



UNIVERSITY *of* HAWAI'I®  
FOUNDATION

# Fast Track to UH Foundation Training

OCTOBER 18, 2023

# Welcome!

- Sessions offered regularly
- Slides and a recording are posted to our website: Resources > FAQs > Faculty & Staff > Fast Track to UH Foundation Training  
<https://www.uhfoundation.org/resources/faqs/faculty-staff>
- Questions?
  - Enter them into the chat during the training.
  - Any additional questions can be directed to the contact(s) listed for the corresponding section.



# Today's Panelists

- Alyssa Butler, Senior Accountant
- Kimberly Dilda, Accounts Payable Supervisor
- Jere Nakamura, Director of Gift Processing
- Kristi Nakasone, Associate Director of Gift Processing|
- Lap Ho Cheung, Systems Analyst/Programmer
- Christine Koo, Associate VP for Advancement Services
- Kara Shibata, Controller



# Agenda

- About UHF
- Policies
- Endowments & Account Establishment
- Gift Processing
- 5-Minute Break
- Student Aid Administration
- Expenditures
- Concur Invoice demo
- Finance Reports



Fast Track to UH Foundation Training  
**ABOUT UHF**



# About UHF

The University of Hawai'i Foundation was established in 1955 to encourage private support for the University of Hawai'i. We are a nonprofit 501(c)(3) contracted by the University of Hawai'i Board of Regents to be the sole provider of alumni services and fundraising for the UH System. The funds we raise are critical for supporting the educational mission of UH, one of the largest drivers of Hawai'i's economy. This private support funds scholarships to build Hawai'i's future workforce, helps attract top faculty talent, and fuels world-class research.

## OUR MISSION

To unite donors' passions with the University of Hawai'i's aspirations by raising philanthropic support and managing private investments to benefit UH, the people of Hawai'i and our future generations.



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# At A Glance



FUNDS RAISED  
FOR UH IN FY22

**\$164.9**  
*million*



STUDENT AID  
AWARDED IN FY22

**\$13.6**  
*million*



UH ENDOWMENT  
VALUE IN FY22

**\$462.5**  
*million*



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# What We Do

Guided by the strategic directions of UH and its 10 campuses, our development professionals at UHF raise private funds to support UH students, programs, faculty and research.

- **DEVELOPMENT TEAMS** collaborate with UH academic leaders to raise philanthropic gifts that support the priorities of all 10 UH campuses.
- **STUDENT AID SUPPORT** which in addition to our Scholarship Development team raising funds to directly support students via student aid and scholarships, our Scholarship Administration team distributes more than \$13 million in student aid each year.
- **ANNUAL GIVING** reaches out to UH graduates, parents and friends of the university year-round through online, direct mail and telephone campaigns to raise funds.
- **ESTATE AND GIFT PLANNING** ensures donors receive maximum personal and financial benefits while funding their philanthropic priorities for their estate plans and through a suite of giving tools, such as charitable remainder trusts, charitable gift annuities, life insurance policies and real estate.
- **CORPORATE AND FOUNDATION RELATIONS** works with faculty and academic leaders along with corporate and foundation donors to support faculty research and scholarship; student support and community outreach.



# What We Do, continued

- **DONOR RELATIONS** represents the interests of donors to all 10 UH campuses and builds a culture of stewardship throughout the UH community.
- **ALUMNI RELATIONS** works closely with campus leaders to reach more than 310,000 UH alumni and engage them around UH student recruitment, retention, career services, advocacy and mentorship.
- **INVESTMENT MANAGEMENT** includes the management of an endowment of more than \$462 million where a disciplined focus on investment strategies and opportunities help the endowment grow over the long term, so it can provide support for UH programs and priorities into the future.
- **ACCOUNTING AND FINANCE** administers and manages funds from donor gifts to benefit units and campuses throughout the UH System, working to establish new accounts and maintain more than 7,000 separate donor accounts.
- **GIFT PROCESSING** processes and receipts gifts in a variety of ways – from checks, credit cards and cash to gifts of real estate, stocks, bonds and more.
- **SPECIAL EVENTS** provides donors with meaningful opportunities to engage with UH leadership, faculty and students.



# Policies

- UHF Website > Resources > Policies  
<https://www.uhfoundation.org/resources/policies>
- Account Administration Policy
  - Ensures that Foundation funds are used in a manner that provides the best possible benefit for the University and in accordance with specific donor intent.
  - The University retains responsibility for appropriately and prudently expending gift funds received by the Foundation, according to the terms and conditions provided by the donor at the time the gift was made and accepted.
- Gift Acceptance Policy
  - Serves a guidance for UHF and UH employees on the types and potential circumstances of donations UHF can accept.



# Contact Information

- Christine Koo, AVP for Advancement Services
  - General UHF questions
  - Phone: 808-376-7833
  - Email: [Christine.Koo@uhfoundation.org](mailto:Christine.Koo@uhfoundation.org)



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# Questions?



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Fast Track to UH Foundation Training

**ENDOWMENTS AND ACCOUNT  
ESTABLISHMENT**



# Types of Accounts

## ▪ Expendable Accounts

- Expendable accounts receive gifts, non-gift income, and in some cases endowment payouts (see below) that is immediately available to be used according to the purpose of the account and in accordance with the Foundation's policies. Money held in expendable accounts is invested by the Foundation. The investment return is used by the Foundation to support operations.

## ▪ Endowment Accounts

- An endowment account is a **donor designated permanent fund** established from a gift that provides income in perpetuity for a specified use, as determined by the donor. Each endowed account held by the Foundation retains a separate identity, but all endowment funds are pooled together for investment purposes and managed by the Foundation, under policies adopted by its Board of Trustees. Endowment gifts are usually accompanied by a gift agreement.

## ▪ Quasi Endowment Accounts

- A quasi endowment account is a **unit designated temporary fund** and represents expendable monies that the unit has requested be temporarily invested in the endowment pool.



# Minimum Account Levels

- **Expendable Account** - Minimum is \$1,000
  - Provided there is no other existing account with a similar purpose and should generally be from a new donation.
- **Named Expendable Account** - Minimum is \$10,000
  - Donor wishes to define custom award criteria for scholarship.
- **Endowment Account** – Minimum is \$50,000
  - Depending on the purpose of the account, the minimum required amount for an endowment account will vary.
- **Quasi Endowment Account** – Minimum is \$50,000.
  - Must be approved by UH Foundation’s Management.
- Once established, the minimums do not need to be maintained over the life of the account.
  - The exception is a Quasi Endowment, which must retain a minimum book balance of \$25,000 or be transferred back into the related expendable account.



# Endowment Account Basics

- Endowment accounts generate a payout that is distributed to the expendable account on a quarterly basis.
- Donor names on buildings or parts of buildings must be in conjunction with BOR approved naming opportunities.
- Endowments that have purposes that will require an ongoing commitment by the university (i.e., Professorships and Chairs) require BOR approval.
- For more information, see the Endowment Procedures located on UHF's website (Home > Resources > Policies > Finance)



# Endowment Accounts – Fully Funded

- While any endowment account may be established with an initial gift of \$50,000, the account will not be considered fully funded/ended until the total gifts received equals or exceeds the specified minimum required level.
- If the endowment gift is supported by pledges, it may take a while to be fully ended. Generally, the account must be fully ended within five years from the initial gift.
- Until the fund is fully ended, the payout generated from the fund will be reinvested at the end of each quarter and retained in the endowment account. While net earnings increase book value of the account they do not count toward the fully ended level.
- Expendable enrichment funds are given by a donor to be spent immediately and cannot be transferred to a permanent endowment.



# Difference Between Fully Funded, Book Value and Market Value

## Fully Funded/Endowed Value

- This is the total of the gifts to an account. It does not include reinvested payouts, endowment returns or gift fees.

## Book Value (“Historic Dollar Value” or “Dollars Invested” or “Corpus”)

- Book value consists of the original donation plus any other additions to the fund, less, in most cases, a one-time gift assessment at the time the gift was received. For accounts that are not yet fully endowed, the book value will include reinvested income distributions.

## Market Value

- Market value is the total of the book value plus investment earnings and appreciation, less distributions



# Investment Pool Management

- The Foundation's endowment fund is a unitized investment pool like a mutual fund.
  - All endowment funds are pooled together for investing purposes. Each endowment account shares proportionately in the market gains and losses.
- A market value per unit is calculated at the end of each quarter, irrespective of when the funds are added during the quarter.
  - New endowment funds buy into the pool at the unit price (market value per unit) as of the end of the quarter in which funds are received.
  - For example, funds received on 10/16/2023 will be assigned a # of units based on the 12/31/2023 market value.
- The units purchased by the new funds are held in perpetuity.
  - If additional funds are added to an account, additional units are purchased.



# Endowment Payout

## WHAT is the endowment payout?

- A payout is the movement of cash from the endowment to an expendable account to be used to support the purpose of the endowment account.

## WHO determines the payout rate?

- The annual payout rate is determined by the Foundation's Board of Trustees.

## WHEN is the payout made?

- Payouts are made quarterly at the end of September, December, March, and June.

## WHAT is the payout rate for FY24?

- For FY24 the annual payout amount is \$1.54 per unit and is distributed quarterly at a rate of 0.385 per unit ( $\$1.54 / 4$  qtrs.)



# Endowment Fee

## WHAT is the endowment fee?

- This is an administrative fee that is assessed on the endowment to help support the Foundation's overall operations. It is not the same as investment manager fees, which are assessed by investment management consultants and banks that hold the investment funds.

## WHO determines the endowment fee?

- The annual endowment fee is determined by the Foundation's Board of Trustees.

