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## Foundation Project Administration Guidelines

### Overview

Foundation Project Administration has been established within University Advancement as a resource for our campus partners. As fiduciaries of donor funds, Foundation Project Administration will offer support, guidance, education, and training on the use of Foundation projects.

The purpose of this document is to outline roles and responsibilities, and to provide guidance on frequently asked questions for Foundation projects.

A mission of University Advancement is to support strategic priorities through philanthropy as we secure, preserve, and steward our donor's investments in the university. The University Advancement division engages faculty, staff, students, alumni, donors, volunteers, and our communities to increase awareness, raise funds, provide opportunities, develop relationships, and create partnerships to serve the university and the region. Through Foundation Project Administration and Donor Relations, donors are updated on the progress and impact of their gifts to provide greater financial transparency and strengthen their relationship with the university.

### Roles & Responsibilities

Foundation Project Administration:

- Providing education and training to the campus community on our fiduciary responsibility of foundation project funds
- Creating new and updating current Foundation project agreements
- Performing financial compliance reviews for departmental spending of restricted funds ensuring funds are spent according to donor intent

Project Director and fiscal authorities:

- Ensuring funds expended on Foundation projects are in compliance with the mission of the University, policies, and procedures of CSUSM and CSUSM Foundation, and the restriction imposed by donors.
- The expenditure supports the designated purpose of the fund according to donor intent
- Annual allocations (if applicable) are spent annually and submission of a spending plan
- Expenditure documentation and information is accurate, allowable and complete
- The transactions are charged to the correct chart field string and project
- Provide information to Donor Relations & Stewardship on how funds were expensed each year to support the University's mission

#### Directors of Philanthropy:

- Aid in the program fundraising activities that advance the mission of the University
- Support campus partners by attending college/department Foundation Project training sessions
- Review Foundation project agreements and spending plan
- Attend Foundation Project Administration meetings on project spending plans, financial activity, and expenditure review findings

#### Donor Relations

- Ensures consistent, accurate, and appropriate information-sharing for stewarding prospects and donors:
  - Sharing special event information
  - Collecting stories, data, and thank you messages on impact of philanthropy to share back with donors

### **Project Agreements**

Effective November 2, 2020, all new project agreements or updates to current project agreements are completed by Foundation Project Administration. This process ensures transparency with the Director of Philanthropy involved to ensure purpose is in line with donor intent. Each Project Director may add fiscal authorities to the project agreement to approve and sign for expenditure requests that support project purpose and donor intent.

The following information is generally required to initiate a new project agreement:

- Documentation of the proposed project agreement (ex. Gift agreement, Scholarship Criteria)
- Project Name
- Department ID #
- Benefit/Purpose: *Define or explain how the project will benefit the University*
- Allowable Expenses: *Must align with donor intent and with the benefit/purpose of the project*
  - Financial Aid Scholarships are managed by the Student Financial Aid/Scholarship office only.
- Project Director name
- Fiscal authority/s name

Auxiliary Accounting will assign a project number based on the project type.

Foundation project numbering sequence:

81xxx = Designated/campus program

86xxx = Campus program

87xxx = Scholarship

82xxx = Endowment spend account

83xxx = Endowment income/earnings

88xxx = Endowment principal/corpus

## **Endowments**

The annual endowment spend allocation is provided to Project Directors and fiscal authorities for each of their program endowments at beginning of every fiscal year by Auxiliary Accounting.

Effective November 2021, a completed spending plan form is required for endowment annual spend allocations (82xxx). Foundation Project Administration will send the spending plan form to the appointed Project Director to complete and sign. Establishing a spending plan ensures funds received are properly spent, stewarded, and administered. The Project Director is responsible for completing and executing the spending plan. Individuals with fiscal authorities to the project will receive a copy of the completed spending plan form.

The spending plan should be re-evaluated as funding changes occur throughout the year. Foundation Project Administration is to be notified during these circumstances.

### **Guidelines for Endowment Spend Allocations (82xxx):**

The annual endowment spend allocation is provided to the Project Director for their program endowments at beginning of each fiscal year by Auxiliary Accounting. Foundation Project Administration will send the spending plan form to the appointed Project Director to complete. The spending plan form must be completed by the noted timeline. It is the responsibility of the Project Director to ensure the spending plan is in line with the timeline proposed. Foundation Project Administration will work with the Project Director ensuring compliance of the spending plan.

