



To: Fund Authorities

From: NCCU Foundation, Inc.

Revised: March 22, 2019

Subject: THE FOUNDATION FUND ACCOUNTS GUIDELINES

The goal of the Foundation is to partner with the Fund Authorities to ensure that the reputation and honor of North Carolina Central University and the Foundation are held to the highest standards while promoting truth and service; and to offer quality service to our clients. I realize that some of our policies and procedures have changed over the past several years; however, I assure you that these changes are necessary to keep us in compliance, to promote continuous process improvements and good business practices, and to ensure audit-readiness at all times.

The clarity of roles and responsibilities is vital for a process to be effective. Therefore, I would like to define the roles and responsibilities of the involved areas.

#### THE FOUNDATION:

The North Carolina Central University Foundation, Inc., (The Foundation) was created in 1972. The Foundation's purpose is to foster and promote the growth of higher education in North Carolina and, specifically, at North Carolina Central University (the University). The Foundation is an independent nonprofit Section 501(c) (3) organization that is governed by a volunteer Board of Directors. The Executive Director serves as Chief Executive Officer and reports to the President of the Board. The Foundation works closely with NCCU Institutional Advancement and the University.

#### THE FUND AUTHORITIES (aka: Fund Managers):

Currently there are fewer than 35 individuals serving as fund authorities. It was recommended through our audit process that there be a limited number of these positions for control purposes; and that these individuals must be the head of the areas that they are approving the funds. The head is designated as the deans, assistant/associate vice chancellors, vice chancellors, and/or the chancellor for the University. Other fund authorities are elected or appointed officers of organizations that are affiliated with the University.

#### THE PROCESS:

The fund authorities are responsible for approving the appropriate use of the funds in the designated accounts managed by the Foundation. The use of the funds must be in accordance with the criteria that were NOTED in the set up documents when the account was established.

A written request is required to alter the original criteria and must be approved by the fund authority.

The fund authorities will receive monthly Income Statements and Project Detailed reports for their review and to distribute as appropriate. These reports will include: beginning balances, pledges, contributions, disbursements, fees, bank and merchant (credit card) charges, expenses, and ending balances. These reports are the official documents from the Foundation to reflect monthly activity and balances of the fund accounts.

All disbursements or transfer of funds in the accounts must be initiated through the requisition process. The fund authorities should ensure that all required information is completed on the requisition before submission. Although, the preparer may complete the requisition, by signing the document the fund authority is attesting to the accuracy of the requisition and required back up data that is submitted.

For all requisitions that are properly completed, approved, and submitted to the Foundation by NOON on Tuesday, the checks will be available on Friday between 9:00 a.m. – 12:00 noon. Any exceptions to this process will be communicated, as appropriate.

If the fund authority is the payee on a requisition, the fund authority should sign the document as the fund authority and the manager of the fund authority must approve the transaction by signing as the manager of the payee/fund authority.

All communications from the Foundation will be sent directly to the fund authorities. The fund authorities are responsible for distributing this information and monthly reports to your areas as you deem appropriate. However, you can request that one designated individual be copied on the distributions. Your request must be a written authorization to be implemented.

All signature delegation must be authorized in writing by the fund authority.

In addition, please see some examples of the acceptable and non-acceptable expenses below. Acceptable expenses must be in accordance with the criteria that were stated when the fund account was established and the must be within the Foundation and IRS guidelines.

### **Examples of acceptable expenses**

- **Ordinary, reasonable and necessary expenses incurred in the conduct of the department or program**
- **Fundraising, marketing and alumni and donor relations expenses**
- **University-related travel not reimbursed by the University**  
Mileage will be reimbursed at the *Standard Rate* for automobiles as listed in the NCCU System Travel Regulations.
- **Reimbursement for expenses incurred when conducting University work that is not reimbursed by the University or any other source (must have original receipt documentation)**
- **Employee meal expenses for a departmental sponsored, work-related meeting**
- **Food for a departmental sponsored student meeting, student awards ceremony, and retirement reception or employee recognition event**
- **Hosted meals or entertainment as part of conducting University business**

- **Payment of admissions charges to social or business events in which attendance is required or recommended as part of an employee's official duties.**
- **Plaques, certificates and non-monetary awards for University-related service**
- **Flowers for a funeral for individuals associated with the University**
- **Membership in civil organizations or trade associations that are required as part of employment**

### **Overview of Non-Acceptable Expenses**

- **Direct payment in the form of salary or bonus to a University employee (or an individual working as if a University employee)**
- **Direct payment to non-University employees such as stipends, awards, honorarium or any other form of compensation**
- **Monetary Gift cards**
- **Donations to other not-for-profit entities unless the support is structured as from the University as a whole where the Chancellor has determined that the organization or event is important for University-wide public and community relations**
  - \*\* If an organization chooses to do a fundraiser for another non-profit or organization outside of the University, any money collected should be provided directly to the non-profit and any checks should be written directly to the associated non-profit or organization so that it does not flow through the Foundation)**
- **Payments to students for non-educational expenses (*ex: student with financial need requires help to pay rent.*)**
- **Fines, towing fees, penalties, parking tickets, criminal or civil penalties on behalf of an individual**
- **Maintenance or replacement of University employee's personal property**
- **Employee birthday, anniversary, holiday gifts or cards**
- **Reimbursement for travel expenses that include personal entertainment expenses, travel upgrades, room charges beyond the basic cost of the room**
- **Reimbursement for personal expenses incurred when conducting University work that have been reimbursed by the University or any other source**
- **Office holiday decorations**
- **Membership in civil organizations or trade associations that are not required as part of employment**
- **Requests for petty cash funds**
- **Lobbying or political activities**

The Foundation has the authority to deny any expense from any account. Upon notifying the department of this denial, it may be appealed to the Foundation's Executive Director. The Foundation Executive Director, if necessary, will discuss the matter with the Fund Authority and a final decision will be agreed upon. The Foundation's Executive Director may consult with the Foundation's Board President as part of this process. If there is a question regarding an expense, it is highly recommended to contact the Foundation for assistance prior to incurring the expense.

## **FAQ (Frequently Asked Questions)**

Q. What is the process/procedure for using Sodexo/Campus Dining in the Foundation?

A. Sodexo request(s) must be submitted into the Foundation office within 48 hours prior to the scheduled event. Items needed for an approval are the following: 1) funds requisition form completed and signed by fund authority and 2) a signed Banquet Event Order (BEO) Form.

\*Please note any exceptions to this rule must have prior approval from Executive Director before an approval letter can be submitted.

Q. What types of contractors/vendors are qualified to be paid through the Foundation?

A. Contractors/vendors with a Fed Tax ID/ EIN (not their individual social security number) and with an official invoice will be considered for payment through the Foundation office. Each request will be reviewed for approval on a case by case basis to ensure that the Foundation, IRS, and University guidelines are not violated.

Q. Are non-gift funds accepted in the Foundation?

A. Generally non-gifts are not accepted in the Foundation. As stated in the Administrative and Financial Practices memo 2014-2 dated November 22, 2013, under the funding sources, non-gift funds should be deposited with the University. However, as appropriate, the Foundation works with the University in the housing of non-gift funds.