

Valdosta State University Foundation, Inc.

Accounts Payable Policy & Procedures

Aimee Batista

Overview

To create proper controls for the effective management of the Foundation's financial obligations to its vendors for goods or services that have been received or will be received in the future.

Policies

- These policies, guidelines and procedures are applicable without exception to all funds owned or administered by the Foundation.
- Foundation's liabilities need to be paid within a reasonable period and in accordance with vendor credit terms.
- All invoices must be verified to ensure payments are appropriately made to the correct vendor for the correct amount for goods and services delivered.
- Discrepancies between the vendor invoice and the check requisition form must be resolved before the payment can be processed.
- Check requisition forms must be completed for all transactions.
- All disbursements will be entered as a payable Financial Edge prior to payment.
- Periodically, the accounts payable aging is reconciled to records to ensure transactions have been recorded in the proper period.
- Returned purchases are controlled to ensure the refund or credit will be received.
- Past due balances are reviewed and followed up on.
- Any payments made to an independent contractor or an unincorporated vendor for services require the Foundation to prepare and mail an IRS Form NEC or MISC for individuals and vendors earning \$ 600 or more at the Foundation during the calendar year. A form W-9 must be obtained for new vendors and for change of mailing address for current vendors.
- A Vendor master file in Financial Edge is to be maintained and reviewed periodically for duplicate vendors.

Responsibility of Parties

This policy applies to all Foundation administration, licensed educators, staff, organizations, and individuals that initiate, authorize, or process accounts payables for the funds owned or administered by the Foundation. These parties are responsible for knowing this policy as well as familiarizing themselves with its contents and provisions.

Segregation of Duties

All employees must maintain a clear separation of duties among those who:

- Custody of credit cards and blank checks.
- Initiate expenditures.
- Approve expenditures.
- Prepare payments.
- Investigate discrepancies.
- Maintain or authorize adjustments.
- Edit the vendor master file.
- Process vendor calls and complaints.
- Investigate discrepancies or issues related to disbursements.
- Reconcile bank accounts.
- Maintains documentation.

When segregation of duties is not possible due to the small size and limited staffing of the Foundation, compensating controls such as management supervision and review of accounts payable records by independent parties should be implemented.

Procedures for Requesting Payment

1. A check requisition form is required for all purchases. Persons initiating an expenditure shall complete the requisition form. Supporting documentation is to be attached to the check requisition. The Check requisition form can be found on the Foundation website under Policies and Procedures. Incomplete or inaccurate forms will be returned for correction and resubmission and will delay the payment.
2. The originator, supervisor and Provost/Vice President of the request need to sign the form. If the supervisor is the originator, only the supervisor and Provost/Vice President need to sign. If the Provost/Vice President is the originator, only the Provost/Vice President needs to sign. The Accounts Payable Specialist shall verify the documentation, initial the request and enter the request into accounts payable. All requests will be approved electronically by the Foundation Accounting Manager.

3. Check requisitions must have original supporting documents, such as order forms, registration forms, invoices, contracts, W9 forms, etc.
4. Check requisition forms and reimbursed expenses must be approved by the appropriate party.
5. Invoices are matched to check requisition form and entered in Financial Edge account payable system as of the invoice date.

Procedures for Issuance of Check Disbursements

- Payments will be handled according to the cash disbursement policy and procedures.

Procedures for Issuance of ACH Disbursements

- Payments will be handled according to the cash disbursement policy and procedures.

Review Procedures

- Periodically, administration, designated members of management, or an outside party shall review cash disbursements to verify that all policies and procedures are being followed.

Record Retention

The Foundation shall maintain detailed records to show cash disbursement procedures comply to this policy. These records shall be retained in accordance with established policies and other requirements and made available to authorized parties during audits, program reviews, or investigations.

Valdosta State University Foundation, Inc.

Accounts Receivable and Collection Policy and Procedures

Aimee Batista

Overview

To establish responsibilities, internal controls, authorizations and procedures for the management of the contribution's receivable including the authority to write-off uncollectible amounts. This includes ensuring adequate support for all amounts included in accounts receivable, timely collections, recording of transactions, reporting of outstanding accounts and ensuring practices are consistent throughout the Foundation.

Definitions

Contributions Receivable- an agreement between a donor and the Foundation where the donor promises to contribute, at a later date, cash or other assets to the organization.

Allowance for Doubtful Accounts- a contra account of the accounts receivable based on delinquent accounts. The amount in this account is based on an analysis of accounts receivable.

Delinquent Account- an accounts receivable in which payment is late or overdue.

Doubtful Account- an accounts receivable for which collection efforts are in progress or have been exhausted without successful collection and for which an allowance for doubtful accounts adjustment will be recorded.

Policy

- All parties requesting donations must be familiar with the Foundation's Gift Acceptance prior to making any efforts to solicit contributions or other gifts.
- The Foundation's Vice President approves the acceptance of contributions, gifts, grants, etc. with related restrictions or requirements.
- When possible, donors should be requested to send donations directly to the Foundation. Any restrictions should be noted on the check or in accompanying correspondence.
- All donations received by a University unit should be forwarded to the Foundation along with any related correspondence. Accounting will record the donation, recognize any designations or restrictions, and issue official receipts to the donor in compliance with IRS guidelines.
- Senior Foundation Accountant shall reconcile reports from Raiser's Edge to Financial Edge account statements to ensure donations are properly recorded.
- Foundation staff should ensure compliance with the terms and conditions of all grants, restricted contributions, endowments, etc. received by the Foundation.