### **Impact Report Survey**

Early April, Donor Relations will contact Project Directors and fiscal authorities to complete a survey to capture narratives and photos on how the endowment allocations were utilized in the current fiscal year. The information provided is packaged and shared with donors so they may learn more about how their contributions were utilized. Survey completion is due early June each year.

## **Campus Programs**

### **Guidelines for Campus Programs (81xxx/86xxx):**

Foundation Project Administration will provide the Project Director their respective campus program fund balance at the beginning of each fiscal year. Campus program funds must be expended within a reasonable time. A spending plan will be required if minimal to no financial activity is reflected in the project.

### **Non-compliance of endowment and campus program spending plan\***

- Non-compliance will be communicated to senior leadership
  - AVP Development > Vice President of University Advancement > Vice President of affiliated division

*\*If minimal to no financial activity is reflected in the project, an annual updated spending plan may be required. Accumulated spend allocation in excess of two fiscal years without an executed spending plan will be communicated to senior leadership.*

## Expenditures

Expenditures must align with the project agreement and donor intent. When a donor contributes to the University with the stipulation that the funds must be used to support a specific purpose, all qualifying expenses must be recorded directly to the project chartfield where the contribution is deposited. Expenses must include the appropriate chartfield string and approvals from the Project Director and fiscal authorities.

### Expenditure Review

As fiduciaries of donor funds, the Foundation Project Administration will monitor project balances monthly and will randomly select expenditures to review.

Monthly expenditure reviews for Foundation campus programs and endowment spend allocation projects may include:

- Random selection of expenditure transactions to verify alignment with donor intent
- Review results may be shared with the appropriate Director of Philanthropy

### Review Findings

- Review findings will be shared with the Project Director, fiscal authorities, and Directors of Philanthropy
- Consistent non-compliance will be communicated to senior leadership
  - AVP Development > Vice President of University Advancement > Vice President of affiliated division

### Required approvals for expenses utilizing Foundation funds:

The following expenditures require approval from Foundation Project Administration. Foundation Project Administration will verify the following for each:

- Appropriateness of request
- Chartfield string
- Available balance
- Delegation of Authority
- Transfers
  - Please submit the transfer (IUB or FTR\*) to Foundation Project Administration ([fndprojectadmin@csusm.edu](mailto:fndprojectadmin@csusm.edu)) before sending to Auxiliary Accounting. Foundation Project Administration will submit the approved IUB or FTR to Auxiliary Accounting for processing and will CC the requestor.
- Hospitality
  - Foundation Project Administration must be in the approval routing process
- Travel
  - Foundation Project Administration must be in the approval routing process
- Direct Pay
  - Foundation Project Administration must be in the approval routing process

## Who to Contact

Topic	Department Name	Contact information
• Data Warehouse (DW) training	Auxiliary Accounting	<a href="mailto:auxaccounting@csusm.edu">auxaccounting@csusm.edu</a>
• Accounting entries in DW	Auxiliary Accounting	<a href="mailto:auxaccounting@csusm.edu">auxaccounting@csusm.edu</a>
• Foundation Project agreements (new, changes, closures)	Foundation Project Administration	<a href="mailto:fndprojectadmin@csusm.edu">fndprojectadmin@csusm.edu</a>
• Financial transfer request form for project transfers	Foundation Project Administration	<a href="mailto:fndprojectadmin@csusm.edu">fndprojectadmin@csusm.edu</a>
• Foundation project related inquiries	Foundation Project Administration	<a href="mailto:fndprojectadmin@csusm.edu">fndprojectadmin@csusm.edu</a>
• To establish a new endowment, scholarship or campus program	Foundation Project Administration	<a href="mailto:fndprojectadmin@csusm.edu">fndprojectadmin@csusm.edu</a>
• Gifts and contributions in DW	Advancement Services	<a href="mailto:asteam@csusm.edu">asteam@csusm.edu</a>
• Questions on donor stewardship • Donor reports • Sharing special events & updates with your donor	Donor Relations & Stewardship	<a href="mailto:donorrelations@csusm.edu">donorrelations@csusm.edu</a>

## Tools and Resources

Foundation Project Administration resource link:

[https://www.csusm.edu/fs/foundation\\_project\\_administration/index.html](https://www.csusm.edu/fs/foundation_project_administration/index.html)

