

Any restriction imposed by the donor on the use of funds will be strictly observed. In the event there is confusion or disagreement concerning the specific application of a donor-imposed restriction, then the donor will be consulted where possible. If the donor cannot be consulted, then officers of the Foundation will be consulted.

Restricted funds include funds received for endowments, endowed scholarships and non-endowed scholarships, capital projects, and special-purpose funds.

Restricted funds also include funds received for designated departments, programs and fellowships of the University such as the College of Business or the Department of Chemistry. However, some of these funds are not restricted for further, more specific purposes, and may be used at the discretion of the University Dean or Vice President/Provost. These “discretionary funds” support or enhance the strategic mission of the University within the general guidelines of the Foundation (see General Guidelines).

The Foundation board periodically reviews expenditures from Foundation discretionary accounts.

2. Funds without donor restrictions (unrestricted)

Expenditures from unrestricted funds are made through an annual administrative budget approved by the Foundation Board of Trustees (the Board), and must be used for the purpose specified in the approved budget. The Foundation budget is presented to the Foundation Board once a year each spring for the following fiscal year. All requests for unrestricted funding from the President and/or Vice Presidents/Provost must be submitted by April 15th to the Executive Director of the Foundation.

Special, onetime requests for unrestricted funds can be made outside the normal, annual budget process. Such requests must be made pursuant to the Unrestricted Funds Request policy and submitted to the Executive Director of the Foundation by the President or the appropriate Vice President/Provost. The Executive Director will present valid requests to the Foundation Board at the next possible board meeting.

B. General guidelines for fund disbursements

1. General

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a) Donor expectations

All expenditures must be made with great respect for donor instructions and expectations, and in support of the mission of the University. To that end, the Foundation has approved General Guidelines that serve to guide the use of funds donated to the Foundation. Donor restrictions may prohibit certain disbursements entirely, and appropriate University faculty and staff should be thoroughly familiar with the contents and interpretations of applicable, written agreement governing gifts.

b) Legal obligations

Only officers of the Foundation have the authority to create a liability of the Foundation. University faculty and staff may not authorize vendors to charge purchases to the Foundation without prior approval.

c) Reimbursement approvals and deadlines

A reimbursement will be approved if it falls clearly within the guidelines of this policy. Advance approval is encouraged to ensure that reimbursement is obtained if it is unclear as to whether a request would be reimbursable.

All reimbursements should be submitted to the Foundation as soon as possible after the incurrence of the expense. Reimbursable expenses occurring near year end (June 30th) should be submitted by July 15 to enable the Foundation to properly pay for or accrue its accounts payables in the proper fiscal year.

Cash Advances to employees may be approved, but must be substantiated within 60 days and any excess over actual expenses must be returned to the Foundation within 60 days (or by December 31st). Cash Advances not substantiated or returned accordingly will be reported as 1099-MISC income to the recipient for the tax year received.

d) Non-gifts

The purpose of the Foundation is to receive gifts. In most cases, the Foundation is not the appropriate entity to receive “fees” for activities and programs. Employees are encouraged to set up accounts with the University whenever possible for these types of activities and programs. However, when it is determined that the Foundation can be utilized for the betterment of the University or one of its programs and the Foundation Executive Director approves, then non-gifts can be accepted by the Foundation.

2. Specific types of expenditures

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a) Contracts

The Foundation, in general, follows the University policy regarding the hiring of consultants and the engagement of contractors for the provision of goods or services.

All contracts for fundraising services or fundraising consulting must be reviewed by the Foundation Resource Development Committee prior to engagement.

Individuals who are employees of the University cannot be paid as consultants for work related to their position, but can be compensated for fee-based services with Foundation funds through the University payroll process. These payments will be subject to withholding taxes and any other applicable payroll deductions.