## WHEN is the endowment fee assessed?

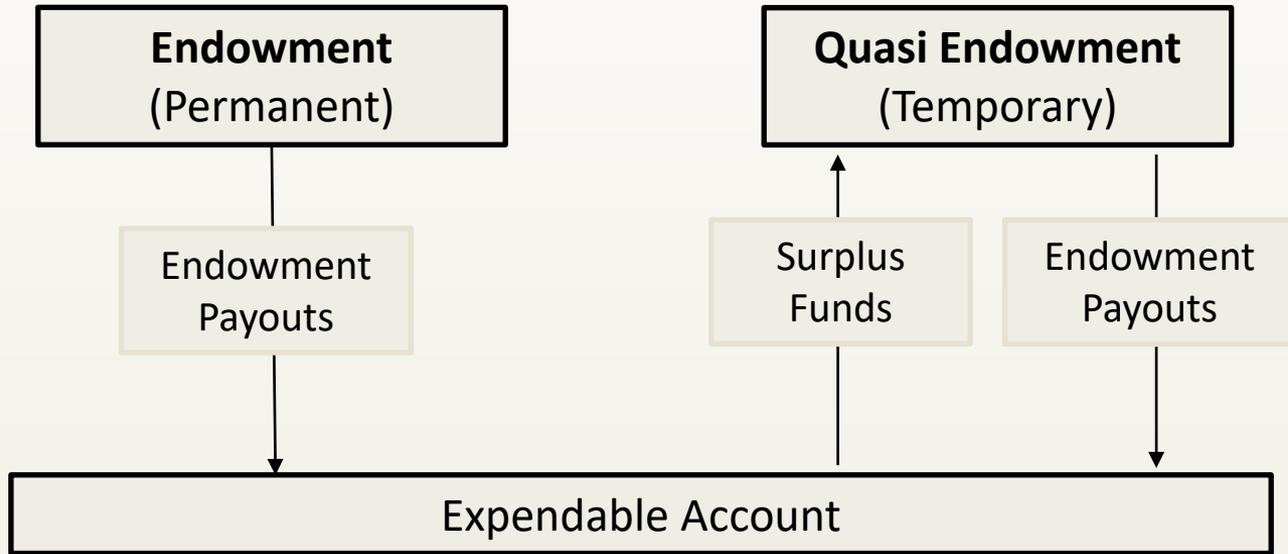
- The endowment fee is assessed quarterly.

## WHAT is the endowment fee FY24?

- For FY24 the endowment fee rate is \$0.53 per unit and is applied quarterly at a rate of \$0.1325 per unit ( $\$0.53/4$  quarters).



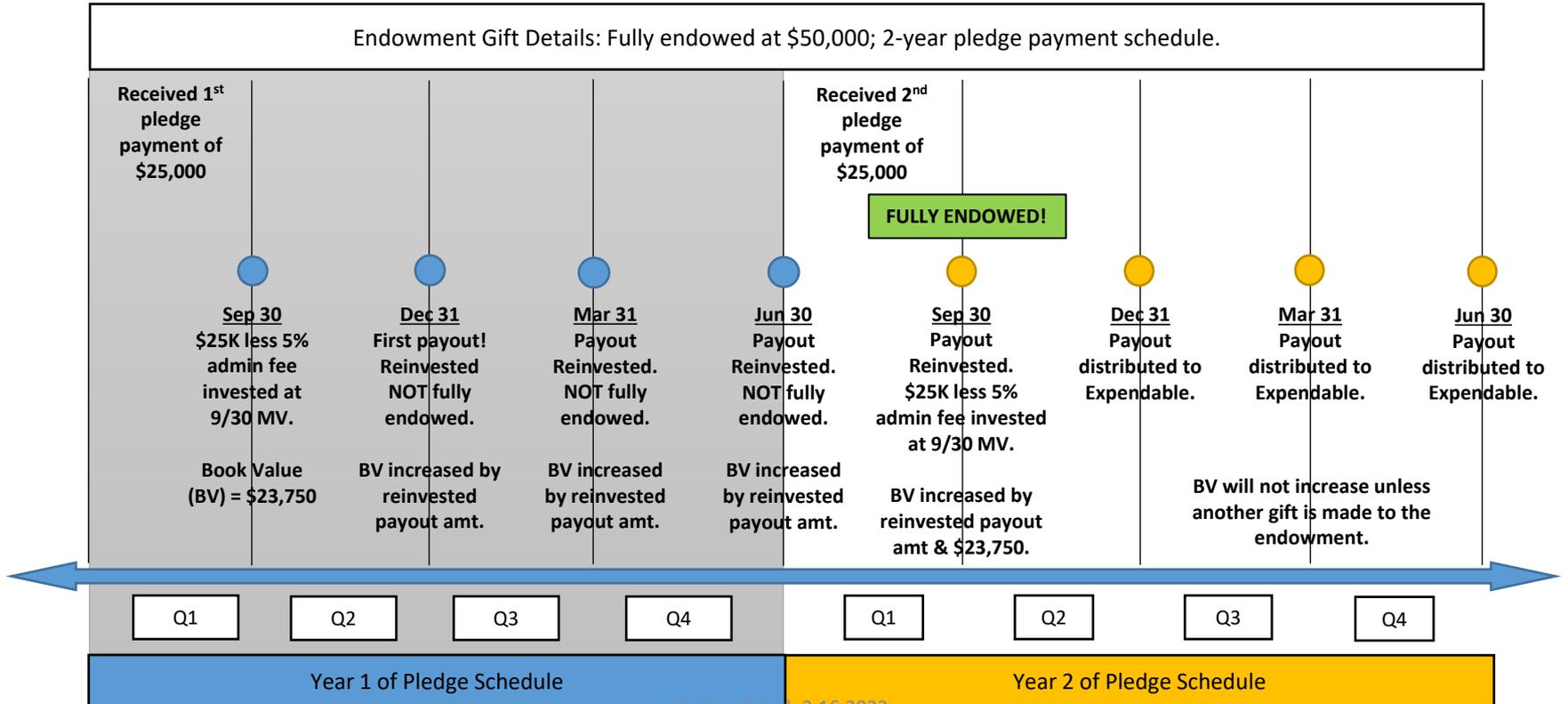
# Endowment Payout Flow Chart





## Endowment Investment and Payout Timeline

Endowment Gift Details: Fully endowed at \$50,000; 2-year pledge payment schedule.



# Quasi Endowments

- Quasi endowments are requested by a unit, not by a donor. Sometimes a unit realizes they will not have immediate need for their expendable funds. Consequently, they can ask that portion of the funds be invested in the endowment pool.
- Like permanent endowments, quasi endowments generate a payout and are subject to the endowment administration fee. The payout will be distributed to the expendable unless otherwise requested.
- Unlike permanent endowments, funds in a quasi can be withdrawn. Additions and redemptions and are made on a quarterly basis. The minimum transaction amount for an existing quasi endowment is \$5,000.
- Funds invested as a quasi endowment will go up or down based on the market and there is a risk of loss. Therefore, a waiting period of one year is advised before withdrawals are made.
- To establish a Quasi Endowment, the following forms are required:
  - A “Request for Establishment of Account” (Orange) form
  - A Transfer of Expendable Money to Quasi memo from two account administrators



# Establishment of Account Form

- This form, also commonly referred to as the Orange Form, provides the purpose of the account and those who will have responsibility for administering the account.
- This form must be completed in full, with all required signatures and documentation, before being submitted to the Foundation's Accounting and Finance Office.
  - All digital signatures and audit trails: [NewAcctSetup@uhfoundation.org](mailto:NewAcctSetup@uhfoundation.org)
  - All wet signatures: PO Box 11270, Honolulu, HI 96828
- An account must be set up before UHF can accept deposits, make money transfers, or make payments.



# Account Numbers

- Currently, the Foundation has more than 7,000 accounts. Account numbers are assigned by UHF's Accounting and Finance department.
  
- For each restriction/donor purpose a separate account number assigned by UHF Accounting and Finance is created to monitor the monies.
  - **Endowment Accounts**
    - 12# Sequence
      - Permanent endowments account numbers are 20X-ABCD-3
      - Expendable accounts linked to a permanent endowment are 12X-ABCD-2
    - 13# Sequence
      - Permanent endowments account numbers are 21X-ABCD-3
      - Expendable accounts linked to a permanent endowment are 13X-ABCD-2
  
  - **Expendable Accounts**
    - Expendable account numbers are 12X-EFGH-4 or 13X-EFGH-4
  
  - **Quasi Endowment Accounts**
    - Quasi Endowment accounts linked to 12X-EFGH-4 and 13X-EFGH-4 expendable accounts are 24X-EFGH-4 and 25X-EFGH-4 respectively.



# Account Establishment Form



Form updated: 5/27/2022

New

Revised:

Please indicate what has been revised.

## ESTABLISHMENT OF ACCOUNT FORM

Minimum to open: expendable (\$1,000) / named scholarship expendable (\$10,000) / endowment (\$50,000)

Type of Account(s)			Expendable Acct #	FOR UH USE ONLY	
<input type="checkbox"/> Expendable	<input type="checkbox"/> Endowment	<input type="checkbox"/> Quasi Endowment		<small>PURPOSE CODE</small>	
Abbreviated Project/Account Title (limited to 30 characters)			Endowment Acct #	<small>GROUP / MODEL</small>	
Project/Account Title (Long Name)			Quasi Endow Acct #	<small>NEW SUBJECT CODE (Change All Previous)</small>	
				<small>ADMIN FEES CODE (Annual Budget)</small>	<input type="checkbox"/> 11 <input type="checkbox"/> 12 <input type="checkbox"/> 13 <input type="checkbox"/> 14
				<small>ASH FEE CODE</small>	<input type="checkbox"/> Conditional <input type="checkbox"/> Exchange
Account Details				<small>INTEREST BEARING</small>	<input type="checkbox"/> Y <input type="checkbox"/> N <small>IF Y- Note 49</small>
Campus:				<small>PROPOSED EMPLOYMENT</small>	<input type="checkbox"/> Y <input type="checkbox"/> N <small>IF Y- Note 35</small>
Unit:				<small>FULL EMPLOYMENT</small>	<input type="checkbox"/> Y <input type="checkbox"/> N
Dept:				<small>SECTION</small>	<input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3
Service Fee will be charged to the account(s) unless another account is indicated below:				<small>COMMENTS/NOTES</small>	
Charge admin fee to account #					

Purpose and Expected Use of Account (ATTACH: Approved grant, proposal, budget, agreement, and/or donor correspondence.)

