

Polk State College Procedure

Subject	Reference	Date	Number
Accounting Process Polk State College Foundation		2/21/2017	6051

I. Purpose

To establish a procedure for processing revenues to and expenditures from the various Polk State College Foundation (Foundation) accounts.

The Executive Director of the Foundation, under direction of the Board of Directors, will establish and administer special funds for the Foundation to provide for accountability and ease of control. These funds are:

- A. **Unrestricted Funds:** These funds include an annual assessment of earnings from Foundation endowments as determined by the Foundation Investment Consultant. The amount of the assessment is established via a formula recommended by the Foundation Finance Committee and approved by the Foundation Board of Directors. In addition, this fund includes miscellaneous gifts to the Unrestricted Fund throughout the year and any other unrestricted funds designated unrestricted via the donor gift instrument. Additionally, gifts to the Foundation that are not specifically identified as restricted (either temporarily or permanently) shall be treated as unrestricted consistent with Generally Accepted Accounting Principles. These funds are controlled by the Foundation and awarded via College Procedure 6062.
- B. **Foundation Administered:** These funds are restricted by the donor with specific requirements as to the use of the funds. These are non-scholarship funds. The Foundation administers these funds on behalf of and as specified by the donor.
- C. **Agency:** These funds are restricted to be used by the contributing individual or group. The contributing individual or group retains control of expending the funds in accordance with the original intended purpose of the fund and to the extent that expenditures benefit the College.
- D. **Restricted Scholarships:** These funds are “Foundation Administered” but are established specifically for use as scholarships. The Foundation administers these funds on behalf of and as specified by the donor.
- E. **Endowed Funds:** These funds have a permanently “endowed” corpus. The endowment is permanently restricted and cannot be expended. Expenditures from these funds are made from earnings on the endowment. The calculation is provided annually by the Foundation Investment Consultant and is based on an established

formula. The amount of earnings made available for expenditure is provided for in the Foundations Investment Policy Statement as recommended by the Foundation Finance Committee and approved by the Foundation Board of Directors. Endowed funds are used typically for scholarships but may be used for other programs. The Foundation administers earnings from these funds on behalf of and as specified by the donor.

- F. Athletics: These funds are “Agency” funds and are administered as agency funds except that they are used for the exclusive purpose of tracking revenues and expenditures for athletic programs.

II. Procedures

A. Revenues/Donations

All incoming mail to the Foundation is opened in the presence of two Foundation employees. Contributions by check are restrictively endorsed and entered on a check log. The Foundation shall not accept cash gifts directly. All cash gifts are receipted through the College cashier and reconciled by the Foundation Accounting Specialist.

The Foundation Accounting Specialist records all checks on the appropriate deposit slip and enters the gifts into the accounting system. The Accounting Specialist reconciles the accounting records to the daily check log.

The Foundation Staff Assistant prepares donor acknowledgement letters from the accounting records for review by the Foundation Executive Director.

After the Executive Director reviews and signs acknowledgment letters, they are mailed to donors by the Staff Assistant.

B. Fund-raising Activities

The Foundation shall be available as a depository and clearing administrator and fiscal agent for all College clubs and official groups wishing to use the services of the Foundation. These deposits shall be treated as “agency” funds and assigned a fund number for tracking and reporting purposes.

C. Expenditure

All expenditures shall be processed on either a check request or purchase authorization (i.e., purchase order) form. No checks for expenses will be executed unless accompanied by the appropriate form.



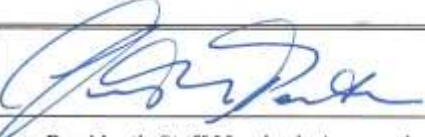

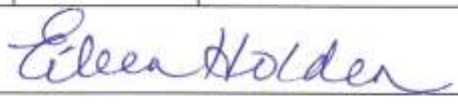

1. Check Requests

- a. The check request with all required signatures and original invoices or proper back-up is submitted to the Foundation Office for payment.

- b. Check requests must include the signature of the individual initiating the request or email authorization, the Foundation Director of Finance and the Foundation Accounting Specialist.
 - c. All checks written on Foundation checking accounts require two authorized signatures.
2. Purchase Authorization (purchase order)
- a. The Foundation will make a purchase order available when required by the vendor. When all required signatures are secured and the Foundation Director of Finance verifies that the funds are available to spend, the purchase order may be submitted to the vendor by the originator.
 - b. Upon receipt of goods or services by originator, the invoice is submitted to the Foundation Office for payment.
3. Foundation Scholarships
- a. For all scholarships awarded through the Foundation (restricted and endowed), the Foundation will notify the recipient by email or official Foundation certificate. Award recipients must reply to the award email indicating that they accept the scholarship. In addition, award recipients must attach a "thank you" letter to their reply or provide a written thank you note unless exempted by the donor, Foundation Executive Director, or designee. Upon receipt of the acceptance and reply, the Foundation will respond acknowledging the recipients response and will provide further information related to how the award will be applied.
 - b. The Foundation Scholarship Specialist, upon receipt of the acknowledgement and verification that all criteria have been met, will enter the award in the Foundation accounting system and will establish a contract with the College through the College accounting system.
 - c. As the Foundation receives invoices from the College, the Foundation Scholarship Specialist reconciles College invoices to Foundation records and prepares a check request payable to the College with appropriate supporting documentation (see #1 above).

For scholarships awarded directly to the student from outside entities but administered through the Foundation, the same procedures outlined above shall apply except that since the donor has selected their respective recipients, no acceptance or thank you letter is required of the recipient.

History: Adopted: July 20, 1988 (replaced Procedure 5002 & 6039)
Revised: September 14, 1992; February 25, 2010; February 21, 2017

			
Executive Responsible for Procedure	Date	President's Staff Member's Approval	Date
			
President's Approval			Date