

## NORTH DAKOTA STATE UNIVERSITY FOUNDATION AND ALUMNI ASSOCIATION

### FUND DISBURSEMENT GUIDELINES

#### Purpose of Guidelines

These guidelines govern the use of funds available to NDSU units in restricted gift funds held at the NDSU Foundation and Alumni Association ("Foundation"). Units are required to follow these guidelines for the authorization, documentation and payment of expenses incurred on behalf of NDSU ("University").

The Foundation and the University have a fiduciary responsibility to donors to ensure that funds are utilized in accordance with the terms and conditions of their gifts ("donor intent"). **Donor intent provides the primary and overriding guidance as to which expenditures are allowable.** In addition, the Foundation and University are fully committed to the reasonable and prudent use of resources entrusted to us, to complying with SBHE, state and federal rules and regulations, and to any other external restrictions that may govern the use of Foundation funds. **All expense disbursements are subject to public scrutiny and spending activity is available to donors.**

No funds may be expended for any activity or purpose that:

- Jeopardizes the Foundation's status as a charitable organization as defined by the Internal Revenue Code Section 501(c)(3);
- Benefits the campaign of any candidate for public office;
- Is paid for, or inures to, the personal benefit of an individual (including payments of fines or traffic and parking violations);
- May involve or create liability exposure for North Dakota State University or the Foundation;
- Does not directly support North Dakota State University or the Foundation's mission;
- Or fails to meet standards of reasonableness, equity, and ordinary prudence in the management of the property of another.

*Fundraising Expenses:* Fundraising is one of the primary missions of the Foundation. A memo of understanding between the University and the Foundation confirms that the Foundation will be primarily responsible for fundraising and related activities/events. This understanding provides for a more unified and coordinated approach to fundraising for the University. **Since expenses related to fundraising are generally considered expenses of the Foundation, they will be directly paid by general support gift funds held at the Foundation for the benefit of the University.**

#### Authorization, Documentation and Payment

In general, NDSU departments must follow NDSU's policies and procedures for all expenditures. Departments should process allowable expenditures through NDSU's accounting system. If the expenditures are financed from gift revenue held at the Foundation in restricted gift funds, the department will need to process a request for payment with the Foundation for reimbursement to NDSU. This request must include appropriate documentation and appropriate approvals. For expenditures that are allowable by the Foundation, but unallowable to be paid directly by NDSU, the department will need to process a request for payment with the Foundation to directly pay the expense.

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#### **Travel Expenses**

University employees may be required to travel for reasons directly related to the mission of NDSU; these events may include fundraising, donor development, professional development, NDSU-related functions and events, and others. The following are some general expectations relating to employee travel:

- While traveling on NDSU business, University employees are expected to represent North Dakota State University in a professional manner at all times and to follow all of the University's policies and procedures.
- The reimbursement of travel expenses should be equitable to both the employee and the University. Employees traveling on NDSU business should expect reimbursement for reasonable and prudent expenses.
- The travel expenses incurred should be related directly to the business purpose of the University, and should be incurred in a prudent and reasonable manner.
- Requests for reimbursement must be timely and must be substantiated by adequate documentation, including business purpose, justification and dates of travel.

University employees are expected to submit requests for reimbursement in accordance with the University's policies in a timely and well documented manner. NDSU rules governing travel and reimbursement (Policy 515) pertain to travel funded by appropriated, local, grant and Foundation monies.

*Fundraising Travel:* When the business purpose of the travel is for fundraising, the Foundation will reimburse the NDSU employee directly through general support gift funds held at the Foundation. All NDSU policies governing travel should be followed, and appropriate documentation remitted to the Foundation.

#### **Hosting NDSU Events**

Hosting expenses must be directly related to the mission and educational purpose of NDSU. Expenses must be reasonable, necessary and prudent. Only events that have been approved through proper channels are eligible for reimbursement. In general, departmental events must be approved by the department chair and Dean. Collegiate events must be approved by the Dean and Provost. Non-collegiate events must be approved by the appropriate Vice President and Provost. Approvals should include the date of the event, a brief description of the purpose of the event and its relationship to the mission of NDSU, a description of the target audience, and a budget.

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Events that qualify for reimbursement include:

- Donor and outreach events and meetings
  - *Fundraising expenses* that are reimbursed by the Foundation directly through general support gift funds held at the Foundation
- Alumni events and meetings
- Training sessions, professional development workshops, orientations, annual unit socials or other such events, if related to the mission of NDSU
- Support for departmental workshops, recruitment, and speaker series
- Recognition ceremonies

Request for payment must be timely and must be accompanied by appropriate documentation. NDSU rules governing meals for staff and guests (Policy 170) pertain to hosting expenses funded by appropriated, local, grant and Foundation monies. In general, expenses for a spouse, partner, family member or significant other are not allowable; exceptions may be granted with supervisor approval.

Departments should process allowable expenditures through NDSU's accounting system.

Following are examples of other allowable Foundation hosting expenses:

- Gifts and door prizes that meet the test of reasonableness; such gifts should be included in the initial budget;
- Refreshment expenses, including alcohol, if such refreshments are an integral or necessary part of the event; alcohol is limited to \$15 per person unless an exception is granted by the supervisor;
- Facility expenses, including rental of space, equipment, and other items necessary to the event;
- Family and community members may be included in annual social events;
- Meals related to recruiting, invited lectures, and speaker's series must be reasonable; in general,
  - reimbursement is limited to three faculty and staff for each single external speaker;
  - meals for family members who are not an integral part of the event cannot be reimbursed;
    - Meals for family members traveling with external speakers, consultants, accreditation teams and similar people cannot be covered by Foundation funds;
    - Immediate family members of the finalists for positions at NDSU may be covered if approved by the Dean.

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**Other Expenses**

The following examples of expenses are allowable by the Foundation:

- Flowers to acknowledge significant employee, alumni, or donor life events such as birth of a baby, death of a family member, or hospitalization, not to exceed \$60 plus delivery charges.
- Employee's memberships in various professional and related organizations if the memberships directly benefit the business purpose of NDSU;
- Books, journals, technology, and other such expenses which support the professional development of NDSU employees in their current position;
- Tickets to university-sponsored events if the event is related to the employee's position on campus;
- Other justifiable expenses if approved by the Dean and Provost.

**Non-Reimbursable Expenses**


The following examples of expenses are not reimbursable by the Foundation:

- Charges to upgrade seats on airlines and first-class fares
- Charges incurred for missed flights unless extenuating circumstances such as weather, an accident or mechanical problems are documented
- Hotel expenses for travel within 50 miles of NDSU, except in the case of inclement weather
- Mileage reimbursement in excess of the cost of airfare to the same destination
- Meals that are included as part of the registration fee for an event or conference;
- Upgrades on car rentals, GPS rental, and loss-damage waiver fees;
- Personal expenses including passport and visa fees (if not required for business); childcare costs; spa, barber or salon services; purchase of luggage, briefcases, or lap top bags; cell phone accessories, including extra chargers and covers; purchased and rented clothing.


This is not an all-encompassing list but additional scrutiny should be applied to any expense that cannot be paid by NDSU directly and for which Foundation reimbursement is sought. This guideline will be reviewed periodically.

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Approvals

  
\_\_\_\_\_  
Foundation President/CEO

5-4-17  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
University President

5-4-17  
\_\_\_\_\_  
Date

Effective Date: Upon final signature above

Responsible Department: Finance and Operations

Revision History: 4/12/2017 AP

Related Documents:

- Foundation
  - Fund Guidelines
- University
  - Policy 170 Payment of Meals for Staff and Guests
  - Policy 515 Travel - Employees