

University of Central Florida Foundation, Inc.

INITIATING AUTHORITY:

Robert J Holmes, Jr.
Foundation Chief Executive Officer
Vice President for Alumni Relations and Development

INITIAL ADOPTION DATE:

5-11-2005

CONTACT:

Letha Cucci

POLICY OBJECTIVE, PURPOSE, BACKGROUND:

The University of Central Florida Foundation Incorporated is a tax-exempt charitable organization under Section 501(c)(3) of the Internal Revenue Code and a direct support organization of the University of Central Florida. The foundation raises funds to provide the university with the resources to supplement its programs. Expenditures of foundation accounts support the university in achieving its goals and the university's pursuit of excellence.

Together with guidance from the foundation, all persons using expenditures of foundation funds must ensure that all expenditures benefit of the university. In particular, all expenditures must be justified based upon the benefit to the particular unit and the university.

The objective of this policy is to provide general guidelines for spending from foundation accounts.

POLICY STATEMENT:

The foundation has general guidelines to aid university employees with the administration and fiscal oversight responsibility for foundation funds. In addition to these guidelines, the foundation has specific expenditure policies for various types of expenditure requests which can be found in the foundation Office of Accounting policies and procedures manual.

The following is the list of the general guidelines:

1. Foundation funds will be used for the substantial benefit of UCF. There should not be any substantial benefit transferred to the donor, faculty, or staff member in return for the gift.
2. Foundation funds can be used to serve the university in many meaningful ways for which the use of state funds may not be authorized. Within this framework, reasonableness and fiduciary responsibility must guide the use of money.
3. All requests for disbursement must follow foundation policies and procedures and be submitted on foundation forms. Proper documentation must be submitted with all requests and must have written justification suitable for auditing purposes. This includes business justification of the expenditure and benefit to UCF.
4. It is the responsibility of each department to obtain the best value for purchased items. For any contract or payment of \$100,000 or greater, the foundation requires three written responsive bids, quotes, or requests for proposals from separate individuals or companies. If the selected vendor or service provider is not the lowest priced option or within 10% of the lowest priced option, or other special consideration is requested, the foundation requires the advance approval of the foundation CEO before entering into such purchase commitment. To obtain approval, a written request with proper justification must be submitted prior to agreeing to the purchase. See the foundation Intermediate Sanctions Policy and the Purchases of \$100,000 or Greater Policy.

5. Monies must be spent in accordance with the purpose of the account being charged, including the donor's intent of the gift and donor restrictions. Departments should have controls in place to ensure proper use of funds. In addition, internal policies can be set up at the discretion of each department, but such policies cannot be in conflict with foundation policy.
6. Account authorizers will be responsible for monitoring purchases and availability of funds for payment. Expenditures will not be disbursed if the account does not have cash available to cover the expense.
7. All requests for disbursement must have appropriate signatures. See the foundation [Account Authorizer Responsibility Policy](#) for additional information related to account authorizers. [Signers may refuse to authorize expenses that they have not pre-approved.](#)
8. Reimbursement payments made directly to employees must have the employee's supervisor's signature or a higher level approval within the division or college (university president will be reviewed by foundation CEO). Reimbursements under \$25 paid directly to authorized signers of the president's, provost's, vice presidents' and deans' accounts will not require supervisor signature since these expenses will be reviewed and approved by the finance committee.
9. All expenditure requests from a dean's or division director's discretionary account exceeding \$2,500 must have a vice president's, provost's or president's signature. All expenditure requests from any foundation account exceeding \$10,000 must have the appropriate vice president's, provost's, or president's signature. For any contract or payment in excess of \$100,000 or greater, the foundation may require additional signatures. Please see the foundation [Purchases of \\$100,000 or Greater Policy](#).
10. The president's excellence account and the discretionary accounts for the provost, vice presidents and deans will be reviewed by the finance committee.
11. The expenditure must not jeopardize the foundation's tax-exempt status.
12. The expenditure must comply with all applicable statutes and regulations.
13. The foundation is exempt from Florida sales tax for direct payments to vendors under certain circumstances. Please contact the foundation Office of Accounting for more information and a copy of the foundation's sales tax exemption certificate.