- Past due balances are reviewed and followed up on.
- The Foundation keeps records of gifts contingent on future events, such as bequests, and the records are periodically reviewed by management to ensure that contribution revenue is recorded as conditions are met.

Responsibility of Parties

All employees responsible for the recording of account receivable related activities must comply with this policy.

Segregation of Duties

All employees must maintain a clear separation of duties among those who:

- Collect accounts receivable.
- Open the mail or copy checks received.
- Prepare deposits.
- Deposit cash receipts.
- Post cash receipts.
- Review the accounts receivable aging.
- Authorize write-offs of delinquent accounts.
- Investigate account receivable discrepancies.
- Maintain or authorize account receivable adjustments.
- Edit the accounts receivable master file.
- Process donor calls and complaints.
- Investigate discrepancies or issues related to revenue.
- Reconcile bank accounts.

When segregation of duties is not possible due to the small size and limited staffing of the Foundation, compensating controls such as management supervision and review of cash receipting records by independent parties should be implemented.

Procedures for Recording Contributions Receivable

- For any new contributions, supporting documentation will be reviewed to ensure all proper signatures are secured and there are no conditions surrounding the pledge.
- All contributions receivable are considered to be restricted regardless of their designation. Once the pledge is received, the revenue is then considered to be released from restriction. Contributions whose ultimate designation are for the endowment will be recorded as permanently restricted revenue.
- Cash receipts will be handled according to the cash receipts policy and procedures included in this manual.
- Reconciliations of the contributions receivable report to the financial statements must be performed by the Foundation Accounting Manager to ensure proper recording of funds.

Procedures for Calculation of the Discounted Pledge Amount

1. Since contributions usually represent amounts to be received in future periods, the present value of the future income must be determined before recording contributions in the financial statements. For those that will be received within a year, no present value calculation will be required.
2. The Discount rate has been established by the Board at 3.25%.
3. The discount calculation is to be documented and reviewed by the Foundation Accounting Manager to ensure proper recognition of the discount.

Calculation of the Allowance for Uncollectible Contributions

- An annual review of contributions receivable is to be performed. Any contributions over 5 years old with no activity are to be written off.
- Amounts to be written off must be approved by the Vice President of University Advancement prior to being recorded in the accounting system. This approval must be documented. Administration or an individual without Accounts Payable duties shall document approval of journal entries or electronic fund transfers.
- Once approved, accounting staff will record the entry in the accounting system.

Review Procedures

- A periodic review of the uncollectible account must be performed to ensure accuracy of the financial statements.

Record Retention

The Foundation shall maintain detailed records to show contributions receivable have been handled correctly, including supporting documentation of discounts and write-offs. These records shall be maintained in accordance with established policies and other requirements and made available to authorized parties during audits, program reviews, or investigations.

Valdosta State University Foundation, Inc. Policy for Automated Clearing House (ACH) Arrangements and Electronic Transactions of Funds

Overview

The following policy shall govern the use of Automated Clearing House (ACH) arrangements and electronic transactions of funds for the Valdosta State University Foundation, Inc. (Foundation):

Definitions

Automated Clearing House or "ACH" means a national and governmental organization that has authority to process electronic payments, including, but not limited to, the National Automated Clearing House Association and the Federal Reserve System.

An "ACH Arrangement" means the agreement between the originator of the ACH transaction and the receiver of an ACH transaction.

An "ACH Transaction" means an electronic payment, debit, or credit transfer processed through an automated clearinghouse.

An "ACH Policy" means the procedures and internal controls as determined under this written policy developed and adopted by the Valdosta State University Foundation.

Authority to Enter into ACH Arrangements and Electronic Transfer of Public Funds

The Valdosta State University Foundation shall not be a party to an ACH arrangement unless the Board of Trustees of the Valdosta State University Foundation has adopted a resolution to authorize electronic transactions and the Foundation Treasurer has presented a written ACH policy to the Board of Trustees.

Responsibility for ACH Agreements

The Accounting Manager is hereby designated by the Foundation as the person responsible for the Foundation's ACH agreements, including payment approval, accounting, reporting, and generally for overseeing compliance with the ACH policy and stay in compliance with the standards set by NACHA.

The Accounts Payable Specialist of the Foundation shall retain documentation detailing the goods or services purchased, the cost of the goods or services, the date of the payment, and the department levels serviced by the payment in a secure encrypted database. These reports can be contained in the electronic general ledger software system of the Foundation.

SEGREGATION OF DUTIES

All employees must maintain a clear separation of duties among those who:

- Set up new scholarships

- Record scholarship funds
- Prepare payments
- Investigate discrepancies
- Maintain or authorize adjustments
- Edit the scholarship master file
- Process donor calls and complaints
- Investigate discrepancies or issues related to scholarships
- Reconcile bank accounts
- Maintain documentation

When segregation of duties is not possible due to the small size and limited staffing of the Foundation, compensating controls such as management supervision and review of cash receipting records by independent parties should be implemented.

