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 may require 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 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 donors feel valued and valuable by:
  - 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 contact 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 program	82xxx = Endowment spend
86xxx = Campus program	83xxx = Endowment income/earnings
87xxx = Scholarship	88xxx = Endowment principal/corpus

Expenditures

Expenditures must align with the project agreement and donor intent. When a donor makes a contribution 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.

Effective November 2021, a completed spending plan form is required for endowment annual spend allocations (82xxx) and campus program funds (86xxx). Establishing a spending plan ensures funds received are properly spent, stewarded, and administered. The Project Director and fiscal authorities 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. The Project Director is required to complete a spending plan form and submit to Foundation Program Administration on or before September 1st.
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.

Transfer Requests:

- Campus department transfer requests to or from the endowment spend account are not allowable.
    - Exception: To correct an expense that was erroneously recorded, please contact Foundation Project Administration for assistance.

Non-compliance of 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 and may result in transferring funds back to the endowment income project.

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.

Guidelines for Campus Programs (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 may be required if minimal to no financial activity is reflected in the project.

Expenditure Review

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

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

- Random selection of expenditure transactions to verify alignment with donor intent
- Quarterly review results will be shared with the appropriate Director of Philanthropy
- Approval on transfer requests prior to transfer taking place ensuring accuracy and compliance with foundation project guidelines

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

Who to Contact

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

Tools and Resources

Program/Endowment Info Session:
https://csusm.zoom.us/rec/share/PwqQg4HbCfi4zJuEVKb4coI87bZdn38Rc4wvTEKJwXccN85qsIby9AQQaKggSb8A.rcHjk62UMZ4v6m5t

Video: How to complete a Financial Transfer Form: https://www.csusm.edu/fs/financialxfer_fa

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/

Foundation Project Administration resource link:
https://www.csusm.edu/fs/foundation_project_administration/index.html

FAQs

What is the difference between a designated program and a campus program?

Designated programs are administration projects that are maintained by the Foundation management team. Campus programs are maintained by the department Project Director and fiscal authority (s).

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 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 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?

New endowments (at $25,000 or more) must be in existence for a minimum of 12 months before a distribution is awarded. 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

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) 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.

For additional questions on Foundation projects not outlined in this document, please contact Foundation Project Administration at fndproject@admin@csusm.edu