Approval to Establish Account (Dean, Director or higher)			
Name	Title	Signature	Date

Account Administrators (min. of 2, max. of 6) or Support Staff (max. of 6)					*see below for legend
Staff / Administrator Name	Hawaii.edu Email Address	PEID	Date	Req*	Sample Signature (Needed if Account Administrator)

\*Is this Account Administrator REQUIRED? Leave Req\* field BLANK for administrators not required; any two names acceptable (RECOMMENDED)  
 R - Account Admin Signature always required (this person must provide their signature of approval on all monetary transaction requests related to the account)  
 S - Support Staff (No Sample signature needed)

Approved Establishment of Account Notification Email (max. of 2; must be an account administrator or support staff listed above)		
Please indicate person(s) who should receive an emailed copy of the completed and approved establishment of account form.	Name	Name

UHF Approval

Approval by UHF (Scholarship) \_\_\_\_\_ Date \_\_\_\_\_ Approval by UHF (Fiscal) \_\_\_\_\_ Date \_\_\_\_\_

Please send completed forms with appropriate documentation to UH Foundation:  
 All wet signatures OR All digital signatures and audit trails  
 PO Box 11270 • Hon. HI 96828 NewAcctSetup@uhfoundation.org

Inquires regarding this form: NewAcctSetup@uhfoundation.org

## Project Information Needed

- Project Name (long and abbreviated)
- Campus
- Unit
- Department
- Purpose & Expected Use of Account – provides direction on how the funds should be spent
- Appropriate Signatures
  - Dean, Director or Higher: to approve the account establishment
  - Account Administrators: UH employees who can approve transactions on account
  - Support Staff: UH employees who may have access to view the account
- The Establishment of Account Form may be found on UHF's website under: *Home > Resources > Forms > Finance Forms > Account Setup*



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# Donor Purpose

- The donor's purpose is extremely important. It defines what specific account monies can be deposited into and determines any restrictions on the monies.
  - Expenditures must comply with UH Foundation policies.
- The purpose of all accounts administered by the Foundation must be university-related.
  - It cannot benefit a specific person (ex. President \_\_\_\_\_, Coach \_\_\_\_\_, Professor \_\_\_\_\_, etc.)
- It is important to align the depositing of monies with what was solicited to the donor. This could be from marketing material (mailers or online) and written or verbal communication.



# Approval Signatures

- Accounts for colleges and schools must be approved by the Dean or Chancellor.
- For all other accounts, the Director of the Cancer Center, Director for the Institute for Astronomy, Athletics Director, a Vice President, or the University President must approve the establishment of account as appropriate.
- We do not accept approval to establish accounts from Department Chairs.



# Account Administrators

- Responsible for the administration of account.
  - Must be able to spend time necessary to personally carry out the responsibilities of an Account Administrator
- Minimum of two, but no more than six
  - Recommend at least 3
- Must be an employee of the university holding a faculty or administrative position classification or higher; or Foundation employee
  - May not be an emeritus professor
  - May be an RCUH employee
  - Must have a Hawaii.edu email
- Primary donor should not be an Account Administrator
- For more guidelines, refer to our Account Administration Policy.



# Account Administrator Signatures and Support Staff

- Sample signatures of each account administrator is mandatory.
- “Required” Account Administrator
  - This person must provide their signature of approval on all monetary transaction requests related to the account.
- Support staff are authorized to view account information and activity, but do not have authority to either approve transactions or have account responsibilities. UH student employees may not have support staff access.



# Roles and Responsibilities

Individual with Expense	Account Administrator	UHF
<p>The funds are used prudently and for the benefit of the University.</p>	<p>Ensure funds are deposited into the appropriate accounts and are consistent with the donor's intent.</p>	<ul style="list-style-type: none"><li>• Evaluate deposits to ensure they comply with Foundation policy.</li><li>• Process and book gifts</li><li>• Record and receipt gifts</li></ul>
<p>Use of the funds is in accordance with the purpose of the account or the donor's intent.</p>	<p>All transactions are appropriate, reasonable and conform to the account's purpose. Supporting documentation is provided and source documents are accurate and complete.</p>	<ul style="list-style-type: none"><li>• Transactions are properly authorized and processed in a timely manner.</li><li>• Disbursements comply with account restrictions and the Account Administration policy.</li></ul>
<p>Use of the funds is in accordance with the Account Administration policy.</p>	<p>Review and monitor the account frequently and immediately report unauthorized transactions or discrepancies to the Foundation's Accounting and Finance office.</p>	<ul style="list-style-type: none"><li>• Establish new accounts</li><li>• Maintain and update accounts</li><li>• Transactions are properly recorded and classified.</li></ul>



# Supporting Documentation to Establish an Account

- Supporting documentation is needed to:
  - Verify the intended purpose/use of funds and confirm what was solicited to donor(s)
  - Provide information detailing the University related program/initiative and furthers its mission.
- Types of Supporting Documentation
  - Gift Agreement (“GA”)
  - Grant Agreement
    - Award Letter, Proposal & Budget
  - Trust Documents
  - Student Aid Information Form (“SAIF”)
  - Marketing/Promotional Materials
    - Flyer, Invitation, Obituary
  - University approved memo
  - Written/email correspondence



# Approved Establishment of Account

- Once the account has been approved by UH Foundation, an email including a scanned copy of the approved establishment of account form will be sent.
  - If the account type minimum is not met, expenses cannot be charged to the account.
- The email will be sent to a maximum of two people who must be Account Administrators or Support Staff on the account.
- If this section is left blank, the first account administrator listed will be notified when the account has been approved.



# Changes to Account Attributes

- Cannot violate specific requests or restrictions by donor and must be justified
  - Account title – Only if change is to clarify identification of account.
  - Campus/Unit/Department – Both must agree to change.
- Generally, the purpose of an account cannot be changed. If an exception is made, appropriate approvals will be required as determined by the Foundation and may include donor notification.



# Changes in Account Administrators and Support Staff

- All requests should be done via a memorandum signed by a current account administrator
  - Sample memorandums on UHF website (*Home > Resources > Forms > Finance Forms > Account Changes*)
    - If the account administrator is being changed on multiple accounts, submit a single written memorandum that includes the requested changes and a list of the affected account numbers and titles.
  - “Project Information Update Request” report in COGNOS
- A sample signature of each new authorized account administrator is required.
- Requests with all digital signatures and audit trails may be emailed to: [AcctChange@uhfoundation.org](mailto:AcctChange@uhfoundation.org)



# Stock Gift Overview

- UH Foundation uses two financial institutions to accept stock gifts.
  - Merrill Lynch and Charles Schwab
- Please notify the Foundation of the stock gift:
  - Donor's name
  - Number and type of shares
  - UHF account number(s) the stock gift will benefit. If the gift will support multiple accounts, please include the split amounts or percentage.
- It is the UH Foundation's policy to dispose of the shares immediately. The net proceeds will be available for the designated purpose indicated by the donor.
- For more information, see Ways to Give – Securities located on UHF's website (<https://www.uhfoundation.org/give/ways-to-give/securities>)



# Difference between Gift and Sell Value

## ■ Gift date and Value

- The date of the gift will be the date the shares are received in the UH Foundation's brokerage account.
- The value of the gift will be the mean price (average of high and low prices) on that date. The donor will be receipted for this amount.

## ■ Sell/Proceed Value

- The sell price is dollar value of the proceeds divided by the number of shares donated. When we receive the check for the proceeds, the commission/trading fees have already been deducted.
- The check for proceeds are received about 1 week after the shares are sold.



# Transfer of Funds Requests

- No monies can be transferred from one Foundation account to another without specific written approval and justification by the account administrator(s) in a “**Transfer of Funds**” memorandum.
  - Transfer of Gift, Fundraising Proceeds or Other Income
  - Transfer of Expenses
  - Transfer of Funds – Quasi
  - Transfer of Funds to Purchase Tickets/Tables for UHF events
  - Transfer of Funds Memo – Close Account
- Transfers must be in accordance with the purposes of the accounts.
- Sample memorandums can be found on UHF website (*Home > Resources > Forms > Finance Forms > Movements of Money*)
- Memos with all digital signatures and audit trails may be emailed to: [Finance@uhfoundation.org](mailto:Finance@uhfoundation.org)



# Contact Information

- Richard Aviles (New accounts, Change in Signers)
  - Phone: 376-7869
  - Email: [Richard.Aviles@uhfoundation.org](mailto:Richard.Aviles@uhfoundation.org)
- Anolani Viloría (New accounts, Transfers)
  - Phone: 376-7866
  - Email: [Anolani.Viloría@uhfoundation.org](mailto:Anolani.Viloría@uhfoundation.org)
- Alyssa Butler (Endowments, Stock Gifts)
  - Phone: 376-7868
  - Email: [Alyssa.Butler@uhfoundation.org](mailto:Alyssa.Butler@uhfoundation.org)
- Establishment of Account Forms - [NewAcctSetup@uhfoundation.org](mailto:NewAcctSetup@uhfoundation.org)
- Account Change Requests - [AcctChange@uhfoundation.org](mailto:AcctChange@uhfoundation.org)
- Transfer Memos – [Finance@uhfoundation.org](mailto:Finance@uhfoundation.org)



