Advancement | UCF Foundation, Inc.

New Project and Project Authorizer Policy

Policy# 7.06
Effective Date: August 7, 2019
Responsible Department: Accounting

1. PURPOSE

This policy outlines the requirements to establish a new project in the University of Central Florida Foundation, Inc. ("Foundation") accounting system and donor database and the individuals who may have authority as a project authorizer on a project and their responsibility when administering Foundation funds.

2. APPLICABILITY

Any employee for the University of Central Florida utilizing Foundation funds.

3. POLICY

New Projects:
The Foundation establishes separate projects in the financial accounting system and donor database in order to accept and disburse gifts that support the University of Central Florida. The project authorizer must approve all transactions from the project.

A new project will be established when there is a need to differentiate the administration, investment or disbursements of the gift from existing funds. A need for a new project is established primarily through restrictions as defined by the donor, and by approval of the development officer, dean or division director. Funds are classified as operating, endowment, or quasi-endowment, and are invested in accordance with Foundation policies. A New Project Form must be completed and submitted by the development officer (with all signatures obtained) and approved by the Foundation Office of Accounting and Financial Management Services, prior to the creation of a new project. The New Project Form is available on the Foundation's intranet.

Operating Project
Operating projects are established to meet current needs and may be spent immediately in accordance with project restrictions. These projects consist of contributions made by donors or represent the spending portion of an endowment project.

The minimum required amount to open an operating project is a commitment of $10,000. If donor restricted funds are received below the minimum and no existing project is available that is in-line with the donor's intent, it is the responsibility of the business manager of the related college to ensure that the funds are tracked separately and properly utilized in accordance with the donor restricted purpose. These funds will typically be placed in the related college's restricted operating project

(the dean's project or "excellence fund").

For every operating or spendable project, there are specific accountable positions, and authorized signature levels for project expenditures and transfers referred to as authorized signers. In addition, each project may have a development officer and a business manager. The development officer is the liaison between the UCF department and its donors; and the business manager is the liaison between UCF and Foundation Office of Accounting.

Endowment Project
Gifts received in an endowment are invested in the Foundation's long-term pool of investments. The earnings on an endowment become available for spending in accordance with the Foundation's spending policy.

Quasi-Endowment Project
A quasi-endowment project has the same parameters as an endowment, except that it is not restricted as an endowment by a donor but instead has been restricted as an endowment internally by the Foundation, college, or division. The purpose of establishing a quasi-endowment is to invest funds that may not be immediately used by the Foundation, college, or division. These funds although invested in the endowment pool and treated like an endowment, may be drawn down from time to time to meet the operational needs of the Foundation, college, or division. For accounting purposes, these internally designated endowment projects need to be tracked separately from donor restricted endowment projects.

Signature Authority:
A project authorizer (also referred to as an authorized signer) is defined as the person having signature authority over expenditures from a Foundation project and is responsible for ensuring that the Foundation funds are used in accordance with the Foundation's policies and the donor's specified purpose. The project authorizer may delegate this authority only to certain individuals (authorized designee).

Project authorizers or authorized designees are required to approve the forms submitted to the Foundation Office of Accounting and Financial Management Services such as payment authorization requisitions, salary supplements, inter-fund transfers, independent contractor contracts, and scholarship forms. In addition, supervisors of a project authorizer, such as a vice president or provost, may also approve transactions for a project in their division.

Project authorizers are university employees who are assigned when the project is established and are persons who hold the position of president, provost, vice president, associate vice president/provost, assistant vice president/provost, dean, or division director.

If a project authorizer designates another individual as an authorized signer for the projects that he or she manages, the appropriateness of all disbursements still remains the responsibility of the project authorizer. The authorized designee must at least hold the position of associate dean, assistant dean, associate division director, assistant division director, or higher.

In certain instances, business managers may be delegated signature authority (up to $2,500) but this

request must be made to and approved by the Associate Vice President and Chief Financial Officer or delegate. Transactions $10,000 or greater must have the signature of the president, provost, or a vice president.

The following outlines the specific responsibilities of the project authorizer:

- Overall review of each payment authorization request and related documentation.
- Ensure the distribution of funds is in compliance with the Foundation's policies and procedures.
- Ensure that the merchandise or services were actually received.
- Ensure the payment complies with the donor's intent as specified in the donor's gift agreement.
- Review and confirm the business justification and benefit to UCF is documented on the Payment Authorization Request Form. Based on this review, ensure the request is reasonable, accurate, and is for the general benefit of UCF and its programs.
- Ensure the payment does not jeopardize the Foundation's tax-exempt status and prevent or identify any conflicts of interest. If any conflicts of interest related to a transaction do or appear to exist, ensure that the Foundation's Conflict of Interest Policy is followed.
- Ensure there are adequate funds in the project for the Foundation Office of Accounting and Financial Management Services to process the payment.
- Ensure that the department has obtained the best value for purchased items. Please see the Foundation's Purchases of $75,000 or Greater policy for additional requirements.

4. CLARIFICATION

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

Name: Michael J. Morsberger
Title: Vice President Advancement and Chief Executive Officer

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