It is imperative that all possible conflicts of interest be addressed when engaging consultants or contractors. University and University System of Georgia policies and procedures shall be followed when University employees are involved. Foundation trustees are required to complete conflict of interest forms annually, which are reviewed by the Foundation Audit Committee.

b) Contributions

No Foundation funds may be donated to organizations external to the University except where a nominal contribution is made in lieu of flowers for funeral services or in honor of an individual important to the University unless approved by the Foundation Board.

c) Dues/membership fees

Dues and fees for institutional memberships in organizations related to University affairs should be paid from state funds when possible. Dues and fees for individual membership in University related or professional organizations may be paid from Foundation funds.

Dues and membership fees for individual membership in civic service or private clubs may be paid from Foundation funds where such memberships are deemed necessary for business purposes. However, where any personal use or benefit is derived from such memberships, a pro-rata share of the dues or membership fees will be reported as W-2 income to the employee in compliance with IRS requirements.

Certification fees or fees for licenses to practice a profession related to the University or Foundation may be paid upon approval of the appropriate Dean or Vice President/Provost, but should be paid from state funds when possible.

d) Employee incentives/ bonuses

Employee incentives and bonuses related to work performance are permitted, as long as they meet legitimate goals for providing employee incentives and comply

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with University System of Georgia (USG) and IRS regulations. All incentive/bonuses must receive prior approval from the appropriate Vice President/Provost for payments from Foundation department funds or projects. All employee incentive and bonuses related to work performance will be reported to University payroll to be included with the employee's W-2 compensation.

e) Meals

Meals for University employees may be paid from Foundation funds in the following circumstances:

- Entertaining official guests
- On-campus "working" meals
- Recruiting new employees
- Faculty/staff receptions and orientations including retirement
- Alumni and constituent events and activities
- Sponsored meetings or events where the purpose for the event is directly related to business including employee-morale related events
- Sponsored public relations, fundraising and constituent development activities and events
- Student orientation, student/parent receptions, and department graduations or awards ceremonies

Requests for reimbursement and/or payment must be properly documented. The following must be submitted in order for payments and/or reimbursements to be processed:

- a. All receipts (including detailed order receipt with date, place and amount);
- b. A complete detailed description of the purpose for the activity or event; and
- c. The names and affiliations of the person(s) or groups attending. Descriptions, invitations or announcements may be used for groups with more than 12 attendees.

Any banquet, large meeting, or other event expenditure that exceeds \$5,000 must be approved by the appropriate University Vice President/Provost or the Foundation Executive Director. Exceptions will be granted only in extraordinary cases.

f) Entertainment (see "Employee meals", "Spouse meals", and "Travel")

The appropriate Vice President/Provost or the Foundation Executive Director must approve entertainment expense reimbursements or expenditures.

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Any taxable income generated by disallowed entertainment expenses will be deducted from the Foundation fund or project from which the expenditure was paid.

“Entertainment” in the context of this section should not be confused with payment to entertainers for performances, which is an allowed business expense if there is a valid business purpose.

g) Flowers

Flowers may be purchased for the following:

- University organized public relations and fundraising activities,
- Student orientation, student/parent receptions, and departmental graduations or awards ceremonies,
- Faculty/Staff receptions, and
- Funeral or illness of employees, students and “friends” of the University or their families.

h) Fundraising activities

Alumni, advancement and public relations expenses incurred in the course of organizing and conducting activities for the purpose of raising funds or creating “good will” for the University may be paid from Foundation funds. Expenses may include meals incurred in the course of official duty, refreshments and travel subject to the provisions of sections related thereto. If entertainment is involved, please see Section V(B)(2)(f) – Entertainment.

Funds may not be used to benefit a particular donor except for those permitted for recognition purposes. Please see Section V(B)(2)(i) -Gifts).

i) Gifts

Using Foundation funds for gifts to employees is not allowed except in the case of an employee retirement, or other significant life event representing appreciation and/or recognition of the employee’s service. Any such expenditure must be a permissible use of funds within the Foundation project being charged.

Gift cards or any other cash gifts are not allowed to be purchased for employees as recognition awards. Also see Section V(B)(v) – Recognition/Appreciation Items.

Gifts to donors, friends, and alumni of the University are limited to fundraising and cultivation objectives. Gifts with values in excess of \$100 require the appropriate Vice President/Provost or the Foundation Executive Director approval.

