

## **GUIDELINES FOR USE OF DISCRETIONARY FOUNDATION FUNDS**

The Valdosta State University Foundation, Inc. is a charitable corporation organized under Section 501(c)(3) of the Internal Revenue Code. The Foundation's general purpose is to receive and administer private contributions made in support of Valdosta State University. Contributions to the Foundation are acknowledged as tax deductible to donors under the Internal Revenue Code. All expenditures of Foundation funds must be consistent with the mission of the Foundation and the IRS code and, in the case of restricted funds, consistent with the donors' intentions.

Gifts to the VSU Foundation are expected to be used to advance our work in assisting students to achieve their goals of completing their degree work in order to become more gainfully employed and to be better citizens and, hopefully, to help others along the way during their lives. The trustees recognize that employees at VSU are dedicated to this work and that it is indeed worthwhile. To assist with this work, discretionary funds for each department are established with the Foundation to assist these departments with their work.

*The term "discretionary" should be construed to mean that these funds are used, at the discretion of the department head, to advance the work of the department and NOT for the personal benefit of individual employees or groups of employees. These funds are available for items and activities that cannot be paid for from state funds that advance the mission of the University. Expenditure of discretionary funds should ultimately enhance our ability to serve VSU's students.*

The Executive Committee of the VSU Foundation Board of trustees is authorized to approve expenditures of no more than \$10,000 for each item of business from unrestricted funds. Disbursements of more than \$10,000 must be approved by the Board of Trustees. Exceptions to this requirement include purchases of investments authorized by the Investment Committee and budget expenditures previously approved by the Board.

All expenditures from these funds must be made with great respect for the donors' expectations and in support of the mission of the University. To that end, the Foundation has adopted these GUIDELINES FOR USE OF DISCRETIONARY FUNDS which will serve as a guide to the use of funds donated to the Foundation. Appropriate University staff and faculty should be thoroughly familiar with these guidelines and follow them closely.

## **GENERAL GUIDELINES**

PLEASE NOTE: Only officers of the Foundation have the authority to create a liability for the Foundation. University personnel may not authorize vendors to charge purchases to the Foundation without prior approval.

OVERDRAFTS: Under no circumstances will the Foundation “cover” overdrafts in any Foundation account. Funds must be available and in the account before checks are written.

A reimbursement will be approved if it falls clearly within these guidelines. Advance approval is encouraged to ensure that reimbursement is obtained if it is unclear that a request may not be approved.

Requests for reimbursement must be accompanied by a receipt which includes the date, amount and place the expenditure was made. Requests must also include a full explanation of the purpose of the expenditure and how it relates to the department’s support of the University.

Because of the time, materials, and expense to the Foundation of writing checks, no check will be issued for amounts less than \$25.00. It is suggested that, if a department has many small expenses, the department head should, either make those small purchases and collect the receipts until they total \$25.00, or that the department head reimburse employees in exchange for their receipts until the minimum amount of \$25.00 is reached and then request reimbursement from the Foundation account.

## **GUIDELINES FOR SPECIFIC TYPES OF EXPENDITURES**

Dues & Membership Fees: Dues and fees for institutional memberships in organizations related to University affairs should be paid by the University from State funds when possible. However, when State funds are not available, these may be paid from Foundation funds.

Dues and membership fees for individual membership in civic or service clubs may be paid from Foundation funds when such memberships are deemed necessary for business purposes. However, when any portion of these memberships and facilities are used for personal activities, a pro-rata share of the dues or membership fees will be reported as income to the employee in compliance with Internal Revenue Service requirements. No dues or memberships for private country clubs or similar organizations may be paid from Foundation funds.

Certification fees or fees for licenses to practice a profession related to the University or Foundation may be paid with the approval of the appropriate Dean or Vice President.

*Employee Incentives & Awards:* Employee incentives and awards may be made from Foundation funds as long as they meet legitimate goals for encouraging employees to do their best in their work for the University. Incentive programs are those that occur over a period of time to provide incentives for employees and have measurable criteria and monitoring. Incidental employee recognition awards are non-recurring and are designed to reward employees for exceptional performance in unusual circumstances.