Internal Accounting Controls to Monitor Use of ACH Transactions Made by The Foundation

The following system of internal accounting controls shall be used to monitor the use of ACH transactions made by the Foundation:

- a) Each invoice to be paid by ACH transaction ("ACH Invoice") must be approved for payment in accordance with the (Foundation) Valdosta State University Foundation's Accounts Payable Policy and Procedure as amended from time to time and forwarded to the Finance & Administration Committee for approval.
- b) The payment of each ACH invoice, which has been approved for payment in accordance with the Accounts Payable Policy, by ACH transaction must be approved by the Accounting Manager:
 - *Approval of Invoice: Each ACH invoice must be approved for payment in accordance with the Accounts Payable Policy.*
 - *Initiation: The Accounts Payable Specialist initiates each ACH transaction and performs the electronic fund transfer.*
 - *Transaction Approval: The ACH transaction must be approved by the Accounting Manager.*
 - *Batch Approval: After the Accounts Payable Specialist initiates the ACH batch, it must be approved by either the Accounting Manager or the Senior Accountant before processing.*
 - *Separation of Duties: No single person is allowed to both initiate and approve ACH batches.*
- d) The Accounts Payable Specialist shall retain all ACH invoices and all ACH transaction documents for audit purposes.

Certification

I, (responsible employee), certify that I developed and adopted the foregoing ACH policy and presented it to the Valdosta State University Board of Trustees on _____.

Signature, Title

Valdosta State University Foundation, Inc.

Credit Card Expense Policy and Procedures

Aimee Batista

Overview

This policy covers all expenses incurred by Employees on behalf of Valdosta State University Foundation, put on Employee corporate cards.

Employees should use good judgment when incurring business expenses and should consider a variety of alternatives. All expenses should align with Valdosta State University Foundation's (VSUF) Operating Budget, Strategic Goals and Mission.

Roles and Responsibilities

Cardholders

All Employees should read and understand the Company's Expense Policy in full and adhere to the spending guidelines.

These guidelines include:

- Using corporate virtual and physical cards for Company purchases whenever possible.
- Getting approval for spending that falls outside of the Expense Policy and/or Budget directly through Ramp.
- Submitting necessary information and receipts following the transaction

Card Managers

All Card Managers are responsible for reviewing each team member's spending and assessing adherence to the Company's Expense Policy on at least a bi-weekly basis. This review includes:

- Ensuring each expense item complies with the Expense Policy and/or relevant Budget.
- Confirming itemized receipts are attached, as necessary.
- Validating memos for all transactions as necessary
- Confirming that expenses are properly coded.

Finance Administrator

Finance Administrators are responsible for administering the Company's Expense Policy and Corporate Spend Program. This responsibility includes:

- Defining the Expense Policy and training Employees on how to properly use their corporate cards.
- Determining roles in the Company (e.g., Cardholders, Card Managers, Finance Administrators)
- Ensuring that expenses comply with the Expense Policy and/or relevant Budget.
- Creating and maintaining appropriate coding / allocation for all expenses

At this time, VSUF' s Finance Administrator is Aimee Batista

Using Corporate Cards

Employees should use Ramp corporate cards for all Company expenses. If an Employee has not yet been invited onto the Ramp card program, they should reach out to their Card Manager or to a Finance Administrator at anicolosi@valdosta.edu.

General Corporate Card Guidelines

1. Employees should use Ramp corporate cards for all Company expenses. Employees should not use a personal card for Company expenses that would then require reimbursement.
2. Employees should not use a corporate card for personal expenses. If an Employee accidentally uses a corporate card for a personal expense, they should contact the Finance Administrator at albatista@valdosta.edu.
3. When possible, Employees should keep charges on their corporate cards limited to expenses for their specific department.
4. If an employee outside of the Foundation needs use of a Foundation Credit Card, the employee needs to obtain prior approval from their Dean, Vice President or Provost following the same guidelines set forth in the Accounts Payable Procedures.

General Expense Policy

If an Employee is ever unsure if a purchase can be expensed, they should consult their Card Manager or a Finance Administrator prior to making the purchase.

Meals

Business Meals are reimbursed on an actual basis and include:

- Reasonable and necessary meal expenses for business meetings which focused on business discussions take place. The frequency of such meetings and the related expenses must be reasonable and appropriate to the purpose of the discussion and the nature of the business conducted. Such meetings include:
 - Breakfast, lunch, and dinner meetings which are necessary to conduct University Advancement business.
 - Formally organized meetings which are necessary to carry out the business of official committees appointed by the University, School, or Department.

- Meetings of an organized work group of employees or students that require the work of the group to progress through normal mealtime.

Meals may be expensed during business travel. Please refer to the Travel Expense Policy for more information.

Gifts

Employees should refrain from using corporate cards to purchase gifts for other Employees, Contractors, or Customers, as there may be tax consequences related to these purchases. Non-cash gifts given to an employee with a fair market value of \$100 or less for a calendar year are considered non-taxable. As a reminder, this threshold of \$100 does not include any cash or cash equivalent (gift certificates) given as a gift to an employee, which are always considered taxable by the IRS.

Travel Expense Policy

Employees and Card Managers bear responsibility for cost-effective business travel. All travel, regardless of cost, must be approved by the Employee's Card Manager or Finance Administrator prior to booking.