# Questions?



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**GIFT PROCESSING**

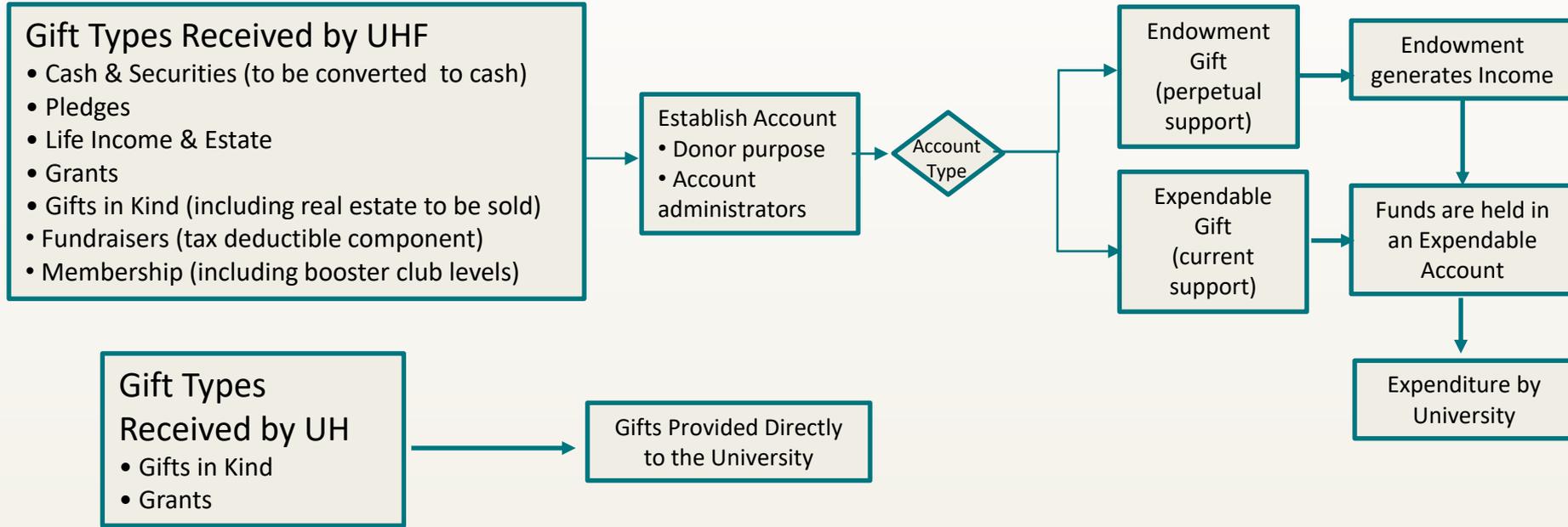


# Gift Processing

- Record and manage on average over 40,000 transactions annually.
- Issue tax receipts to donors for tax deduction purposes.
- Process gifts via check, credit card, cash, real estate, stocks and bonds and more.
  - Cryptocurrency donations now being accepted through Charityvest, a donor advised fund, who will liquidate the cryptocurrency and send a receipt to donors.



# Gift Flow Chart





# Types of Acceptable Contributions

- Outright Contributions
  - Cash, checks, credit cards, wire transfers, online giving
- Pledges
- Gifts in Kind (non-cash gifts)
- Fundraising Events with a tax deductible component
- Membership levels for booster clubs
- Planned (Estate) Gifts



# Examples of Unacceptable Contributions

- Per state statute, revenues that are University assets cannot be deposited at the Foundation.
- Generally, the following are considered unacceptable contributions to a Foundation account.
  - Entry fees
  - A required donation to get into an event
  - Exchange transactions
  - Sponsorships where marketing and advertising is received
  - Use of UH facilities payments
  - Funds from government sources
  - Raffles
- In some instances, the structure of a payment can be perceived as an unacceptable deposit. If consulted in advance, ahead of marketing and solicitation, the Foundation can work with you to restructure the payment or come up with other options.
- After funds have been received, options are fewer, which may result in a delay of a deposit or a rejection of a deposit.



# Checks

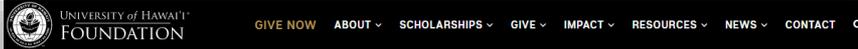
- Checks should be made payable to “University of Hawaii Foundation”.
- FAQs
  - Why can’t the check be made payable to UH?
    - Checks written out to UH should be deposited at UH. Although not the intent of the donor, the check is designated as such. As a result, there may be varying additional steps in the deposit process:
      - UH may need to endorse the check over to UHF
      - UH may need to deposit the monies
    - In other circumstances, checks written with additional language in the “payable” or “memo” lines may disallow deposit by UH or UHF. As a result, the check may be returned to the donor, and a request for check reissuance required.
  - How can donors be sure their money really is going to my program?
    - Donors can write the account name and number in the memo section of the check.
    - Donors payment will be allocated as designated on the Transmittal of Contribution.
    - Donors can confirm the account information on the issued tax receipt.



# Online Giving

[giving.uhfoundation.org](https://giving.uhfoundation.org)

- Browse funds
- Individual fund pages
- Embed the UHF giving widget on UH websites



Home / Give / Give Now

## Give Online Now

Thank you for considering a gift to the University of Hawaii. Your support provides the university with the means to do more – offer more scholarships, conduct more research, and take advantage of academic opportunities that might otherwise be missed.

If you would like to make a difference in a specific area and don't know the fund details, or are interested in exploring giving options, we invite you to [browse our funds](#).

Step 1 - Select A Fund    Step 2 - Donor Info    Step 3 - Billing Info    Step 4 - Payment Info

How much would you like to give? (Required)

\$ 0.00    \* Total gift minimum is \$10

Home / Give / Browse Funds / COVID-19 Testing in Maui's Homeless Population

## COVID-19 Testing in Maui's Homeless Population

Fund #129-5350-4

Help uncover the spread of COVID-19 within Maui's homeless population by extending the pilot testing program funded by HCF. UHMC nursing faculty Dr. Denise Cohen is working with Dr. Lorin Pang from the DOH as well as with students nurses and a graduate from the nursing program on Maui to interview and take samples from within the homeless population twice a week in collaboration with the Salvation Army.



*In making a generous contribution to the COVID-19 Testing in Maui's Homeless Population Fund, I understand that my contribution is subject to the terms and conditions of a gift agreement on file with the University of Hawaii Foundation that established this fund.*

Step 1 - Select A Fund    Step 2 - Donor Info    Step 3 - Billing Info    Step 4 - Payment Info

How much would you like to give? (Required)

\$ 0.00    \* Total gift minimum is \$10



## Giving

Windward Community College is known for its outstanding and dedicated faculty who give students the confidence to succeed in any walk of life of their choosing. Windward Community College offers students a solid foundation in the fine arts, marine, earth, and planetary sciences, Hawaiian studies, and journalism, as well as vocational training and continuing education.

If you are interested in making a gift to Windward Community College...

Step 1 - Select A Fund    Step 2 - Donor Info    Step 3 - Billing Info    Step 4 - Payment Info

How much would you like to give? (Required)

\$ 0.00    \* Total gift minimum is \$10



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# Browse Funds Page

[giving.uhfoundation.org](https://giving.uhfoundation.org)

- New Donors
- Give by Inspiration
- Search and Filter

The screenshot shows the 'Browse Funds' page of the University of Hawaii Foundation. At the top, there is a navigation bar with the foundation's logo and menu items: GIVE NOW, ABOUT, SCHOLARSHIPS, GIVE, IMPACT, RESOURCES, NEWS, and CONTACT. Below the navigation bar, the page title 'Browse Funds' is displayed. A search bar labeled 'Search by Keyword' is present, with a placeholder 'Search for a term'. Below the search bar, there is a 'Filter by Category' section with buttons for 'Students', 'Research', 'Faculty', 'Facilities', 'Programs', and 'All'. The page indicates 'Sorted Randomly (1247 results)' and includes a 'RESET' link. The main content area features four fund cards, each with a representative image, a title, a description, and a location tag:

- Arts & Humanities**: Support the Arts & Humanities department at Leeward Community College. Location: Leeward.
- Hiroki Kaku Scholarship**: Provides scholarship assistance to students interested in a career in agriculture, public health, or food and nutrition. Location: Manoa.
- COVID-19 Testing In Maui's Homeless Population**: Help uncover the spread of COVID-19 within Maui's homeless population by extending the pilot testing program funded by HCF. Location: Manoa.
- HI STAR Program**: Supports the HI STAR program, which is a summer astronomy program for students and their teachers, plus workshops conducted on different islands to recruit participants. Location: Manoa.

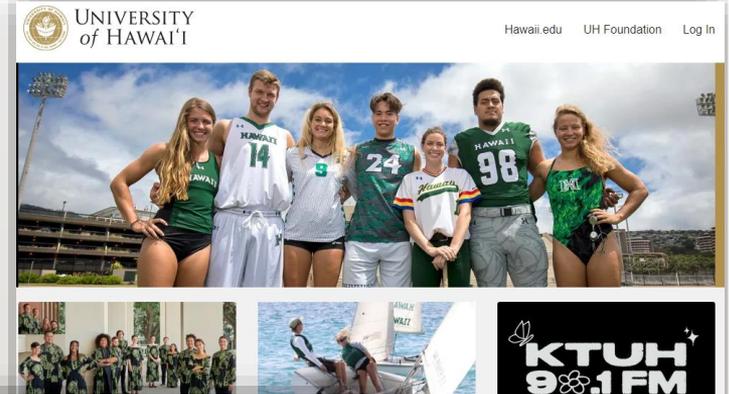


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# Crowdfunding

[hui.uhfoundation.org](http://hui.uhfoundation.org)

- Funding goals
- Campaign messaging
- Specific duration and countdown
- Mobile wallet payment
- Giving Tuesday



A screenshot of a crowdfunding campaign page for the University of Hawaii. The title is "The Performance of a Lifetime". The main image shows a group of people in green and black patterned dresses. The campaign has raised \$5,065 towards a \$20,000 goal, with 18 donors. There are 3 days left. The page includes social sharing icons for Facebook, Twitter, LinkedIn, and a link icon. A "Make a Gift" button is visible. At the bottom, there is a "Description" tab and a "Donor Wall" tab. The description text reads: "For the first time in its 90-year history, the UH Choral Program has been invited to perform at the American Choral Directors Association Western".

A screenshot of a crowdfunding campaign page for "Live Again". The main image shows the KTUH 98.1 FM logo. The campaign has raised \$22,808 towards a goal of \$22,808, with 43% funded, 220 donors, and 0 days left. The page includes a "Make a Gift" button.



