

Eastern West Virginia Community and Technical College Foundation Administrative Procedure

Processing Gifts and Disbursements AP-2.1

General Statement: Keeping accurate and appropriate records is vital to the financial management and development programs of the Eastern West Virginia Community & Technical College Foundation, Inc. the Foundation, in conjunction with the College President's Office, is responsible for receiving, depositing, acknowledging, and keeping a record of all gifts, and for processing and recording expenditures from Foundation funds.

All monies or assets of which the Eastern West Virginia Community & Technical College Foundation, Inc., is trustee or custodian, will be held and applied by gift or otherwise to Eastern West Virginia Community & Technical College, consistent with the mission, purpose and related policies and procedures of the Foundation and the College.

Implementing Procedures

I. Receiving Gifts

- a. The College President's Office coordinates Foundation and College fund raising activities, including receipting and acknowledging all gifts.
- b. Authority to deposit contributions in the form of cash, including checks or money orders, in the Foundation's checking account has been delegated to the College president or his/her designee. All checks/cash must be deposited immediately.
 1. For office record-keeping purposes only, a Deposit Transaction Record form must be completed for all deposits to the Foundation checking account. The form must indicate any restrictions on the gift or deposit, and a photocopy of the check should be attached to the file copy of the transmittal record. In the event of electronic deposits, a copy of the original authorization and/or transmittal will be attached.

Any College personnel who receives a donation should immediately forward the gift to the President's Office along with pertinent information on the donor.

- c. A receipt or acknowledgement will be issued to the donor for all contributions.

- d. The Foundation Treasurer will handle processing of all gifts of marketable securities. College employees who are contacted about such gifts should immediately notify the College President.
- e. Non-cash or in-kind gifts must have the approval of the College President before they can be accepted.
 - i. The College President will coordinate the transfer of ownership and physical possession of the donated item(s) with the donor.
 - ii. If accepted, the gift will be receipted by letter of acknowledgement of the gift, signed by the College President. No monetary value will be assigned to such gifts.
 - iii. The College President will advise the donor of non-acceptance and, if appropriate, the reasons or the terms and conditions under which the gift may be accepted.
 - iv. The gift will be transferred to the College by letter signed by the Foundation Treasurer.

II. Recording Gifts

- a. Records of all gifts and donations to the Eastern West Virginia Community & Technical College Foundation are maintained in the Foundation Office.
 - i. All monetary gifts are recorded in the Foundation's accounting software on a regular basis.
 - ii. Non-cash gifts are recorded when received on the Property Gift Receipt/Record form.
- b. The Board of Trustees will receive a report of all recorded gifts, including name and address of donor, purpose of gift, and whether it is in tribute or a memorial gift.

III. Expenditures from Foundation Funds

- a. Expenditures from Foundation funds will follow all applicable Foundation policies and procedures as well as those for the College which are not in conflict with the Foundation policies and procedures, corporate charter or bylaws.
- b. An updated running balance of expenditures for all Foundation accounts will be maintained for each individual account. This information is available in the accounting software for purposes of generating financial reports for the Foundation Board of Trustees.
- c. The signatories for Foundation checks are the Foundation President, Foundation Vice President, Foundation Secretary, and Foundation Treasurer. Two signatures are required on all checks.
- d. Disbursements

- i. Request for Foundation Funds
 1. A "Request for Funds" form is completed whenever payment is due to a business or individual for services rendered, reimbursements, operating costs, scholarships, advances, professional development, fund raising, special purposes, or other expenses of the Foundation. A copy of the invoice or pertinent information related to the request must be attached to the Request for Funds form. The form must be completed and signed by the requestor. Approval of the Foundation is required if the request is unbudgeted or if it is over the budgeted dollar amount for the activity.
 2. Signed checks are delivered to the payee along with a photocopy of the invoice. Original invoices are maintained on file with the Request for Funds form.
- ii. Account Classification Descriptions
 1. *Institutional Development: Foundation* Funds from this account are used for operations, including postage for Foundation mailings, office supplies, meeting expenses; campaign events and materials; communications, including newsletter expenses; donor recognition.
 2. *Institutional Development: Eastern West Virginia Community & Technical College* Funds from this account are used for sponsorships, marketing/outreach activities, new program startup, faculty/staff recognition, including guest tickets for the annual Recognition Dinner, and other activities.
 3. *Capital Facilities and Equipment* Funds for capital items are maintained in the appropriate sub-account in the Foundation investment/endowment account. A request for funds memo is sent to the manager of the fund for the requested amount. The check is deposited in the Foundation checking account and the payment is made by check issued by the Foundation.
 4. *Professional Development* Funds provide grants to employees for professional development activities, including attending workshops, sponsorships at conferences, etc.
 5. Advances are payments made by the Foundation for the College, which reimburses the Foundation for the expense. Advances are issued on approval of the Foundation Treasurer and the College's chief financial officer principally for expenses requiring immediate or advance payment (i.e., emergency repairs of College facilities/equipment, registration fees, bulk mailings postage).
 6. Special Purposes is used for any funds deposited with the Foundation for pass-through.