Airfare

Employees should only book Economy (or equivalent) unless the Employee receives approval from their Card Manager or a Finance Administrator.

Employees should book flight reservations as far in advance as possible and, at minimum, two weeks prior to travel.

Flights should be selected based on the cost of the ticket and convenience of the flight for the Employee's business purpose and should not be based on an Employee's preferred airline or loyalty rewards program.

Employees may expense, via their Ramp card, in-flight WIFI if they are working throughout the flight.

VSUF will not cover travel expenses for spouses, partners, family members, or friends if they choose to accompany the Employee.

Ground transportation

Employees can expense reasonable transportation to / from airports and offices as necessary while traveling.

Mileage

An automobile personally owned by an Employee and authorized for business use will be compensated when driven for such purpose and will be reimbursed a fixed amount, as per the current IRS policy. Mileage should be

fully documented: date, starting location, ending location, the business purpose, and the number of business miles.

Accommodation

Employees should book lodging that is conveniently located for their business purpose and that is reasonably priced for their location - typically under \$200 per night in most cities and under \$400 per night in major cities (NY, SF, LA), inclusive of all taxes and fees.

Meals

Meal expenses should be within reason. This guidance does not represent a "per diem," as the Company will only reimburse actual expenses if a reimbursement is required (e.g., if Employee did not use their corporate card).

Entertainment

All expenses related to entertainment while traveling should comply with the VSUF Operating Budget. Such expenses may be approved according to Manager discretion.

Please note that since the IRS views entertainment as unrelated to a company's business, the team must demonstrate that entertainment expenses are associated with a specific VSUF workstream, initiative, or project. As such, entertainment while traveling must either directly precede or follow a valid Company discussion. Since VSUF must be prepared to substantiate this expense, the following information is required when submitting entertainment expenses:

- Date and place of entertainment
- The party's name, title, and purpose

Submitting Expenses

All purchases require the Employee to submit an itemized receipt.

1. For in-person transactions, the Employee can text a photo of the itemized receipt to Ramp at HIRAMP. The service will automatically associate it with the corresponding transaction.
2. For online transactions made with a Ramp corporate card, the Employee should forward an itemized receipt to receipts@ramp.com.
3. The Employee can also upload the receipt directly to the Ramp dashboard.

All transactions are required to have a business purpose listed in the memo field of the Ramp transaction, regardless of amount.

- For in-person transactions, the Employee can text the memo to HIRAMP after the transaction, the service will automatically associate it to the transaction.
- For online transactions made with a Ramp corporate card, the Employee should add a memo in the body of the email using "memo: <enter memo>" when forwarding an itemized receipt to receipts@ramp.com.
- The Employee can also add the memo directly in the Ramp dashboard.

- More on sending receipts [here](#).

Out-of-Policy Activity

Finance Administrators will review card spending on a weekly or bi-weekly basis to identify any out-of-policy activity. Such activity includes:

- Failure to upload receipts and/or add a memo within seven (7) days of the transaction.
- Expensing of non-allowable charges, e.g., using a corporate card for personal expenses or for business expenses that are not approved by the VSUF Expense Policy, by a manager, or that are not included within the relevant Budget.

If a Finance Administrator identifies out-of-policy activity, the Finance Administrator will:

- For all out-of-policy activity, the Finance Administrator will notify the Employee's Card Manager
- If an Employee has three (3) out-of-policy events, the Finance Administrator will revoke the Employee's spending privileges on Ramp and suspend all the Employee's active Ramp corporate cards.

Exceptions

Any exceptions to this policy should be approved by a Finance Administrator or Vice President for University Advancement.

Responsibility of Parties

This policy applies to all Foundation administration, accounting staff and individuals that initiate, authorize or process Foundation credit card transactions. These parties are responsible for knowing this policy as well as familiarizing themselves with its contents and provisions.

Segregation of Duties

All employees must maintain a clear separation of duties among those who:

- Custody of credit cards and blank checks
- Initiate expenditures
- Approve expenditures
- Prepare payments
- Investigate discrepancies
- Maintain and authorize adjustments
- Edit the vendor master file
- Process vendor calls and complaints
- Investigate discrepancies or issues related to disbursements
- Reconcile bank accounts

- Maintains documentation

Procedures for Payment of the Credit Card

- An accounting assistant will ensure cardholders have coded the correct expense, project fund, required memo and attached the correct receipt. The accounting assistant will ensure there is sufficient funding in the project for the credit card purchases.
- Disbursements for payment of the credit card will be managed according to the Accounts Payable policy.
- Payment is to be electronically approved by the CFO and the Foundation's Vice President
- The credit card activity is reconciled in the accounting system by the 15th.

Review Procedures

- Credit Card reconciliations are to be reviewed monthly. Evidence of this should be documented.
- Periodically, administration, designated members of management, or an outside party shall review transactions for appropriateness and allowability to ensure that cardholders are following the guidelines as set forth in this policy. A report of their findings will be prepared and distributed at the conclusion of the audit.

Valdosta State University Foundation, Inc.