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# Transmittal of Contribution Form

- A Transmittal of Contribution form must be submitted with all deposits. This form is the key document that provides information necessary to receipt the donor, apply proper donor recognition credit, and allocate the income correctly into a UHF account.
- Any supporting documents with the donation (letters, proposals, agreements) should be submitted along with the Transmittal of Contribution to ensure the intention of the donor is consistent with the account.
- To ensure donors are timely receipted, deposits should occur within five days of receipt.
- It is important to note that some checks become void after 3 months.



# Transmittal of Contribution Form

- UHF Website > Resources > Forms

<https://www.uhfoundation.org/resources/forms>

**TRANSMITTAL OF CONTRIBUTION - CASH OR CHECKS**



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**Reminders:**  
If there is no charitable contribution element to a payment, do not use this form. Instead, please use the Transmittal of Other Income Form.

Checks should be made payable to the "University of Hawaii Foundation"

**Submit completed form to:**  
1314 S. King St. Suite B, Honolulu, HI 96814 or  
P.O. Box 11270, Honolulu, HI 96828-0270 or  
FAX: 808-441-0992

Project #	Project Title	Department	Date
Address		Contact Name	Phone #

Entity ID#	Proposal ID#	DONOR NAME & ADDRESS <small>(if not an individual, include contact person title)</small>	COMMENTS <small>(Indicate if "in memory of", "in honor of", etc.)</small>	CONTRIBUTION <small>(No goods or services received)</small>	OTHER INCOME <small>(Value of goods or services received by donor)</small>		TOTAL
					AMOUNT	DESCRIPTION	
<b>TOTAL</b>				\$ -	\$ -		\$ -

\*I hereby certify that no goods or services other than those listed above were or will be provided in consideration, in whole or in part, for the contribution. I also certify that no government funds are included in this transmittal.

Signature of Account Administrator  
(or UHF Development Employee)

Print Name & Title

Date

Cash  
Check  
Total \$ -



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# Other Types of Gifts

- Matching Gifts
  - Submit company matching gift forms to Gift Processing to complete
- Payroll Deductions
- Recurring Gifts
- Kokua In Kind
  - Vehicle donations
- Unrestricted support for the University
  - Aloha United Way
  - Foodland Give Aloha



# Pledges

- Written commitment to give a specific dollar amount according to a fixed time schedule:
  - Amount must be clearly specified
  - Clearly defined payment schedule
  - May not contain any conditions or contingencies
  - Donor must be considered financially capable of making pledge
- Telemarketing Pledges
  - Generally under \$1,000 total pledge
  - Recurring credit card payments: monthly, quarterly and annually



# Gifts In Kind

- Gifts that are to be sold
  - Securities
  - Real estate
    - Acceptance must be approved by UHF management
  - Vehicles
    - Sold through Kokua In Kind
- Gifts that are to be retained for related use by UH
  - Tangible assets
    - E.g. Materials, equipment, software, printed materials, food for hosting dinners, etc.
  - Items requiring titling/registration must be accepted directly by UH
    - E.g. vehicles and vessels
  - Submit a Transmittal of Non-Cash Gifts and the donor will be credited and acknowledged by UHF. A notice will also be sent to UH Capital Assets where applicable.



# Fundraisers

- Must have a tax deductible portion
- Acceptable fundraising events
  - Golf tournaments
  - Fundraising dinners
  - Sponsorships for events (no advertising)
- UHF will not sign contracts on behalf of units for their events



# Quid Pro Quo

- If the donor receives benefits in return for the contribution, the amount of the gift recorded and receipted is reduced by the fair market value of all benefits given in accordance with IRS regulations.
- The benefits donors receive are considered quid pro quo.
- Even if the benefits received were donated to a nonprofit, the donor's gift must still be reduced by the fair market value.



# Event Flyers and Marketing Materials

- The review of the flyers and marketing materials prior to solicitation and marketing by the Foundation, is crucial because it shows the intended use of the proceeds.
- Advance review is beneficial to avoid any issues related to depositing the funds at UHF because we can assist in making sure it is an acceptable deposit with UHF, the tax deductible component is correct, and the wording of where proceeds are going matches the appropriate account.
- This will avoid deposit hold ups and ensure donors will be receipted in a timely manner.



# Online Event Registrations

- Available for approved fundraisers where proceeds are going into a UHF account
- Done via Eventbrite
- Streamlines event registration process
- Allows online event registration and credit card payments (if applicable)
- Cash payments can be entered
- Provides real time reports on ticket sales, participant headcount and general information
- Applicable fees include a per transaction and percentage fee for each ticket



# Deductibility Worksheet

- The Deductibility Worksheet should be submitted to UHF prior to any membership solicitation or fundraising event, along with the flyers and any marketing materials.
- It provides an opportunity to walk through the benefits a donor is receiving to get to a tax deductible component for each level.
- It also provides an opportunity to set a budget and estimate gross revenues, expenses, and proceeds.
- This worksheet must be approved before any online registration can be set up.



# Deductibility Worksheet

- UHF Website > Resources > Forms  
<https://www.uhfoundation.org/resources/forms>
- Last updated February 2022

Policies Procedures  
 F05 - DP - 002  
 Policy Accepted: 03/13/2006  
 Last Updated: 02/25/2022

**MUST COMPLETE BOTH PAGES**



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### EVENT AND MEMBERSHIP DEDUCTIBILITY AND INSURANCE WORKSHEET

Per the IRS, charitable organizations are required to identify and report all fundraising event revenue. Based on the information provided by the applicant (see "Attachments Guide" and of page 2), and required materials provided in the event packet, UH Foundation Gift Processing and Fiscal Departments will either accept event proceeds as charitable, non-charitable, or decline the proceeds when appropriate steps have not been followed or UH Foundation is not authorized.

**Alakili** has:  understood that this form and all required attachments must be submitted to UH Foundation Gift Processing at least ten (10) business days prior to the event OR the date that marketing pieces are distributed, whichever is longer. I understand that UH Foundation may delay the processing of funds and/or deny the processing of future events at its discretion should it not receive all items by the deadline.

---

**A. EVENT NET PROCEEDS - TRANSFER (EVENT ONLY)**

**Alakili** has:  agree that the net proceeds are to be transferred to an account with a purpose which is consistent in nature with the event information which will be described to all parties regarding this event. Following the event, I understand that a Transfer Funds memo must be generated by the requestor/account administrator to execute the transfer, if applicable.

Please enter project/account # and title to which net proceeds will be transferred:

Is this a new account?  No  Yes If YES, please complete a new Establishment of Account (Orange) Form available here: <https://www.uhfoundation.org/resources/forms> and attach with this form.

Is this an endowment account?  No  Yes

Project/Account #: \_\_\_\_\_

Project/Account Title: \_\_\_\_\_

---

**B. SUMMARY (EVENT/MEMBERSHIP)**

Event Name / Membership Drive: \_\_\_\_\_

Date/Time of event: \_\_\_\_\_

Location of event: \_\_\_\_\_

Purpose of event: \_\_\_\_\_

Anticipated use of net proceeds: \_\_\_\_\_

---

**C. REVENUE ACCOUNT AND CONTACT INFORMATION (EVENT/MEMBERSHIP)**

Project/Account #: \_\_\_\_\_ Contact Name: \_\_\_\_\_

Project/Account Title: \_\_\_\_\_ Contact Phone: \_\_\_\_\_

Department: \_\_\_\_\_ Address: \_\_\_\_\_

---

**D. PARTICIPANT AND FINANCIAL SUMMARY (EVENT/MEMBERSHIP)**

**Alakili** has:  understand fundraising revenues are subject to the applicable Hawaii General Excise Tax (HGET), UH Foundation administrative fee, and credit card transaction fees. I also understand that I must provide a separate detailed event budget with this form.

Participant segment:  Alumni  Donors  Faculty/Staff  
 Organizations  Other

**ESTIMATED:**

# of Paid Registrants/ Memberships: \_\_\_\_\_

Gross Revenue: \$ \_\_\_\_\_ (All proceeds received)

Expenses: \$ \_\_\_\_\_ (Should include UHF Admin Fee, HGET, Credit Card/Tier Fee, Credit Card Terminal Fee (if applicable), Event fee (if applicable))

Net Proceeds: \$ \_\_\_\_\_

---

**ADDITIONAL INFORMATION (OPTIONAL)**

Please send approved form to: [giftprocessing@uhfoundation.org](mailto:giftprocessing@uhfoundation.org)

Inquiries regarding this form:  
 UH Foundation Gift Processing  
 PO Box 11270  
 (808) 376-7950  
 Honolulu, HI 96828-0270

JSK  
 Updated 02/25/2022

Page 1 of 2



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# Auctions and Raffles

- Donated items with fair market values
- Keep a spreadsheet of the item information and highest bidder information
- The amount paid over the value of the item is considered a tax-deduction
- Names and addresses are required for proper receipting
- Per state law, raffles are NOT allowed and are considered gambling



# Tax Deductible Receipts

- From the time a donation is received at UHF's office, a receipt is usually generated within a week and either emailed or mailed to a donor.
- Special Thank You letters are sent for gifts of \$1,500+.
- Non cash gifts (securities, real estate, gifts-in-kind, planned gifts) are sent an acknowledgement letter for donor's tax purposes.
- Checks
  - For IRS purposes the date of a check gift is based on the date the donor puts the check in the mail or delivers it to a UHF office. It does not matter when the Foundation processes the check.
- Credit Card Gifts
  - The IRS has different rules for checks and credit cards. For IRS purposes the date of a credit card gift is based on the date the transaction is processed by the Foundation.
- Gifts made on our website on December 31st will be processed on December 31st; however, the transaction date reflected on the donor's credit card bill may be different.