Incentives and awards must receive prior approval from the appropriate Dean or Vice President and must meet requirements for Internal Revenue Service reporting. All cash awards, including gift certificates, must be made through the University payroll as a salary supplement and charged to the sponsoring project or department. Non-cash awards with a value of \$25 or more will be reported as additional compensation in accordance with IRS guidelines.

*Employee Meals:* Meals may be paid from Foundation funds in the following circumstances:

- Entertaining official guests
- On-campus working sessions when it is necessary to gather a group of people at a meal time. This should not include regular staff/departmental meetings.
- Recruiting new employees
- Faculty and staff receptions and orientations and retirement functions

Only reasonable amounts will be reimbursed. Expenditures above those which are considered reasonable, taking into consideration location and alternative available facilities, will require approval by the appropriate Vice President. Request for reimbursement must be accompanied by a receipt for the meal which includes the date, amount and place. The request must also include a full explanation of the purpose of the meal and the names and affiliation of the attendees. Descriptions may be generalized for groups larger than twelve participants. Unless extenuating circumstances dictate otherwise, reasonable amounts for breakfasts and lunches should not exceed \$15 per person and dinners, \$30 per person.

*Entertainment:* Normally, reimbursement for entertainment will be limited to meals, refreshments and travel. Other entertainment reimbursement must be approved in advance by the appropriate Vice President. SEE ALSO: Employee meals, spouse meals and travel.

*Flowers:* Flowers may be purchased for the following:

- University organized public relations and fundraising activities
- Student orientation, student/parent receptions and graduation or awards ceremonies

- Faculty/staff receptions
- Funeral or illness of employees and friends of the University and death of a close family member of an employee.

Requests for reimbursement must be fully documented including the identity of the meeting, event or individual and the relationship to the University.

*Fundraising Activities:* Expenses incurred in the course of organizing and conducting activities for the purpose of raising funds or creating goodwill for the University may be paid from Foundation funds. Expenses may include meals, refreshments, entertainment and travel, subject to the provisions of the related sections in these guidelines. No funds may be used to specifically benefit a particular donor, except for those permitted for recognition purposes (See “Gifts”).

*Gifts:* Gifts to employees are allowable only under approved employee incentive/awards (above), or in the case of an employee retirement. The cost of such gifts should not exceed \$150. Special IRS rules apply to retirement gifts, although such gifts are not generally taxable compensation to the employee. Gifts for employee special occasions such as birthdays, bridal and baby showers and gifts cannot be paid from Foundation funds. Such gifts and occasions are personal in nature and should be paid by the individuals involved.

Gifts to donors and friends of the University, including those who are also employees, are limited to fundraising/cultivation objectives. Costs for such items should be reasonable.

*Guests/Hosts Expenses:* Foundation funds may be used to bring official guests of the University to campus. Costs of transportation, lodging, meals and necessary miscellaneous expenses are included. University employees, students or relatives may not be considered as official guests of the University for the purpose of expense reimbursement, although they may act in the capacity of University hosts.

University faculty and staff acting in official capacity as a University host may be reimbursed for expenses incurred within reason. Such expenses may include employee and employee spouse meals, entertainment at home, and miscellaneous expenses associated with the hosting responsibilities.

Requests for reimbursement must include the amount, date, and place of the expenditure with accompanying receipts. All employees and guests must be identified and the reason for the visit and hosting responsibilities explained.

*Holiday Greetings:* Reasonable expenses for holiday greetings to University donors, friends and alumni are permitted.

*Moving Expenses:* Payment of a reasonable amount of expenses for moving an employee of the University to Valdosta is permissible. These expenditures must be specifically approved by the Board of Trustees. Moving expense payments and reimbursements must

be reported as additional compensation on the employee's W-2 form as required by the Internal Revenue Service.

*Office Furniture/Equipment:* Usually, expenditures for office furniture and equipment should be made from State funds. However, the Foundation may approve such expenditures in unusual circumstances. Requests must be approved in advance and must include an explanation for the request.

Office furniture and equipment will be transferred immediately to Valdosta State University. Requests must contain full documentation of the item and provide the contact name for use by Property Control.

*Office Decorations:* Expenditures for these items should be limited. This category includes plants, pictures, lamps and other appropriate accessories. Excessive, repeated and extraordinary requests for reimbursements for such items will not be approved.