Cash Receipts Policy & Procedure

Aimee Batista

Overview

To establish proper controls and cash handling procedures throughout the Foundation. Controls are required to safeguard against loss and to define responsibilities in the handling of cash. All departments receiving cash are designated as cash collection points. "Cash" may consist of currency, checks money orders, credit card transactions, federal wires and electronic fund transfers.

Policy

- All employees responsible for cash receipts must maintain a clear separation of duties for collecting funds, maintaining documentation, preparing deposits, and reconciling records. See segregation of duties section.
- Process cash in accordance with the procedures detailed below.
- Cash receipts are deposited promptly or stored in a secure location.
- Reconciliations of the Cash Receipts, Foundation Deposit form and Cash Receipts Journal must be performed by accounting staff to ensure proper recording of funds.
- All Foundation employees will process donor calls and complaints and refer to the appropriate person.

Responsibility of Cash Handlers

All employees responsible for the receipt, deposit or reconciliation of cash for Foundation related activities must comply with this policy.

Segregation of Duties

All employees must maintain a clear separation of duties among those who:

- Collect accounts receivable.
- Open the mail or copy checks received.
- Prepare deposits.
- Deposit cash receipts.
- Post cash receipts.
- Review the accounts receivable aging.
- Authorize write-offs of delinquent accounts.
- Investigate account receivable discrepancies.

- Maintain or authorize account receivable adjustments.
- Edit the accounts receivable master file.
- Process donor calls and complaints.
- Investigate discrepancies or issues related to revenue.
- Reconcile bank accounts.

When segregation of duties is not possible due to the small size and limited staffing of the Foundation, compensating controls such as management supervision and review of cash receipting records by independent parties should be implemented.

Procedures for Cash Receipts

1. All cash receipts should be handled at the Foundation's office. The Foundation employee receiving any currency must count and issue a receipt for the amount received. The original receipt must be given to the person delivering the money and the copy must be signed by a second Foundation employee after verifying the amount.
2. When an off-site activity is held, provisions should be established and approved in advance by the Foundation Accounting Manager for cash handling of the activity.
3. All checks received will be restrictively endorsed immediately upon receipt by the Accounts Payable Specialist. Checks will be deposited in person at the Foundation's bank.
4. All checks, cash and credit card receipts must be placed in the drop safe until they are removed by the Senior Foundation Accountant or Foundation Accounting Manager to be deposited. A secure area for processing and safeguarding funds received must be maintained and access restricted to authorized personnel.
5. The Accounting Manager is responsible for making the deposit to the appropriate Foundation bank account. Funds should be deposited daily or within three days after receipt. Employees should never hold funds in any location for any reason. If the office staff has left for the day or funds are received on weekends, authorized personnel should be available to place cash receipts in the Foundation's drop safe until the next business day.
6. All funds received must be balanced daily by comparing the total of the cash, checks and credit card collections to department records of what was received.
7. Documentation of cash receipts such as cash register tapes, deposit slips, credit card receipts, copies of manual cash receipts, etc. are to be kept for a period of seven years by the Accounting department.
8. Cash should always be verified and counted by two individuals. Verification should be documented, including signature, printed name and title of persons involved in the verification process.
9. All funds received must be recorded in the Foundation's accounting records.
10. Documents should be available, and should demonstrate that proper cash controls are in place (signatures for approval, tally sheets, reconciliations, etc.)
11. Under no circumstances are disbursements to be made directly out of cash receipts (i.e. for purchases, reimbursements, refunds, or to cash personal checks)
12. Periodic and unscheduled audits or reviews should be performed for all cash activity.

13. All activities involving cash must be supervised by a Foundation's employee or authorized volunteer to ensure adequate controls are in place. Training should be given to those involved in handling cash.

Record Retention

The Foundation shall maintain detailed records to show contributions receivable have been handled correctly, including supporting documentation of discounts and write-offs. These records shall be maintained in accordance with established policies and other requirements and made available to authorized parties during audits, program reviews, or investigations.

Valdosta State University Foundation, Inc.

Revenue Policy and Procedures

Aimee Batista

Overview

To establish responsibilities, internal controls, authorizations and procedures for the management of the contributions and ensuring practices are consistent throughout the Foundation.

Contributions represent a growing and vital component to the university's revenue base. The stewardship over and use of these funds in accordance with donor wishes and all applicable laws, regulations, policies, and procedures is important not only to extract the most value from each dollar, but to instill public trust and continued giving from donors.

Definitions

Contribution- anything of value given to the Foundation by an external party (donor), who expects nothing of significant value in return, other than acknowledgement of the gift and disposition of the gift in accordance with the donor's wishes.

Exchange- transaction in which each party directly receives commensurate value.

Conditional contribution- A barrier and a right of return/right of release the donor attaches to the contribution. These conditions must be met before the contribution is recognized in the accounting system.

Unconditional contributions- a gift in which the donor did not attach conditions. These can have a restriction placed by the donor.

Contribution with restrictions- a gift in which the donor puts a time, purpose, or matching requirement to the gift.

Contributions without restrictions- a gift in which the donor did not stipulate any restrictions.

TYPES OF GIFTS

There are several ways to categorize gifts and more than one category can apply to a gift. In this section, we will give a basic definition on the types of gifts:

- Cash gifts- the receipt of any form of currency.
- Non-cash gifts- anything of value that can be converted to cash.