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**Break**

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Fast Track to UH Foundation Training

# **STUDENT AID ADMINISTRATION**



# Student Aid Administration

- Provide scholarship program central administrative support
- Assist in establishing new student aid accounts
- Respond to student aid questions from donors, faculty, staff and students
- Collaborate with UH campuses to ensure scholarship opportunities are marketed and announced to students, parents, and high school counselors
- Ensure student aid funds are paid out to students according to donor provisions in a timely manner and in compliance with IRS guidelines
- Stewardship
  - Keep donors informed as to the impact of their gifts and educate students about their donors and the gift of philanthropy.
  - E.g. Notification of recipients, thank you letters from students, renew annual support



# Minimums to Establish

- Endowed scholarship: \$50,000
- Named annual scholarship with custom recipient selection criteria: \$10,000
- Named annual scholarship for general student aid support for the UH System or a specific campus: \$5,000
- Invite donors to have a conversation with your unit's assigned Development Officer or our Scholarship Development team
  - Gail Nakayama  
Associate Director of Scholarship Development  
[Gail.Nakayama@uhfoundation.org](mailto:Gail.Nakayama@uhfoundation.org)  
(808) 376-7870



# Types of Student Aid and How It's Paid to Students

- **Scholarship**
  - An amount paid to or for the benefit of a student enrolled at an educational institution to aid in the pursuit of studies. Student may be an undergraduate or graduate.
  - Payable through Student MyUH Account (Banner).
- **Fellowship**
  - An amount paid to or for the benefit of a student enrolled at an educational institution to aid in the pursuit of study or research. Usually for a graduate student. Can be for costs of attendance and/or research needs.
  - Payable through Student MyUH Account and/or by check.
- **Award**
  - Recognition for some sort of special achievement, special skill, special knowledge, or special renown in a certain area, or can represent an award won in a contest of some sort. Awards are for past accomplishments and are not required to be used for educational purposes.
  - Payable by check directly to the student.
- **Grant**
  - An amount paid to or for the benefit of a student enrolled at an educational institution to aid in the pursuit of study or research, or to pay for materials, travel, etc.
  - Payable by check directly to the student – in advance.
- **Student Travel Reimbursement**
  - An amount paid to or for the benefit of a student enrolled at an educational institution to aid in the pursuit of study or research, or to pay for materials, travel, etc.
  - Payable by check directly to the student – after as reimbursement. Student Travel Reimbursement



# Taxability According to the IRS

## Qualified Education Expenses

- Amounts paid for tuition and fees required to enroll/attend and course related expenses such as fees, books, supplies, and equipment (if required of all students in the course of instruction).

## TAXABILITY:

### ▪ **Non-taxable (Excludable from student income)**

- Scholarship/Fellowship that are used for Qualified Education Expenses
- Reimbursement for expenses incurred on behalf of the University

### ▪ **Taxable (Includable in student income)**

- Prizes and awards
- Funding (including reimbursement) provided for non-qualified education expenses such as:
  - ❖ Room & board or personal expenses
  - ❖ Travel, including the cost to attend a conference, internship, or job interview
  - ❖ Research
  - ❖ Equipment and other expenses that are not required for enrollment or attendance at an eligible education institution.



# Taxability – Nonresident Alien (NRA)

- GLACIER

- Is an online tax compliance system created by Arctic International, LLC
- Email from GLACIER to nonresident alien students to setup access and submit required documentations.
- UHF Website > Resources > Concur Invoice



# Scholarship Timelines - Annual

When	Scholarship Expendable Account
October	Donor's contacted and asked to renew scholarship funding for following academic year.
October – March	Scholarship opportunities advertised for year forthcoming. Applications collected.
March – April	Selection committees meet / decisions made. Students notified of selection.
April – June	UHF notifies UH Financial Aid Offices of scholarships recipients, award amounts, etc.
August	UHF sends funding to UH for scholarship payments.

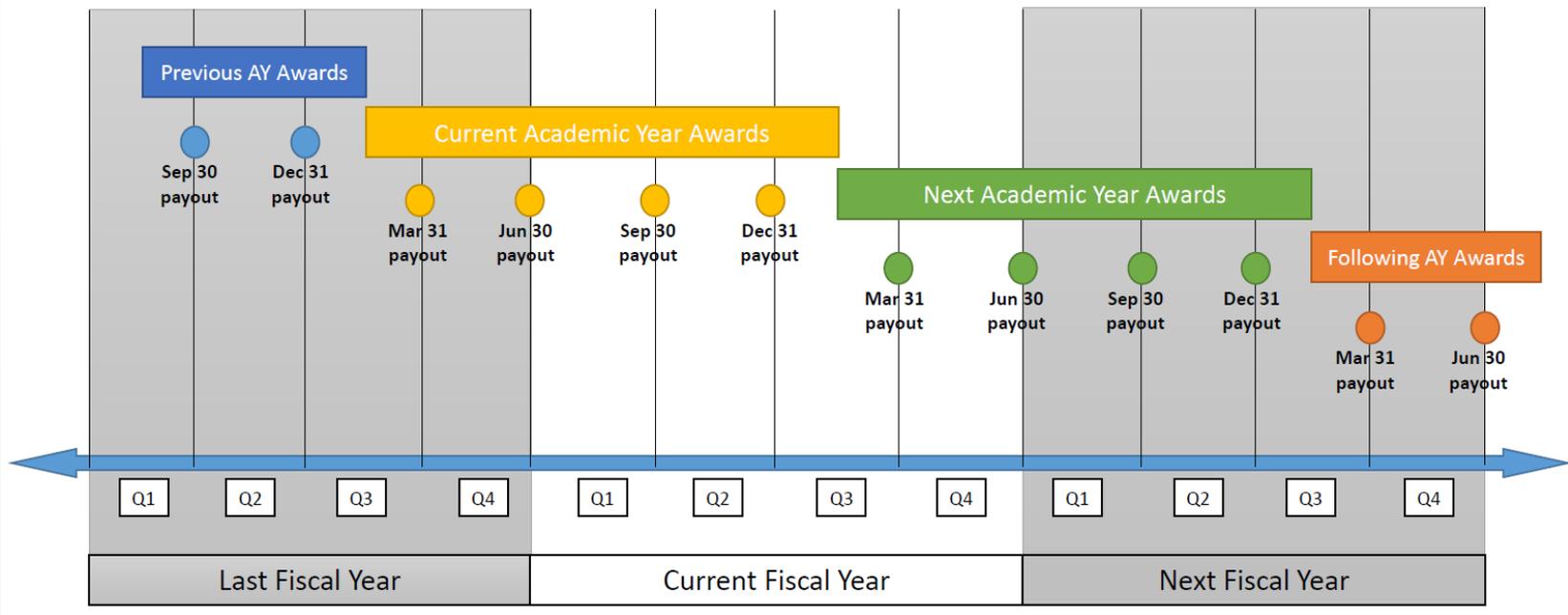


# Scholarship Timelines - Endowed

When	Scholarship Endowed Account	Scholarship Expendable Account
September 30	1 <sup>st</sup> quarter interest distribution	1 <sup>st</sup> quarter interest distribution rec'd from endowment.
October - November		Scholarship opportunities advertised for year forthcoming. Applications collected.
December 31	2 <sup>nd</sup> quarter interest distribution	2 <sup>nd</sup> quarter interest distribution rec'd from endowment.
February – March		Scholarship application deadlines
March 31	3 <sup>rd</sup> quarter interest distribution	3 <sup>rd</sup> quarter interest distribution rec'd from endowment.
March – April		Selection committees meet / decisions made. Students notified of selection.
April – June		UHF notifies Financial Aid Offices of scholarship selection to include in student financial aid packages.
June 30	4 <sup>th</sup> quarter interest distribution Annual Market Value evaluated to determine following academic year payout.	4 <sup>th</sup> quarter interest distribution rec'd from endowment. Amount projected used for following academic year scholarship awards.
August		UHF sends funding to UH for scholarship payments.



# Endowed Scholarship Distribution and Awarding



# Scholarship Search and Applications

- Search for UHF Scholarships  
UHF Website > Scholarships > Find a Scholarship
- Applications
  - UH Mānoa
    - STAR
    - [https://www.star.hawaii.edu/Scholarship\\_live/login.jsp](https://www.star.hawaii.edu/Scholarship_live/login.jsp)
    - Email [starhelp@hawaii.edu](mailto:starhelp@hawaii.edu) for any questions
  - All 10 campuses of UH and UH System
    - Common Application
    - <https://uhsys.scholarships.ngwebsolutions.com/>
    - Email [scholars@hawaii.edu](mailto:scholars@hawaii.edu) for any questions



# Donor Stewardship

- Annual report from the Scholarship Compliance and Administration office notifying you of the recipient(s) of your scholarship each academic year.
- All recipients are encouraged to send a letter of thanks which are forwarded to donor(s).
- Invitation to the respective campus and/or college annual scholarship reception where donors and recipients will have the opportunity to meet and form a meaningful relationship.
- For endowed funds, all donors receive an annual endowment report on the financial status of their fund. In addition, there is peace of mind that the fund will provide perpetual support for students according to the intended purpose.
- All scholarships are advertised on the UHF website and by the respective university campus or college.
- Opportunities to engage with University and UHF leadership, faculty, and staff through various campus, college, and foundation activities and events.
- All scholarship gifts are tax deductible.



# Contact Information

- Polly Fiaui, Director of Scholarship Compliance and Administration
  - General student aid inquiries/account setup
  - Phone: 808-376-7878
  - Email: [Polly.Fiaui@uhfoundation.org](mailto:Polly.Fiaui@uhfoundation.org)
- Tanya Olegario, Assistant Director of Scholarship Payment Administration
  - Awarding student aid/payments
  - Phone: 808-376-7879
  - Email: [Tanya.Olegario@uhfoundation.org](mailto:Tanya.Olegario@uhfoundation.org)
- Gail Nakayama, Associate Director of Scholarship Development
  - Donors interested in establishing a new student aid account
  - Phone: 808-376-7870
  - Email: [Gail.Nakayama@uhfoundation.org](mailto:Gail.Nakayama@uhfoundation.org)

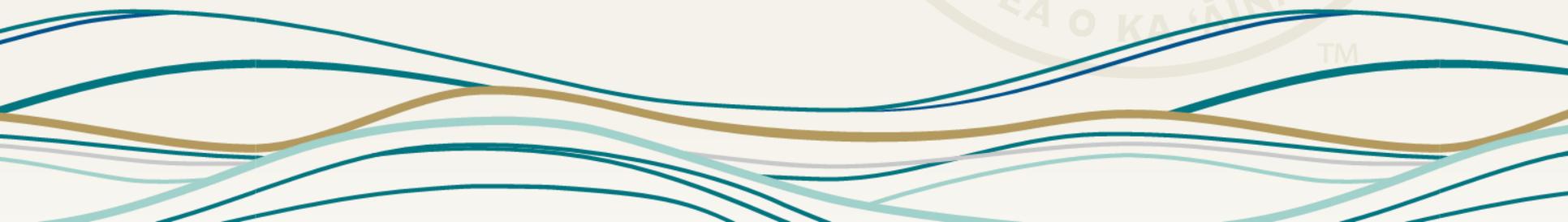


# Questions?



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Fast Track to UH Foundation Training  
**EXPENDITURE PROCESSING**



# Expenditure Governance

Expenditures are governed by UH Foundation's accountable plan, its **Account Administration Policy**.