*Office Parties:* Each Vice President and Dean may create a Foundation account to receive gifts from faculty and staff which may be used for funding activities and programs related to morale and community building within the unit or area. These activities should be limited to no more than two per year and should conform to the limitations outlined in these guidelines.

Requests for reimbursement must be properly documented, including a complete detailed description of the activity and the persons or groups attending the event.

*Office Refreshments:* It is expected that those who work in each University office will be personally responsible for office coffee, bottled water and other routine refreshments. Foundation funds will only be used to purchase coffee, bottled water and other refreshments for offices with extensive contact with the public.

*Personal Services:* All personal service expenditures must be made through the University employee payroll and charged to a sponsored project. This includes salaries; full, part time and temporary; salary supplements and extra compensation.

*Public Relations Activities:* Such activities include luncheons, dinners and community affairs organized and presented by external non-profit organizations. Admission charges for a reasonable number of employees officially representing the University at such functions may be paid from Foundation funds. The request for payment or reimbursement must be properly documented, including a complete description which explains the benefit to the University. The number of employees attending these functions should be limited.

*Political Contributions:* No contributions to political candidates are permissible. Expenditures for legislative advocacy must be limited as outlined by IRS guidelines and must be approved in advance by the Vice President for University Advancement.

*Refreshments:* Generally expenditures for refreshments for University related functions are appropriate when they are related to:

- Sponsored meetings or events where the purpose is directly related to business
- Faculty/staff retreats, workshops, orientations and receptions
- University sponsored public relations and fund raising activities
- Student orientations, student/parent receptions and graduation and awards ceremonies

*Spouse Meals:* The cost of including an employee spouse in entertaining official guests, recruiting faculty and staff, and in fund raising or public relations activities may be reimbursed from Foundation funds where attendance of the spouse is necessary to the business purpose of the activity.

*Supplies:* Expenditures for supplies should include only those items needed on a non-recurring basis or cannot be paid for with State funds. Usual supplies needed on a recurring basis should be paid from State resources.

*Travel:* Employees will be reimbursed for all reasonable travel expenses on an actual cost basis within the limits set in these guidelines. Travel expenditures should be reimbursed from State funds for as long as they are available. Foundation funds should be used only when State travel funds are exhausted.

Air travel must be by coach class and discount fares should be sought.

For the use of personal automobiles, employees will be reimbursed at the same rate per mile as that used by the University for reimbursement from State funds.

Employees will be reimbursed for meal expenses at State approved levels while traveling away from home on business. Meals during daily travel which is not overnight are an expense of the individual. Meals with donors, prospective donors, volunteers, and other business related individuals are considered entertainment.

Not all expenses are reimbursable. Examples of expenses which will not be reimbursed, even though they may be incurred while on official University business, include laundry, pay movies, baby sitters, formal clothing and other items that are strictly personal.

Overnight accommodations should be in reasonably priced motels and hotels, and government or corporate rates must be obtained where possible.

Telephone credit cards should be used for all long distance business calls made while traveling including calls made from hotel or motel rooms. Employees may make one personal call per overnight of travel.

Expenses which will not be reimbursed from Foundation funds:

- Payment of fines and penalties
- Payment of late charges
- Traffic violations
- Campus parking permits
- Personal meals with coworkers or family members
- Birthday parties, secretaries' day, bosses' day, wedding and baby gifts and other similar occasions.
- Gifts for faculty or staff other than retirement as previously described.
- Personal telephone calls
- Loss or theft of personal property
- Membership fees in airline clubs
- Reimbursement requests from unofficial organizations
- Cellular phone expenses for employees, except for reimbursement for necessary business calls made from a personal cell phone when traveling.

*Approved and adopted by the Board of Trustees - January 31, 2003*

## **INSURANCES**

At the Valdosta State University Foundation, Inc. our goal is to attract and recruit the best and the brightest trustees for their talents. Potential volunteers may be reluctant to join if not adequately protected for their actions as directors and officers. Therefore, the Foundation believes it is a moral obligation to protect those that help and serve the organization.

### **Policy**

Directors and Officers Liability and Employment Practices Liability are provided for the VSU Foundation, Inc. and VSU Alumni Association, Inc. by:

Chubb Group of Insurance Companies  
15 Mountain View Road  
Warren, NJ 07059

### **Coverage**

The combined maximum liability coverage for each policy year is \$1,000,000.00.