- Outright gifts
- Deferred gifts

The types of gifts accepted are included in the Foundation's Gift Acceptance Policy.

Policy

- All parties requesting donations must be familiar with the Foundation's Gift Acceptance prior making any efforts to solicit contributions or other gifts.
- The Foundation's Vice President approves the acceptance of contributions, gifts, grants, etc. with related restrictions or requirements.
- When possible, donors should be requested to send donations directly to the Foundation. Any restrictions should be noted on the check or in accompanying correspondence.
- All donations received by a University unit should be forwarded to the Foundation along with any related correspondence. Accounting will record the donation, recognize any designations or restrictions, and issue official receipts to the donor in compliance with IRS guidelines.
- All transactions will be evaluated as to whether it is a contribution or exchange transaction. Contributions will be evaluated as to any conditions or restrictions attached to the contribution. Procedures will be followed to ensure they are recognized, or the restriction is released accurately.
- Senior Foundation Accountant shall reconcile Raiser's Edge control report to Financial Edge to ensure donations are properly recorded.
- Foundation staff should ensure compliance with the terms and conditions of all grants, restricted contributions, endowments, etc. received by the Foundation.
- The Foundation keeps records of gifts contingent on future events, such as bequests, and the records are periodically reviewed by management to ensure that contribution revenue is recorded as conditions are met.

Responsibility of Cash Handlers

All employees responsible for the recording of account receivable related activities must comply with this policy.

Segregation of Duties

All employees must maintain a clear separation of duties among those who:

- Collect accounts receivable.
- Open the mail or copy checks received.
- Prepare deposits.
- Deposit cash receipts.
- Post cash receipts.

- Review the accounts receivable aging.
- Authorize write-offs of delinquent accounts.
- Investigate account receivable discrepancies.
- Maintain or authorize account receivable adjustments.
- Edit the accounts receivable master file.
- Process donor calls and complaints.
- Investigate discrepancies or issues related to revenue.
- Reconcile bank accounts.

When segregation of duties is not possible due to the small size and limited staffing of the Foundation, compensating controls such as management supervision and review of cash receipt records by independent parties should be implemented.

Procedures for Recording Contributions

- For any new contributions, supporting documentation will be reviewed to ensure all proper signatures are secured and there are no conditions surrounding the pledge. Contributions whose ultimate designation are for the endowment will be recorded as permanently restricted revenue.
- Cash receipts will be handled according to the cash receipts policy and procedures included in this manual.
- Restricted contributions are to be released at the time the restriction is met.
- A schedule of restricted net assets will be kept, showing beginning balances additions, releases and ending balances. This schedule will be reviewed on a periodic basis and a year-end entry is made to reconcile the financial statements to it.
- A schedule of conditional contributions should also be kept, and once the conditions have been met, the contribution will be recognized in the financial statements.

Records Retention

The Foundation shall maintain detailed records to show the conditions and/or restrictions have been handled correctly, including supporting documentation of the release of restriction. These records shall be maintained in accordance with established policies and other requirements and made available to authorized parties during audits, program reviews, or investigations.

Valdosta State University Foundation, Inc. Scholarship Establishment Policy & Procedures

Aimee Batista

Overview

To create proper controls for the establishment of scholarships held by the Foundation.

Once established, scholarships are open funds and may receive additional gifts through cash, bequest, trust, etc.

Definitions

Endowed scholarships- scholarships established in perpetuity. Scholarships are awarded from earned income. Principal is investment in a pooled investment with earnings prorated and distributed.

Annual scholarships- those awarded as contributions are received. No earnings accrue to an annual scholarship.

Policy

- All scholarships are established in accordance with this policy.
- All existing and new scholarships are administered through the university wide Scholarship Universe software system.
- The Foundation supports the university's mission by soliciting and stewarding gifts to the university. The foundation receives, manages, and makes distribution of privately invested funds donated in support of student aid which may cover the criteria specified in the scholarship.
- The Foundation executes and maintains records of all gift agreements and communicates requirements to the appropriate responsible parties and units.
- The Foundation will not accept scholarship gifts by which recipients are selected by the donor, unless the donor is an organization that has a scholarship selection committee.
- There are only two types of scholarships to be established:
 - Endowed scholarships.
 - Annual scholarships.
- Administrative Fees: Except as otherwise determined by the Foundation, the Foundation shall charge a one-time 2% Administrative Fee on all non-endowed gifts and other revenue up to \$2 million per fund.

For gifts greater than \$2 million, the advancement administrative fee will apply only to the first \$2 million of the total one-time gift. The maximum amount of the advancement administrative fee assessed on a single gift shall not exceed \$40,000.

RESPONSIBILITY OF SCHOLARSHIP PARTIES

Employees of the Foundation and all unit stakeholders who are involved in the governance, funding, planning administration, assessment, selection and ongoing management of scholarships are responsible for knowing this policy as well as familiarizing themselves with its contents and provisions.

Segregation of Duties

All employees must maintain a clear separation of duties among those who:

- Collect accounts receivable.
- Open the mail or copy checks received.
- Prepare deposits.
- Deposit cash receipts.
- Post cash receipts.
- Review the accounts receivable aging.
- Authorize write-offs of delinquent accounts.
- Investigate account receivable discrepancies.
- Maintain or authorize account receivable adjustments.
- Edit the accounts receivable master file.
- Process donor calls and complaints.
- Investigate discrepancies or issues related to revenue.
- Reconcile bank accounts.