Video: How to complete a Financial Transfer Form: [https://www.csusm.edu/fs/financialxfer\\_faq.html](https://www.csusm.edu/fs/financialxfer_faq.html)

Commonly Used Account Codes: <https://www.csusm.edu/fs/accountcodes.html>

How to run Finance Data Warehouse Reports:

<https://www.csusm.edu/budgetoffice/fdw/financedatawarehouse.html>

Donor Bill of Rights: <https://afpglobal.org/donor-bill-rights>

CSUSM Foundation Board, audited financials, and reporting transparency:

<https://www.csusm.edu/giving/csusm-foundation/>

## **Frequently Asked Questions:**

### ***How do I know if a project number belongs to the Foundation or Corporation?***

The fund number (5 digits) identifies the type of project.

All Foundation funds begin with 96xxx.

All Corporation funds begin with 92xxx.

### ***What is an endowment?***

An Endowment is defined as a donation of money or property which uses the resulting investment income for a specific purpose. Endowments retain the corpus/principal and provide permanent sources of annual funding spend allocations for a designated purpose as stated by the donor. Donors may restrict the uses of the income produced or allow the institution discretion to make allocations.

### ***What is the minimum amount to establish a scholarship endowment or program endowment?***

Per the CSUSM Foundation Management of Endowment and Similar Funds Policy, a total of \$25,000 is the minimum amount required to establish a scholarship/program endowment. Gifts to an endowment may be funded over a five year period as a pledge to achieve the minimum requirement.

### ***What is the minimum amount required to establish a named non-endowed scholarship?***

Per the CSUSM Foundation Management of Endowment and Similar Funds Policy, the minimum amount required to establish a named annual fund with a custom criteria is \$2,500 (or multi-year pledge of at least \$5,000).

### ***When is a project subject to the gift fee?***

All contributions made to the CSUSM Foundation are subject to a 5% gift fee (except for annual/current-use scholarships and named awards equal to or under \$25,000). Sliding scale for gifts greater than \$2 million

Gift fees are charged to the project on a monthly basis for the total contribution received for the respective month.

### ***How is an endowment tracked?***

The endowment principal, earnings, and spending allocations are tracked separately so the historic book value and any additional donations for each endowment can be maintained.

Each endowment is set up with three project accounts:

88xxx – Endowment corpus/principal  
83xxx – Endowment (investment) earnings  
82xxx – Endowment spending allocation

### ***When will a new endowment have a spending allocation?***

Once the endowment reaches the minimum of \$25,000, the spending allocation is posted to each endowment the following July of a new fiscal year.

### ***What is the spending allocation of an Endowment?***

The spend allocation rate is reviewed and approved by the Foundation Board annually per the spending policy. The annual spending allocation is transferred from the endowment earnings to the endowment spend on an annual basis. Auxiliary Accounting notifies the Project Director via email in July of each fiscal year a total of current spend allocation and prior year(s) unspent balances, if any.

### ***Where can I find available endowment spend allocations and campus program project balances?***

To view endowment spend allocations and campus program project balances, please use Data Warehouse. For training on Data Warehouse, please contact Auxiliary Accounting at [auxaccounting@csusm.edu](mailto:auxaccounting@csusm.edu)

### ***Where can I review a project's purpose and allowable expenditures?***

The project purpose and allowable expenditures may be viewed on the gift agreement and/or the project agreement. Please contact Foundation Project Administration ([fndprojectadmin@csusm.edu](mailto:fndprojectadmin@csusm.edu)) for any questions.

### ***What if the spending plan needs to be adjusted during the fiscal year?***

If, at any point throughout the gift timeframe, funds are not expected to be spent or consideration for a new spending plan purpose may be needed, the Project Director shall immediately contact the Foundation Project Administration.

This is critical to honor donor intent and to provide Advancement staff with adequate time to work with the donor/s (if applicable).

***Who do I contact if I want to create a project? (scholarship, endowment, campus program)?***

Please contact Foundation Project Administration at [fndprojectadmin@csusm.edu](mailto:fndprojectadmin@csusm.edu).

For additional questions on Foundation projects not outlined in this document, please contact Foundation Project Administration at [fndproject@admin@csusm.edu](mailto:fndproject@admin@csusm.edu)