

# Advancement | UCF Foundation, Inc.

## General Spending Guidelines from Foundation Accounts

Policy# 7.07

Effective Date: 12/15/2020

Responsible Department: Accounting

### 1. **PURPOSE**

The University of Central Florida Foundation, Inc. (Foundation) is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and a direct support organization of the University of Central Florida (University) as described in Florida statute 1004.28. The Foundation raises funds for scholarships and to provide the University with support to supplement its programs. Expenditures of Foundation projects support the University in achieving its goals and its pursuit of excellence.

Together with guidance from the Foundation, all persons expending Foundation funds must ensure that all expenditures benefit the University and are in line with donor intent for the respective funds.

### 2. **APPLICABILITY**

This policy applies to all University employees using or administering Foundation funds.

### 3. **POLICY**

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 policies.

The following is the list of general guidelines:

1. Foundation funds will be used for the substantial benefit of the University. 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 the University.
4. It is the responsibility of each department to obtain the best value for purchased items. For any contract or payment of \$75,000 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 Chief Executive Officer (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 Conflict of Interest Policy and the Purchases of \$75,000 or Greater Policy.
5. Monies must be spent in accordance with the purpose of the project 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. Project authorizers will be responsible for monitoring purchases and availability of funds for payment. Expenditures will not be disbursed if the project does not have cash available to cover the expense.
7. All requests for disbursement must have appropriate signatures. See the Foundation New Project and Project Authorizer Policy for additional information related to project 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's CEO). Reimbursements under \$25 paid directly to authorized signers of the President's, Provost's, Vice Presidents' and Deans' projects will not require supervisor signature since these expenses will be monitored by the Foundation Board of Directors Finance Committee (Finance Committee).
9. All expenditure requests from a dean's or division director's discretionary project exceeding \$2,500 will be signed by the appropriate Vice President, Vice Provost, Provost, or President or for athletics projects, the Director of Athletics. All expenditure requests from any Foundation project exceeding \$10,000 will be signed by the appropriate Vice President, Vice Provost, Provost, or President. Approval related to transfers from the Foundation to

the University or to a direct support organization of the University over \$10,000 may be delegated to an authorized designee. For any contract or payment in excess of \$75,000 or greater, the Foundation may require additional signatures. Please see the Foundation Purchases of \$75,000 or Greater Policy.

10. The President's Excellence project and the discretionary projects 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 and Financial Management Services at [foundationaccounting@ucf.edu](mailto:foundationaccounting@ucf.edu) for more information and a copy of the Foundation's sales tax exemption certificate.
14. Foundation funds related to IRB, IACUC, or other University compliance reporting requirements may be transferred to the University or the Research Foundation for processing and adequate reporting.
15. The University Contract Approval Process applies when using Foundation funds as the source of payment for a contract. In the absence of a documented signed contract, the Foundation may pay up to a 50% advance deposit if required by the vendor and approved by the appropriate signer on the project. Exceptions may be approved by the Foundation Chief Financial Officer (CFO).

The following is a list of prohibited expenses from Foundation projects:

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. In general, 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. Donations in lieu of flowers or when the University or Foundation receives recognition for

a sponsorship or other benefit may be allowed. Tickets to political fundraising events are prohibited.

4. Purchase of flowers or a donation in lieu of flowers to show support of a University employee or an employee family member during illness, birth or adoption of a child, or bereavement, will be limited to a maximum of \$100.00 per occurrence (shipping excluded). The flowers or donations should be sent on behalf of the University college/department and not an individual.
5. 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.
6. 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.
7. Expenditures for personal clothing will not be paid with Foundation funds. Exceptions may include clothing with the University logo for individuals required to represent the University at special events, or other business justification subject to Foundation approval. For employees, the value of these items may be reported to payroll for tax purposes.
8. 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 Meals for Business Meetings and Banquet/Reception Events. Reimbursement for modest refreshments during department meetings, board meetings and the like is allowed.
9. Payment for items associated with recognition of individual employee's celebrations such as birthdays and weddings such as a gift, cake, drinks, balloons, and paper goods are prohibited.
10. 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, Vice Provosts, Deans, and Development Officers. Memberships for individuals beyond the President, Provost, Vice Provosts, Vice Presidents, Deans, and Development Officers are limited to persons with significant 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. A portion of or all of the

membership benefits based on personal usage of the membership may be reported to payroll.

11. University 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 income to the University payroll department and the individual will be taxed accordingly.
12. Payments made for in-room movies, laundry, mini-bar and other hotel amenities may not be reimbursed by the Foundation. Please see the Foundation's Travel Reimbursement Policy and Travel Manual.
13. Payments for office supplies or furniture and equipment that are not business-related, customary, or reasonable may not be paid with Foundation funds.
14. Issuance of Gift cards is considered taxable income by the IRS and hence Foundation funds cannot be used directly for purchase of gift cards.

#### 4. **CLARIFICATION**

Requests for clarification of this policy should be sent to the Associate Vice President and Chief Financial officer

Certified as approved by the Foundation Board of Directors on December 15, 2020.

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Name: Rachel Schaefer

Title: Associate Vice President for Advancement Strategy and Chief Operating Officer

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