7. Scholarship/Student Assistance Funds donated for scholarships and other student assistance are maintained in separate, restricted sub-accounts.

- a. The College Director of Financial Aid will submit a completed Request for Funds form to the Foundation identifying scholarship recipients by name and the scholarship or award from which the funds are to be drawn.
- b. Scholarship/awards are paid from earnings distributions from the various sub-accounts. The distribution dates are in accordance with the manager's overall investment strategy. To assure timely receipt of the earnings check, the Request for Funds form should be submitted to the Foundation a minimum of three weeks prior to desired distribution to student recipients.
- c. The investment manager will be requested to generate an aggregate check (representing the total distribution of earnings from the identified student assistance sub-accounts) payable to the Foundation.
 - i. The check is deposited in the Foundation checking account, and the Foundation will issue a check payable to the College for the benefit of the identified scholarship/award recipients.
 - ii. The College will disburse the funds according to its practices. Any scholarship or award that is not disbursed will be returned to the Foundation in the form of a check which must include a memo or other report form identifying the intended recipient and the scholarship or award he/she was to receive.

e. Advance Payments/Reimbursements

- i. All advances must be approved by the Foundation Board of Trustees and the College President. The requesting department/division head is responsible for advising the College financial officer that an advance payment is being requested from the Foundation and obtaining his/her approval prior to contacting the Foundation.
- ii. The requestor will submit a completed Request for Funds form indicating that the funds are an advance payment for the College.
 1. The form must include the cost code to which the reimbursement will be charged and an original estimate/invoice or summary of charges.
 2. For IRS reporting purposes, the vendor/payee must provide his taxpayer identification (TIN) or social security number. For payees who receive \$600 or more, the Foundation is required to

file IRS form 1099 - Misc. (Note: the exception is attorney fees; the filing is required regardless of amount.)

3. For reimbursement from the College, the Foundation will prepare an invoice for signature by the Foundation Treasurer and submit it to the College Business Office - Accounts Payable Department along with a photocopy of the canceled check (front and back). When the Foundation receives reimbursement from the College, the information is noted on the invoice and in the Advances to be Reimbursed section of the appropriate file binder.

f. Bank Statements

1. Original bank statements and canceled checks are kept in the Foundation Files. Copies are forwarded to the Foundation Treasurer.
11. Statements are reconciled with the Foundation's accounting software on a periodic basis.

g. Payroll Deductions

1. Employees may make contributions to the Foundation through a payroll deduction plan. Bi-weekly checks are issued to the Foundation for these payroll deductions, and they are deposited and recorded in the financial accounting software records.
11. Employees may designate deductions as either restricted (for particular areas of support) or unrestricted, and the funds are recorded in the appropriate accounts in the financial software records. A list of employees and the amount of their deductions is provided by the Business Office and is maintained in the appropriate Foundation file binder.
111. Employees pay stub at the end of the year provides a record of the full amount of their gift to the Foundation. No monthly acknowledgement is sent to employees. Ach employee receives an acknowledgement letter at the end of the year for tax purposes.

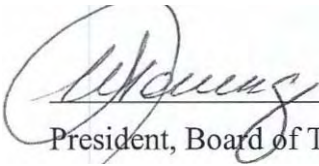
IV. Transfers between checking and endowment/investment

To protect the integrity of donor intent, restricted funds must be recorded and tracked with all due diligence, regardless of the depository.

- a. Gifts which are expected to be disbursed within a short time frame (for example, 60 days or less) may be held in the Foundation checking account.
- b. Restricted gifts which accumulate over time, such as memorials or gifts honoring an individual/group must be transferred to the appropriate investment/endowment sub-account on a quarterly basis. Unrestricted gifts may be held in checking to

supplement the budget for current operating expenses of the Foundation. A quarterly report of such gifts should be submitted to the Foundation Treasurer.

- c. Gifts for which expenditure is not anticipated in the near future must be transferred immediately to endowment with a transmittal memo to the trustee indicating the anticipated expenditure schedule or date, if known.
 - i. For restricted gifts, the memo should identify the appropriate sub-account.
 - ii. Unrestricted gifts are to be deposited in the endowment fund's general account.



President, Board of Trustees

12/5/05
Date