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j) Guest/host expenses

Foundation funds may be used to bring official guests of the University to campus. Costs of transportation, lodging, meals and necessary miscellaneous expenses are included. A University employee, student or relative may not be considered an official guest of the University for the purpose of expense reimbursements, although they may act in the capacity of University host (see below).

University faculty or staff, acting in official capacity as a University host, may be reimbursed for guest/host expenses incurred within reason. Allowable expenses for hosting an official guest may include employee and employee spouse meals, hospitality at home, and miscellaneous expenses associated with the requirement as host.

Requests for reimbursement must include the amount, date, and place of the expenditure. All employees and guests must be identified and the reason for the visit and hosting responsibilities explained.

k) Holiday greetings

Reasonable expenditures for holiday greetings to University donors, friends and alumni are authorized.

l) Moving expenses

Payment or reimbursement of a reasonable amount for moving/relocation expenses for an employee of the University is permissible.

For use of funds restricted to a specific college, the appropriate Dean has the responsibility with the approval of the appropriate Vice President/Provost for permitting the use of funds for moving/relocation reimbursements. However, Board of Regents human resource policies must be followed before the Foundation can pay or reimburse moving/relocation expenses on behalf of faculty or staff. Also, see Section V(B)(2)(a) – Contracts.

Moving/relocation expense payments or reimbursement must be reported as additional compensation on the employee's W-2 as required by the Internal Revenue Service.

m) Office furniture/equipment

In general, office equipment and furniture purchases are allowable if they are required for efficient business operations or replacement of broken, outdated, or obsolete items already in use. Whenever possible these purchases should be made using state funds. These expenditures may include reasonable amounts to equip faculty/staff in-house kitchen facilities.

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Expenditures for office furniture, equipment, plants, flowers, pictures, and lamps, etc., should be limited to the use of the space being furnished and should not be lavish or extravagant.

These purchases require the approval of the appropriate Vice President/Provost and Foundation Executive Director.

Office furniture and equipment with values in excess of \$1,000 should be reported to University of West Georgia Property Control on a quarterly basis.

n) Office refreshments

It is expected that University offices will be responsible for office refreshments. However, Foundation funds may be used to purchase coffee, bottled water, and other reasonable refreshments for offices as long as they enhance faculty and staff work environments, are not located in an exclusive area, and are a permissible use of funds within the Foundation project being charged. Also see Section V(B)(2)(s)-Supplies.

o) Personal services

All personal service expenditures must be made through employee payroll, or, if applicable, the Office of Research and Sponsored Project. This includes expenditures for salaries (full time, part-time and temporary), salary supplements and extra compensation. Also, see Sections V(B)(2)(a) – Contracts and Section V(B)(2)(d) – Employee Incentives/Awards.

p) Contributions to Political Candidates

No contributions to political candidates are permissible.

Expenditures for legislative advocacy must be limited as permitted under IRS guidelines and approved in advance by the University Office of Government and Community Affairs.

q) Spouse meals

The cost of including an employee spouse in entertaining official guests, recruiting faculty and staff, and in fundraising or public relations activities may be reimbursed from Foundation funds where the attendance of the spouse is necessary to the business purpose of the activity.

r) Student awards, scholarship, and fellowships

Student awards, scholarships, and fellowships should be paid to students via student accounts.

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It is the preference of the Foundation that all student awards and scholarships be paid via the student accounts. However, there are occasions when awards and scholarships may be paid directly to students from certain Foundation funds or projects as permitted by donors.

s) Supplies

Requests for supplies payment and/or reimbursement should be only for items needed on a non-recurring basis or that cannot be paid with state funds. Items needed on a recurring basis should be funded from state resources, or charged through the University Grants and Contracts process that requires the utilization of the University approved vendors and disbursement policies. Also, see Section V(B)(2)(a) – Contracts.

t) Travel

Employees will be reimbursed for all reasonable travel expenses on an actual expense basis or per diems where appropriate. Travel expenditures should be reimbursed from state funds where possible.