- **NCAA Legislation:** Expenditures must be in line with NCAA rules and regulations. This includes the concept of institutional control where the University is responsible for all activities related to its athletic program including support groups, foundations, and booster organizations.
- **Audits:**
  - UH Foundation's expenditures and revenues are reviewed annually by our external auditor.
  - UH Athletics accounts held at UHF are additionally audited for institutional control purposes by UH's external auditor.
  - UH's internal auditor may also request an audit of UHF accounts for a specific unit.
- **Tax Return Compliance:** The IRS determined that UHF is a nonprofit organization under 501(c)3 of the internal revenue code and must file nonprofit and information tax returns on an annual basis.



# General Expenditure Policies & Guidelines

The expenditure is or has...

- A documented **business purpose** that benefits the University
- Not considered lavish or extravagant
  - Areas of concern: Enrichment, Advancement, Discretionary accounts
- In line with the donor's intent
  - “The University retains responsibility for appropriately and prudently expending gift funds received by the Foundation, according to the terms and conditions provided by the donor at the time the gift was made and accepted.” (Quoted from the current MOU between UH and UHF.)
  - Funding for UH accounts held at the Foundation comes from donors. It is the goal of the Foundation to be completely transparent to donors regarding the use of funds.
- In accordance with UHF's Account Administration Policy
  - Has the appropriate authorized approvals
  - Expenditures can only be made if cash is available in the account



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# Expenditure Considerations

- Is the expenditure in line with the guidance provided in this request for payment/requisition?
  - If not, is there a good explanation as to why the expenditure is appropriate?
  - Has this explanation been adequately documented?
- Would the donors find the use of funds acceptable?
  - Would the donors have made the contribution if they knew in advance for what and how much would be spent?
  - If all expenditures were made public, will the benefit to the University be evident?
- Would you be comfortable explaining to a donor that you used his/her money this way?
  - Could the amount spent be comfortably defended under public scrutiny?
  - Would you be free from worry if the expense was selected for audit?
  - Would you be comfortable reading about it in the newspaper?



# Request for Payment

- All disbursement requests are entered through UHF's online payment system, Concur Invoice.
  - Home > Resources > Frequently Asked Questions > Concur Invoice FAQs
- Payee – IRS Form W-9 is required for all new vendors
- Business Purpose – Transaction should relate to account purpose



# Request for Payment: Supporting Documents

- Original invoice with date and amount of expenditure (no statements!)
  - Requests should be submitted within 90 days of the transaction
  - Requests submitted after six months of the transaction requires written justification for the delay
- Expense reimbursements: Receipts shall indicate description of items purchased and show proof of payment
- Meals/entertainment
  - Restaurant receipts must be detailed receipt as if cash were paid (not only a charge slip).
  - Names, titles and business affiliation of attending individuals
- Receptions / Event Flyer
- Travel Authorization
- Record of Verbal Quotations or Sole Source Justification for payments \$4,000 and higher.



# Record of Verbal Quotes / Sole Source Provider

- Payments for goods or services \$4,000 to \$15,000 require at least three (3) **verbal** quotations OR sole source justification
- Purchases of goods or services over \$15,000 require three (3) **written** quotations OR sole source justification
- If the lowest quotation is not selected, the justification for the selection should be stated



# Business Purpose

- Written justification must clearly identify the business purpose in such a manner that the benefit to the University is evident and in line with the account being charged.
- Proper documentation of the business purpose as proof of its propriety and reasonableness cannot be overstated. The benefit to the university must be clearly understood.
- In some cases, the business purpose is implied but must still be specifically documented.
- The purpose and amount of the expense must demonstrate fiscal prudence and good judgment.
- If questionable, contact UHF Accounting and Finance **prior to** incurring the expense.



# Business Purpose: Meals

## With Third Party In Attendance

- Business must be discussed during the meal and every attendee must have a business connection to the activity
- Meals for children are NOT allowed
- Specific documentation of business purpose
  - Explanations such as “to discuss University/Department issues” will NOT be considered sufficient documentation.
  - Business purpose of a Spouse’s attendance must be documented
  - Provide itemized receipts from the restaurant
  - Provide names, titles and business affiliation of attendees
- The established per person meal and alcohol dollar limits considers best practices and benchmarking
- Fiscal prudence and good judgment should be exercised

## Business Travel & In-Town Meals Between Employees

- Meals between employees are generally not allowed except for:
  - Offsite seminars/conferences/retreats
  - Meetings over extended time period that includes an agenda and a working meal
  - Meetings with a scheduled luncheon speaker
- Per person meal and alcohol limit is lower than when a third-party attends
- Fiscal prudence and good judgment should be exercised



# Business Purpose: Recognition and Appreciation Events

- Expenses for parties, holiday, and social events are NOT reimbursable.
- Recognition Events
  - Occasional group events may be held by a department or work group to celebrate extraordinary individual or group accomplishments
  - Light refreshments may be reimbursed for such events. To mark outstanding performance, managers may provide a meal.
  - These types of events and occasions should not occur more than once annually
- Service Recognition
  - Light refreshments for a group are acceptable for reimbursement for 10 years of service or more. For less years of service, a Dean or higher must approve the event.



# Travel

Additional supporting documentation required

- For travel advances
  - Provide a copy of the completed and signed University of Hawaii Travel Request form from e-Travel
  - Itinerary for per diem calculation with corresponding schedule of Applicable Federal Rates (AFR)
  - Applicable receipts
  - Travelers may receive advance per diem not more than two weeks before date of travel
  
- For reimbursement after travel
  - Provide a copy of completed and signed University of Hawaii Travel Request **& Completion** form from e-Travel
  - Itinerary for per diem calculation with corresponding schedule of Applicable Federal Rates (AFR)
  - Applicable receipts

# Third Party Billing

- The reimbursement for any kind of service provided should be done directly through the Foundation.
- Due to tax liability issues and 1099 reporting, an individual from a department is not encouraged to make payments to a third-party service provider and request reimbursement.



# Using UHF Funds for Payments to UH Employees

- UHF funds are paid to UH to reimburse for payroll to UH employees
- These payroll payments include salaries, awards and honorariums
- There are three different processes to do this:
  - Payments can be processed through ORS
  - Payments can be processed through RCUH
  - Payments can be made in the normal manner by UH and UHF will directly reimburse the department via UH invoice



# Payments to UH employees

- In the 1990s, the IRS audited UHF regarding the issuance of Form 1099-MISC to UH employees. It was determined that:
  - UHF and UH are closely related
  - Payment for work performed by a UH employee that is funded by either entity must be considered payroll-related
  - The payment must be included on the UH employee's W-2
  - Appropriate payroll taxes must be withheld and paid
  - The 1099 form cannot be used in these situations
- Consequently, all payroll and benefits-related payments to UH employees must be paid by UH.



# Office of Research Services (“ORS”) Agreements

- Used primarily to pay for salary and fringe for UH personnel or capital projects.
- Principle Investigator (PI), Account Administrator (AA), or support staff will submit a “Request for ORS Agreement,” through a link on UHF’s website.
- PI/AA will enter proposal package into UH’s myGRANT system and include applicable attachments (i.e., proposal and/or a budget to support the dollar amount requested).
- UHF creates a Memorandum of Agreement (MOA) between the Foundation and ORS.
- Upon receipt of the fully executed MOA, UHF will encumber the contract amount to the appropriate project number.
- ORS sends monthly invoices to UHF, and invoices are routed through Concur for payment.



# Foreign Nationals

## Nonresident Aliens (NRA)

- Payments to nonresident aliens (foreign individuals) may be subject to withholding of federal tax.
- Please see “University of Hawai‘i Foundation Scholarship Expenditure Process” for details on payments made to student NRAs.

## Resident Aliens (RA)

- Resident aliens are treated the same as U.S. citizens for income tax purposes.



# Foreign Nationals – Disallowed Payments

- The Foundation will not directly pay nonresident aliens the following:
  - Salaries
  - Honorarium
  - Housing Allowance
  - Any amount not substantiated with a receipt
- The Foundation will reimburse the UH for such payments.