The following is a list of prohibited expenses from foundation accounts:

1. Foundation funds may not be used to further the political or religious aspirations of an individual or group. The IRS specifically prohibits the foundation from participating in, or intervening in (including the publishing or distributing of statements), any political campaign on behalf of (or in opposition to) any candidate for public office.
2. Due to the complexity and wide variety of rules pertaining to visa holders, payments to nonresident aliens for services or other obligations will not be paid directly by the foundation. However, departments may request foundation funds be transferred to the university for processing and adequate reporting.
3. Outright cash donations to other charitable organizations are prohibited. Payment for tickets to charitable events where a meal or other expense is provided is allowable or when the university or foundation receives recognition for a sponsorship or other benefit. Tickets to political fundraising events are prohibited.
4. Purchase of water for general office use is generally prohibited. Expenditures for water designated for university guests and their hosts during meals or refreshments may be permitted.
5. Foundation funds may not be used to pay penalties, fines, citations or tickets. This includes "fines" assessed by a civic organization for a no-show on a previously confirmed attendance.
6. Expenditures for personal clothing will not be paid with foundation funds. Exceptions may include clothing with the UCF logo for individuals required to represent the university at special

events, or other business justification subject to foundation accounting approval. However; for employees, payroll requires reporting the value of these items for tax purposes.

7. Payment for meals that do not have business as their primary purpose is prohibited. Receipts for business meals include a written statement of the business purpose of the meeting. Please see the foundation's Business Meal and Entertainment Policy. Reimbursement for modest refreshments during department meetings, board meetings and the like is allowed.
8. Payment for items associated with recognition of individual employee's celebrations such as birthdays and weddings such as gift, cake, drinks, balloons, and paper goods is prohibited.
9. Generally, foundation funds should not be used for service club or social club memberships such as Rotary memberships. The exception to this is for individuals who play significant roles in furthering community relations, including the president, provost, vice presidents, deans, and development officers. Memberships for individuals beyond the president, provost, vice presidents, deans, and development officers are limited to persons with major external roles and require approval by the president, provost, or the appropriate vice president. Only basic membership dues, not voluntary donations or fines, will be reimbursed. In all cases, the primary purpose of the membership and the expenditure should be for promotion of the university.
10. UCF parking decals purchased for faculty and staff whose office is on campus including adjunct instructors may not be reimbursed by or purchased through the foundation. General use decals or if an employee's office is not at the main campus may be paid. If a decal is for the sole use of an individual then the decal will be reported as reportable income to UCF payroll department.
11. Payments made for in-room movies, laundry, mini-bar and other hotel amenities may not be reimbursed by the foundation.
12. Payments for office supplies or furniture and equipment that are not business-related, customary, or reasonable may not be paid for with foundation funds.
13. Payments related to expenditures that are governed by the IRB or the IACUC will not be processed by the foundation. Foundation funds may be transferred to the university for processing and adequate reporting.
14. Gift certificates to employees and students are considered taxable income by the IRS and cannot be paid directly by the foundation.

DEFINITIONS:

CEO. Chief Executive Officer of the University of Central Florida Foundation, Incorporated.

Fiduciary. A person who stands in a special relation of trust, confidence, or responsibility in certain obligations to others and who is entrusted with the property of another party in whose best interests the fiduciary is expected to act when holding, investing, or otherwise using that party's property.

Finance Committee. A University of Central Florida Foundation, Incorporated board of directors' committee authorized in the bylaws of the foundation to advise the board regarding the general fiscal policy and fiscal management of the foundation.

IRS. Internal Revenue Service

IRB. (Institutional Review Board) The university operates this board to safeguard the protection of human participants in research and development. For further information please see the university's Institutional Review Board Policy and Procedure Manual.

IACUC. Institutional Animal Care and Use Committee

Nonresident Alien. For U.S. tax purposes, there are four residency statuses. 1) U.S. citizen; 2) permanent resident alien; 3) resident alien for tax purposes; and 4) nonresident alien for tax purposes. For the first three items listed, payments made to individuals of these residency statuses are taxed and reported in the same manner as those made to U.S. citizens. For the fourth listed item, nonresident alien, special tax rules apply.

APPLICABILITY/ACCOUNTABILITY:

This policy applies to all UCF employees using or administering foundation funds.

PROCEDURES:

Departments requesting expenditures to be paid from foundation funds must complete a [Payment Authorization Request Form](#), or if the expenditure relates to reimbursement for travel; a [Travel Reimbursement Request Form](#). Please see the foundation's [Payment Authorization Request Quick Reference Sheet](#), the [Payment Authorization Request Helpful Hint Guide](#), and the [Travel Reimbursement Overview Policy](#) for aid in completing forms correctly.

Once the appropriate form is completed, documentation is attached, and authorizations are obtained, the form must be submitted to the foundation Office of Accounting for processing. Each week the foundation Office of Accounting will review those requests which are submitted prior to the weekly cutoff deadline. If approved, a check will be processed. For further information, please see the foundation's [Check Processing Policy](#).