When segregation of duties is not possible due to the small size and limited staffing of the Foundation, compensating controls such as management supervision and review of cash receipt records by independent parties should be implemented.

Procedures for Establishing an Endowed Scholarship

- All scholarships are established through the Foundation.
- Prior to the receipt of any donation, an Endowment Scholarship Fund Agreement should be prepared and provided to the appropriate personnel working with the prospective donor. Upon completion of the agreement a copy shall be provided to the Accountant for setup in Raiser's Edge and Financial Edge. The fund setup information shall be provided by the Accountant to all appropriate Foundation employees.

- Guidelines for each scholarship must be developed and distributed to all parties involved. Guidelines must be signed and dated by the donor and the Foundation Vice President.
- A new endowed scholarship requires a minimum gift of \$25,000. Donors have up to five years to reach this minimum. Should the minimum amount not be realized within the timeframe, the scholarship will be then converted to an annual scholarship and distributed annually using interest and corpus until funds are exhausted.
- The recognition of funds in the accounting records will be handled according to the revenue policy and procedures included in this manual.
- If the fund setup is incomplete at the time of the receipt of the donation, the donation will be added to the Pre-Paid Revenue fund via Journal Entry. Priority shall be given to making sure the information is obtained as soon as possible to complete the fund setup. When the fund setup is complete an adjustment will be made to reverse the journal entry (pre-paid revenue) and to create a gift entry in the constituent file that reflects the date of the deposit. Monitoring of the pre-paid revenue fund shall be the responsibility of the accounting staff.
- Management and Administrative Fees: A 1.5% management fee based on the endowment's fair market value will continue to be assessed by the Foundation to each endowed fund on June 30 of every year.
- Endowment Spendable Funds: Each March, the VSU Foundation will notify fund managers, deans, and vice presidents of the available spendable funds for the new fiscal year. These spendable amounts will be based on 4% of the endowment's fair market value on December 31. If spendable amounts are not used entirely by the end of the fiscal year, they will be returned to the corpus and the spendable account will be funded at the aforementioned 4% rate of the endowment corpus. Once an endowment reaches the \$25,000 threshold, the foundation will provide spendable amounts for the endowment 1 year after its inception, beginning on July 1 of the following year.

Procedures for Establishing an Annual Scholarship

- All scholarships are established through the Foundation.
- Prior to the receipt of any donation, an Annual Scholarship Fund Agreement should be prepared and provided to the appropriate personnel working with the prospective donor. Upon completion of the agreement a copy shall be provided to the Foundation Accountant for setup in Financial Edge and Raiser's Edge. The fund setup information shall be provided by the Foundation Accountant to all appropriate Foundation employees.
- Guidelines for each scholarship must be developed and distributed to all parties involved. Guidelines must be signed and dated by the donor and the Foundation Vice President.
- Cash receipts will be handled according to the cash receipts policy and procedures included in this manual.
- The recognition of funds in the accounting records will be handled according to the revenue policy and procedures included in this manual
- If the fund setup is incomplete at the time of the receipt of the donation, the donation will be added to the Pre-Paid Revenue fund via Journal Entry. Priority shall be given to making sure the information is obtained as soon as possible to complete the fund setup. When the fund setup is complete an adjustment will be made to reverse the journal entry (pre-paid revenue) and to create a gift entry in the constituent file that reflects the date of the deposit. Monitoring of the pre-paid revenue fund shall be the responsibility of the accounting staff.

- Management and Administrative Fees: A 2.0% Administration fee based on the balance will be assessed by the Foundation monthly, and must maintain a minimum balance of \$1,000.

Records Retention

The Foundation shall maintain detailed records to show the conditions and/or restrictions have been handled correctly, including supporting documentation of the release of restriction. These records shall be maintained in accordance with established policies and other requirements and made available to authorized parties during audits, program reviews, or investigations.

Valdosta State University Foundation, Inc.

Scholarship Management Policy & Procedures

Aimee Batista

Overview

To establish proper controls for the awarding and administration of scholarships held by the Foundation. The objective is to award all scholarships in a timely fashion and in accordance with stated donor intent and/or criteria with the goal of maximizing the utilization of scholarships to one hundred percent of the available funding for the fiscal year.

The success of the scholarship policy is dependent on the effective collaboration between Foundation, University personnel and the financial support of external organizations and individuals. Therefore, the scholarship program aims to have a clean and transparent framework, policy and process that is responsive and targeted toward student success.

Definitions

A grant of financial aid awarded to a student based on the outcome of a formal evaluation process to be used for the purpose of attending Valdosta State University.

Annual scholarships- those awarded as contributions are received. No earnings accrue to an annual scholarship.

Endowed scholarship- Created by a gift that is permanently restricted by donors for scholarship support, invested in perpetuity, and provides an annual distribution from investment income as the basis for the annual award.

Restricted funds- Monies given, collected or donated for a specific purpose and used only for that purpose. Funds may be designated for a school/major and then further restricted by defining criteria.

Third-party scholarships- Scholarships fully controlled and administered by an entity other than the university or its affiliated foundation as investments or operating funds.