### **Definition of Coverage**

Directors and Officers Insurance is commonly referred to as “D&O Insurance.” The goal of D&O Insurance is to protect directors and officers of a corporation from liability in the event of a claim or lawsuit against them asserting wrongdoing in connection with the organization’s business.

Employment Practices Liability is commonly referred to as “EPL” and has also become a common addition to corporate coverage. This coverage typically protects directors, officers, employees and/or the corporation against employment-related claims brought by employees and, in certain circumstances, specified third parties.

At its most basic, D&O insurance protects directors and officers from defense costs arising from actions connected to their positions. For more information concerning insurance coverage for the VSU Foundation, Inc and its subsidiaries, contact the Foundation office.

## **WHISTLEBLOWER POLICY**

The Valdosta State University Foundation, Inc. imposes strict standards to prevent fraud and dishonesty. If a member of the board of trustees, employees associated with operations of the Foundation, or other members of the VSU community become aware of any evidence of fraud and/or dishonesty, they should immediately advise their supervisor or other officer with whom they feel most comfortable, so that the Foundation can promptly investigate the matter.

In instances where an officer or a member of the board of trustees is suspected of a fraudulent act, the chief executive officer and the chair of the board of trustees should be informed. Depending on accusations, however, a concerned staff member or trustee may wish to communicate directly with the chair of the finance and administration committee of the board of trustees. The chair will in turn bring the matter to the attention of the finance and administration committee for such action as the committee finds appropriate in the circumstances.

Employees bringing forward such information will be protected against any retaliatory adverse action. Any employee who is found to have engaged in retaliation will be subject to severe disciplinary action, up to and including recommendation of termination of employment.

*Approved by the board of trustees, July 27, 2012.*

## **RECORDS RETENTION AND DESTRUCTION POLICY**

### **1) Purpose**

The purpose of this Policy is to ensure that necessary records and documents of the Valdosta State University Foundation, Inc. and its LLC's are adequately protected and maintained and to ensure that records that are no longer needed by the Foundation or are of no value are discarded at the proper time. This policy is also for the purpose of aiding employees of the Foundation in their understanding of their obligations in retaining print and electronic documents – including e-mail, Web files, text files, sounds and movie files, PDF documents, and all Microsoft Office or other formatted files. The policy is to provide a system for complying with document retention laws to protect the Foundation against allegations of selective document destruction. No officer, trustee, employee, agent, member, or volunteer of the Foundation will knowingly destroy a document with the intent to obstruct or influence the investigation or proper administration of any matter.

### **2) Policy**

This Policy represents the Valdosta State University Foundation, Inc. and its LLC's policy regarding retention and disposal of records and the retention and disposal of print or electronic documents.

### **3) Administration**

Attached as Appendix A is a Record Retention Schedule that is approved as the maintenance, retention and disposal schedule for physical records and for the retention and disposal of electronic documents of the Foundation. The Chief Executive Officer of the Foundation is the officer in charge of the administration of this Policy and the implementation of processes and procedures to ensure that the Record Retention Schedule is followed. The CEO is also authorized to: make modification to the Record Retention Schedule from time to time to ensure that it is in compliance with local, state, and federal laws and includes the appropriate document and record categories for the Foundation; monitor local and federal laws affecting record retention; annually review record retention and disposal program; monitor compliance with this policy; and, report to the Foundation Board at least annually which is documented in the board minutes. Employees with questions about this policy should consult with management or seek legal advice.

### **4) Suspension of Record Disposal In Event of Litigation or Claims**

In the event the Foundation is served with any subpoena or request for documents or any employee becomes aware of a governmental investigation or audit concerning the

Foundation or the commencement of any litigation against or concerning the Foundation, such employee shall inform the CEO and any further disposal of documents shall be suspended until such time as the CEO, with the advice of counsel, determines otherwise. The CEO shall take such steps as is necessary to promptly inform all staff of any suspension in the further disposal of documents.

#### **5) Applicability**

This policy applies to all physical records generated in the course of the Foundation's operation, including both original documents and reproductions. It also applies to the electronic documents described above.

*Approved by the board of trustees, July 27 2012*