Whenever possible, travel should be coordinated through the University of West Georgia Travel Services.

If not going through Travel Services, employees are encouraged to contact travel agencies to identify the lowest possible rates. It is recommended that individuals accept additional insurance offered.

(1) Air travel

Air travel must be in accordance with University System of Georgia Air Travel guidelines (*See Section 4.6.1 of the USG Business Policy Manual*). Generally, employees traveling by commercial air carrier should travel in the most cost-effective manner and utilize the lowest possible coach fares. Business class, or comparable designation, may be reimbursable for certain international and long distance domestic (Alaska and Hawaii) flights.

No Foundation funds should be used to purchase or upgrade to First Class travel for any University employees unless extraordinary circumstances exist as stipulated in the University System of Georgia Air Travel guidelines.

(2) Transportation

Personal Automobiles:

For the use of personal automobiles, employees will be reimbursed at the same rate per mile as allowed by the IRS.

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Rental Vehicles:

For rental vehicles, employees will be reimbursed at actual costs. Vehicles considered luxury, prestige or premium classes require prior approval from the Foundation Executive Director.

(3) Food

Employees shall be reimbursed for meal expense at actual cost while traveling “away from home” on business. Meals during daily travel (which is not “overnight”) are considered the responsibility of the individual. Business meals with prospects, donors, volunteers, and other business-related individuals are allowed and can be reimbursed. Also see Section V(B)(2)(e) – Meals.

(4) Other

Not all expenses are reimbursable. The following are examples of personal expenditures that will not be reimbursed even though they may be incurred while on official University business: laundry, pay movies, baby-sitting expense, formal clothing, and other items that are strictly personal.

(5) Overnight accommodations

Employees are encouraged to stay in reasonably priced motels or hotels and government or corporate rates must be obtained where possible.

Overnight travel must also meet IRS criteria for “travel away from home”. Please refer to I.R.S. Publication 463 – Travel, Entertainment, and Car Expenses for more information.

U) Fringe Benefits

Upon approval of the Foundation Board and in accordance with USG human resource policies, certain fringe benefits can be paid by the Foundation on behalf of University leadership. However, where any portion of the fringe benefits is used for personal use or benefit, a pro-rata share of the cost will be reported as W-2 income to the employee in compliance with IRS regulations. Also, see Section V(B)(2)(c) – Dues/Membership Fees.

V) Recognition/Appreciation Items

Employee recognition or appreciation items may be purchased with Foundation funds except for cash gifts or the equivalent of cash including gift cards. Recognition and appreciation items can include items such as plaques, desk or office token items, or any item in a similar category. Also see Sections V(B)(d)- Gifts and V(B)(i)-Employee Incentives/Bonuses.

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Gift cards can be purchased using Foundation funds if they are to be given out in a random fashion such as for contests, participation drives, raffles, etc. Employees can participate in these contests or drawings providing the contest or drawing is random or impartial, and not related to the performance of the employee's job.

w) Apparel

Foundation funds may be used to purchase UWG apparel for donors, students, and employees provided it is a permitted use of funds within the project being charged. However, UWG apparel or uniforms, in the case of certain employees, purchased for employees will be reported to University Payroll to be included in employee's W-2 compensation if certain thresholds are exceeded pursuant to IRS regulations.

x) Campus charges

Foundation funds may be used and directly charged at the UWG Bookstore, Print & Pub Services, and Campus Mail Services providing the purchases are a permissible use of funds for the project being charged. No reimbursements from Foundation projects are allowed at the UWG Cashiers Window.

y) Unallowable expenses

The following expenses will not be reimbursed from Foundation funds:

- Payment of fines, penalties or late charges
- Office or other furnishings not in accordance with University standards
- Gifts for faculty or staff other than permitted pursuant to this policy
- Office parties where there is no business purpose
- Personal telephone calls
- Traffic violations
- Loss/theft of personal property
- Membership fees in airline, wholesale and/or purchasing incentive stores/companies
- Reimbursement requests from unofficial organization