Unrestricted scholarship- Monies given, collected or donated for any scholarship purpose.

Unit- includes awarding departments, programs and other offices that administer scholarships to students outside the Foundation.

Awarding department- those departments on VSU's campus responsible for selecting scholarship and award recipients.

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Policy

- All scholarships are established in accordance with this policy.
- All existing and new scholarships are administered through the university wide Scholarship Universe software system.
- All responsible employees and units must make every effort to maximize the utilization of scholarship funding to one hundred percent of available funding.
- The Foundation supports the university's mission by soliciting and stewarding gifts to the university. The foundation receives, manages, and makes distribution of privately invested funds donated in support of student aid which may cover the criteria specified in the scholarship.
- The Foundation executes and maintains records of all gift agreements and communicates requirements to the appropriate responsible parties and units.

RESPONSIBILITY OF SCHOLARSHIP PARTIES

Employees of the Foundation and all unit stakeholders who are involved in the governance, funding, planning administration, assessment, selection and ongoing management of scholarships are responsible for knowing this policy as well as familiarizing themselves with its contents and provisions. This policy does not imply to address the terms and conditions attached to the scholarships, incoming funds from various donors, or to industry partnerships.

CONFLICTS OF INTEREST

Personal relationships should not influence or be seen to influence selection decisions. In the context of this policy, personal relationships are defined as relationships which are separate from and/or extend beyond professional relations. No person should be advantaged or disadvantaged due to a personal relationship with another member of the awarding department.

If a member of the awarding department has an interest such that a reasonable observer, knowing all the facts, could reasonably conclude that the interest could affect the decision or functioning of the awarding department, the member must disclose the interest, whether actual or perceived. He/she then will exclude him/herself from the vote.

Segregation of Duties

All employees must maintain a clear separation of duties among those who:

- Collect accounts receivable.
- Open the mail or copy checks received.
- Prepare deposits.

- Deposit cash receipts.
- Post cash receipts.
- Review the accounts receivable aging.
- Authorize write-offs of delinquent accounts.
- Investigate account receivable discrepancies.
- Maintain or authorize account receivable adjustments.
- Edit the accounts receivable master file.
- Process donor calls and complaints.
- Investigate discrepancies or issues related to revenue.
- Reconcile bank accounts.

When segregation of duties is not possible due to the small size and limited staffing of the Foundation, compensating controls such as management supervision and review of cash receipt records by independent parties should be implemented.

Procedures for Determining Availability of Funds for FY

- **Endowment Spendable Funds:** Each March, the VSU Foundation will notify fund managers, deans, and vice presidents of the available spendable funds for the new fiscal year. These spendable amounts will be based on 4% of the endowment's fair market value on December 31. If spendable amounts are not used entirely by the end of the fiscal year, they will be returned to the corpus and the spendable account will be funded at the aforementioned 4% rate of the endowment corpus. Once an endowment reaches the \$25,000 threshold, the foundation will provide spendable amounts for the endowment 1 year after its inception, beginning on July 1 of the following year.

Procedures for Review and Selection of Award Recipients

- Deadlines and applications will be determined and advertised by the respective responsible unit using the Scholarship Universe scholarship management system maintained by the University.
- The responsible unit shall make reasonable attempts to notify potentially eligible students of the availability of its scholarships and selection criteria in time for students to apply and meet the application deadline. Responsible units shall publish and advertise their scholarship applications, awarding calendar, selection criteria, and application deadlines. In addition to using the Scholarship Universe software system maintained by the University, it is recommended that advertisements be shared via email, websites, student newsletter, printed materials and through adviser and faculty networks.
- Responsible units will identify qualified applicants for each scholarship opportunity and may use review committees for this purpose. Recipient candidates' status will be communicated by the responsible unit through the Scholarship Universe software system to the Foundation Scholarship Coordinator. Upon notification of pending scholarship awards, the Scholarship Coordinator will confirm the availability of funds and will verify/request approval for each scholarship request by the authorized approver associated with the scholarship fund.
- Following confirmation from the University Scholarship Coordinator, the Scholarship Universe software system will notify the recipients of their selection and any terms and conditions of accepting the scholarship. Once scholarship recipients have acknowledged the terms and conditions, the Scholarship

Coordinator will approve the request through Scholarship Universe and will prepare payment payable to the University for approved scholarships.

- The Foundation will send annual scholarship/endowment fund reports to donors or other fund contacts. Other fund contacts can include descendants of the original donor, additional donors to the same scholarship, or an entity that has been honored by a named scholarship.
- The units are responsible for monitoring all ongoing eligibility for continuing scholarship recipients. Where a recipient is in breach of the ongoing requirements of a scholarship as per its conditions, the units will determine the appropriate outcome for the student and advise appropriate internal and external stakeholders.

Procedures for Disbursements of Funds

- The Foundation will disburse scholarship funds to the University based on scholarship guidelines and check disbursement procedures.

Records Retention

The Foundation shall maintain detailed records to show that funds are disbursed in the correct amounts to eligible students, including any information that support these activities. These records shall be retained in accordance with established policies and other requirements and made available to authorized parties during audits, program reviews, or investigations. All application materials, student information, review scoring, award notifications and amounts will be recorded in the centralized scholarship system.