2020 ECU Financial Services Workshop
Foundation Funds Overview
Opening Doors Open Minds to Foundation Funds
FY2019
Foundation Highlights

ECU Foundation
• Total assets - $160 million
• Contributions - $13.2 million
• Support provided to ECU:
  – Scholarships - $3.3 million
  – Other programs - $4.9 million

ECU M&HS Foundation
• Total assets - $50.6 million
• Contributions - $2.4 million
• Support provided to ECU:
  – Scholarships - $1 million
  – Other programs - $1.5 million
Office of Gift Records

- All gifts/sponsorships should be deposited through the Office of Gift Records to ensure the tax deductibility of the contribution
- U-Stores for foundation funds
- What documentation to send to the Office of Gift Records:
  - Check
  - Is this a gift or non-gift item?
  - Source of funds (donor, fundraiser, registrations, etc.)
  - Fund designation
- ecugiftrecords@ecu.edu
Foundation Expenditure Policies

• Each foundation has a board-approved policy
• Helps ensure that donor contributions are stewarded/used appropriately
• Provides guidelines for using foundation funds, including:
  – Documentation requirements
  – Approval requirements
  – Payment process requirements
• IRS requirements - Publications 463 & 557
Foundation Expenditure Policies

Documentation:

• All invoices or receipts must provide an itemized list of expenses
• Receipts/invoices from vendors must be originals
• Business purpose of each expenditure must be clearly documented
  – Purpose must be consistent with the purpose of the fund, the mission of the Foundation, and the mission of the University
• Provide other supporting documentation
  – Meeting/program agenda
  – List of attendees
Foundation Expenditure Policies

Approval Process:

• Expenditures must be approved by the assigned fund manager or by an individual with delegated authority up to certain dollar limits
  – ECU Foundation delegated authority approval up to $1,000
  – ECU M&HSF Foundation delegated authority approval up to $2,500
  – Scholarship disbursements MUST be approved by the fund manager (no delegation allowed)

• Certain situations may require additional levels of approvals

• ALL expenditures are reviewed and approved by the Financial Services teams at the respective foundation
Foundation Expenditure Policies

Payment Process:

• Foundations utilize the University’s payment processes and follow its requirements to the extent possible
  – Accounts Payable
  – Payroll (for employee awards and moving expenses)
  – Financial Aid (for student awards/scholarships)
  – ProCard

• Use of personal credit/debit cards and reimbursements should be the last option for payment methods
Foundation Expenditure Policies

Questions to Ask Yourself:

• Do you have funds available?
• Does the expenditure meet the purpose of the fund you intend to use?
• Is this expenditure reasonable and prudent?
  – “Newspaper test” - would be comfortable with the expenditure and amount being made public?
• Has the fund manager (or designee) approved the use of funds?
• Do you have all of your supporting documentation for the expenditure?
• Does the expenditure comply with University policies?
Common Foundation Expenditures

- University-related travel
- Event expenses
- Moving expenses
- Business meals
  - Non-University guests MUST participate
- Entertainment
  - Non-University guests MUST participate
- Tips (up to 20%)
- Awards to employees
- Awards/gifts to non-University personnel
  - Residents
  - Research participants
- Retirement awards/gifts
- Flowers
Prohibited Foundation Expenditures

- Contributions to other 501(c)(3) entities
- Expenses for personal benefit
- Purchase or rental of clothing (excluding performance costumes)
- Parking permits for University employees
- Political contributions
- Fines

- Birthday or going-away parties
- Gifts represented as being from an individual
- Lavish expenditures
ProCard & Foundation Funds

• Follow all ProCard policies and procedures
• Documentation requirements DO NOT change when using ProCard
  – Does the expenditure meet the purpose of the fund?
  – Is this expenditure reasonable?
  – Do you have fund manager approval?
  – Do you have funds available?
• Allocate your charges appropriately – if you are not sure about a FOAP... **ASK**
• Upload all supporting documentation in Works (Or Chrome River… coming soon!)
  – File too large? Scan in lower resolution or save as a JPEG file
Scholarships/Academic Works

• Annual contribution deadline for scholarship funding cycle is 12/31

• When can we expect funding information from Foundations?
  – Initial information provided around 12/1 for planning purposes
  – Final funding availability provided mid-January

• What to consider when deciding how much to award
  – Annual endowment spending rate (if applicable)
  – Is this a multi-year scholarship commitment?
  – Does the scholarship have a defined award amount or minimum?
Additional Foundation Considerations

- Payroll on foundation funds
- EPAFs/People Admin
- Fundraising events
- Want to set up a new fund?
  - Contact the foundation office to discuss requirements and purpose
- New fund minimums:
  - Endowment funds - $25,000
  - Current-use funds (‘A’ or “T”) - $5,000
  - If requirements are not met, the foundations reserve the right to close the fund and move monies to another appropriate fund
Decoding the Fund number

• Fund types and uses:
  – First letter indicates the foundation (E = ECU Foundation, M = M&HSF)
  – Second letter indicates fund type
    • A – Annually funded (spendable)
    • T – Temporarily restricted (spendable)
    • E – Endowment expendable (spendable)
    • C – Endowment corpus (non-spendable)
    • R – Endowment earnings (non-spendable)

Example Fund numbers
ME7680 = ECU M&HS Foundation endowment expendable fund (will have a corresponding C&R)
EA5620 = ECU Foundation annually funded (typically scholarship funds)
Foundation Funds & Banner

• **Do NOT use Self Service Banner for foundation funds**

• **Banner 9 is the preferred method for accessing foundation fund information**
  – Firefox or Chrome work best with Banner 9

• **Quick queries (ODS based) are available on the Systems Coordination website**
  – [www.ecu.edu/syscoord/](http://www.ecu.edu/syscoord/)
Systems Coordination Quick Queries

www.ecu.edu/syscoord
Fund Balance - FGITBSR

Revenues

Expenses

Current Fund Balance
**NOTE:** Revenue lines total to “Revenue Control” on FGITBSR
Expense lines total to “Expense Control” on FGITBSR
## Transaction Detail - FGITRND

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<th>Account</th>
<th>Organization</th>
<th>Program</th>
<th>Field</th>
<th>Amount</th>
<th>Increase (+) or Decrease (-)</th>
<th>Type</th>
<th>Document</th>
<th>Transaction Date</th>
<th>Activity Date</th>
<th>Description</th>
<th>Comment Type</th>
<th>Fund</th>
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Total: 2,860.00 +
Transaction Detail - FGITRND
Transaction Detail - FGITRND
**NOTE:** Can filter to see only “YTD” activity in FGITRND in Banner, but if exported to Excel, the encumbrance (“ENC”) lines still display – either sort or eliminate via filter.
Questions?
Contacts – ECU Foundation

• Patricia Fritz, Controller
  – fritzp@ecu.edu or 737-2525

• Heather Wiggins, Accountant
  – gardnerh@ecu.edu or 737-5369
  – Areas of Responsibility – College of Business, Thomas Harriot College of Arts and Science, College of Fine Arts & Communication, Academic Library Services (Joyner Library), Research and Graduate Studies

• Mary Ann Hunter, Accountant
  – huntermary15@ecu.edu or 328-9574
  – Areas of Responsibility – College of Education, College of Engineering & Technology, College of Health & Human Performance

• Tonya Jones, Administrative Support Specialist
  – wilsonto@ecu.edu or 328-9553
Contacts – ECU M&HS Foundation

• Joel Stocks, Controller
  – stocksj15@ecu.edu or 744-2068
• Mandy King, Accountant
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• Tracy Gilland, Administrative Support Specialist
  – gillandt@ecu.edu or 744-3765