# Disallowed Expenditures

- First class travel or any upgrade from coach
  - All exceptions need to be approved by a Chancellor, System Vice President, or UH President
  - Exceptions may be allowed under unique conditions:
    - Special speakers
    - Documented health issues
- Membership in airline clubs (e.g., Hawaiian Airlines Premier Club)
- Donations / Contributions
  - Donations to campaigns or to third parties
  - Some expenditures labeled as “sponsorships” are donations and are not reimbursable
- Tickets and Fines (late fees, penalties)



# Challenging Expenditure Areas

Expenditure Type	Common Challenges		
	Business Purpose	Excessive	Documentation
<p>Meals</p> <ul style="list-style-type: none"> <li>Meal amount is excessive due to significant alcohol purchases and/or the venue is expensive.</li> <li>Meals between UH employees without an outside third party in attendance will require justification and could raise concerns.</li> </ul>	X	X	X
<p>Recognition/Appreciation</p> <ul style="list-style-type: none"> <li>The purpose of the activity must be well documented.</li> <li>The amounts must be reasonable.</li> <li>Certain gifts of appreciation may need to be reported on the employee's W-2. Gift cards are not allowed.</li> </ul>	X	X	X
<p>Gifts and Flowers are limited to \$150</p> <ul style="list-style-type: none"> <li>No cash gifts (including gift cards) should be made to University employees.</li> <li>Flowers for a funeral are allowed for an employee, donor or volunteer of the University. Flowers for the funerals of others (mothers, fathers etc.) are considered personal and are not reimbursable by the Foundation.</li> <li>A business purpose must be related to the reimbursement of gifts or flowers.</li> <li>Flowers for birthdays, weddings etc. are personal and are not reimbursable by the Foundation.</li> </ul>	X	X	X



# Challenging Expenditure Areas, Continued

Expenditure Type	Common Challenges		
	Business Purpose	Excessive	Documentation
<p>Event Table Purchases</p> <ul style="list-style-type: none"> <li>• Business purpose and <u>direct connection</u> to the University must be explained.</li> <li>• Events where the primary purpose is to “enhance the university’s presence in the community” will NOT be approved.</li> <li>• A list of attendees and their affiliation to the University must be provided.</li> </ul>	X	X	X
<p>Spouse Expenditures</p> <ul style="list-style-type: none"> <li>• Reimbursement for spouse expenditures is generally not allowed unless attendance of a spouse is necessary to the business purpose of the activity (i.e., situations where the spouses of other non-UH/UHF employees are in attendance, recognition of significant service awards).</li> <li>• In some cases, reimbursement of spouse expenses may be taxable.</li> </ul>	X	X	X
<p>Sponsorships</p> <ul style="list-style-type: none"> <li>• Need to have a direct benefit to UH.</li> <li>• UH needs to be a participant, beneficiary or have some other active involvement in the activity.</li> <li>• General goodwill sponsorships are more like contributions; contributions are not allowed</li> </ul>	X	X	X

# Challenging Expenditure Areas, Continued

Expenditure Type	Common Challenges		
	Business Purpose	Excessive	Documentation
<p>Direct Payments (Salary, Fringe, Awards) to UH/RCUH Employees</p> <ul style="list-style-type: none"> <li>• Includes salaries, awards and honorariums</li> <li>• Must be a reimbursement to the University via ORS or UH invoice</li> </ul>			X
<p>Foreign Nationals</p> <ul style="list-style-type: none"> <li>• May include travel reimbursements for candidates for a new position or visiting lecturers. Honorariums must be paid by UH, but UHF funds can be used to reimburse UH.</li> <li>• For student financial aid, different documentation and tax withholding may be required (due to different tax treaties).</li> </ul>			X
<p>Lobbying</p> <ul style="list-style-type: none"> <li>• Lobbying is reported to the State of Hawaii Ethics Commission.</li> <li>• Goodwill engagement is considered lobbying.</li> </ul>			X

# Purchase Order (PO)

- Complete and submit a “Requisition for Purchase Order” with authorized signatures. The information required on the Requisition is the same as a payment request. Forms are located on our website under Resources > Forms > Expenditure.
- PO Routing
  - Soft copy is sent to Account Administrator/Requisitioner
- Once goods or services have been received, receiver must acknowledge receipt on the PO and submit the receiving copy **and** invoice to UHF Accounting and Finance for payment.
- If invoice is the greater of 5% or \$100 more than the PO amount requested, then account administrators must approve the payment.



# Timing of Check Payment / PO Issuance

- Concur Check Requests
  - Requests are processed daily
  - Payments may occur daily by check or ACH.
  - Starting next month, checks will be printed and mailed from a vendor located in Hawai'i. The checks will be printed on pressure-sealed check stock instead of mailed in a window envelope.
- Purchase Orders
  - Generally, POs will be issued two days after the requisition is received, provided all documentation is in order.



# Contact Information

- Kara Shibata, Controller
  - Phone: 808-376-7857
  - Email: [Kara.Shibata@uhfoundation.org](mailto:Kara.Shibata@uhfoundation.org)
- Eric Fukuhara, Assistant Controller
  - Phone: 808-376-7805
  - Email: [Eric.Fukuhara@uhfoundation.org](mailto:Eric.Fukuhara@uhfoundation.org)
- Kim Dilda, Accounts Payable Supervisor
  - Phone: 808-376-7862
  - Email: [Kimberly.Dilda@uhfoundation.org](mailto:Kimberly.Dilda@uhfoundation.org)
- Tammy Fisher (ORS)
  - Phone: 808-376-7867
  - Email: [Tammy.Fisher@uhfoundation.org](mailto:Tammy.Fisher@uhfoundation.org)
  
- Inquiries on Check Requests, Purchase Orders and Concur - [CheckRequests@uhfoundation.org](mailto:CheckRequests@uhfoundation.org)
- Inquiries on ORS Agreements - [UHFORSMemo@uhfoundation.org](mailto:UHFORSMemo@uhfoundation.org)



# Concur Demo

- For additional SAP Concur Invoice information and resources, see <https://www.uhfoundation.org/resources/faqs/invoice> (Resources > Concur Invoice)

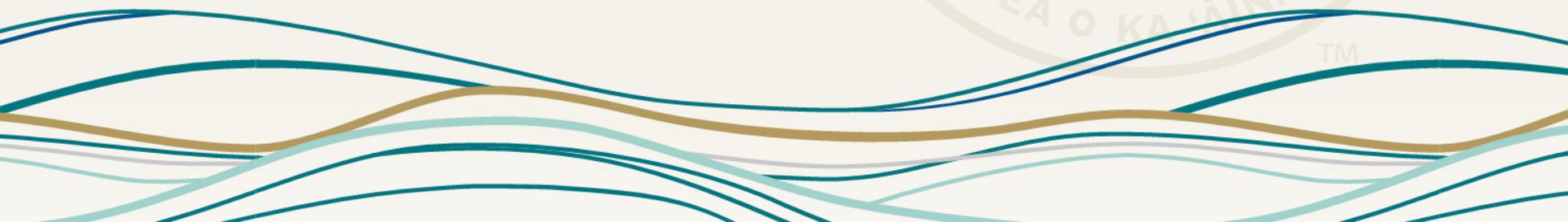


# Questions?



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Fast Track to UH Foundation Training  
**FINANCE REPORTS**



# Account Activity Reports

- Access is available to all account administrators and support staff. No student logins are allowed.
- To gain access:
  - Ensure you are listed as an account administrator or support staff on one or more UHF accounts
    - Change in Account Administrator or Change in Support Staff Viewing Access memos can be submitted the UHF Accounting and Finance Office
    - Must be signed by a current account administrator or unit dean/director or higher
  - Submit the online access request form
    - UHF Website > Resources > Account Activity Reports > Request Access  
<https://www.uhfoundation.org/resources/onesolution>
- NOTE: only accessible from UHF offices/network, UH campus offices, or while working remotely via the UH VPN (see <https://www.hawaii.edu/askus/819>)



# Report Guides

- Documentation for all reports accessible to account administrators and support staff are available:
  - UHF Website > Resources > Account Activity Reports > Report Guides  
<https://www.uhfoundation.org/resources/onesolution/report-guides>
- Getting started
  - Running Reports
  - Report Prompts
  - Downloading Reports



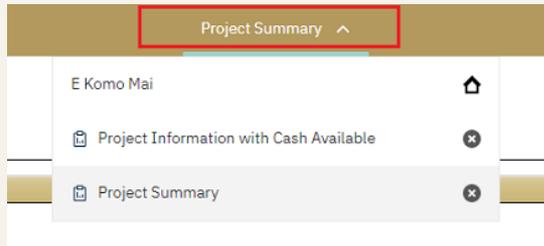
# Helpful Tips

## ■ Basic navigation

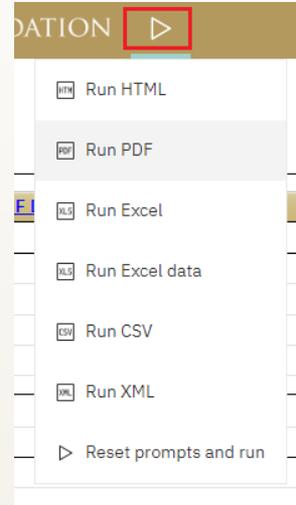
-  Home – Return to home page
-  Reports – Access and run reports
-  Recent – View list of recently run reports

### View Switcher:

Switch between reports, close reports, or return to the home page



### Run As menu:



Run HTML – default web format

Run PDF – downloads the report and allows the report to be saved in PDF format

Run Excel – generates the report in Excel file format and preserves the report formatting

Run Excel data – generates raw data with headers in Excel file and ignores header and footer on the report

Run CSV – generates raw data with headers in a comma delimited format

Run XML – generates XML code for in a format that is machine-readable

Reset prompts and run – resets report prompts and re-runs report



# Helpful Tips

- Report Prompts
- In general, if there are dates in the report prompt, use a single fiscal year (July 1 – June 30 or fiscal year-to-date). The only exception to this is the Transaction Search, where any date range can be used.
- Search for the account/project number without dashes. Use “contains” to search by keyword.

Project Number:  Search

Keywords:  
Type one or more keywords separated by spaces.

Options ▾

- Starts with any of these keywords
- Starts with the first keyword and contains all of the remaining keywords
- Contains any of these keywords
- Contains all of these keywords

Case insensitive

Results:

- 12356202 Benson Marine Technician Fund\*
- 12366102 Betty K. Ikeda Enriques Schol\*
- 12327404 Biology Program
- 12385604 Biology Scholarship
- 12324204 Biomass Research
- 12321804 Board of Regents Disc
- 12378804 Boeing Company-Student Chap
- 12345304 Boeing Design Proj
- 12337104 Bradley Wong Library
- 12327002 ...

Choice:

[Select all](#) [Deselect all](#) [Select all](#) [Deselect all](#)



# Available Reports

- Endowment Market Value
- Historical Endowment Market Value Summary
- Project Documentation
- Project Fund Balance and Cash Available by Unit
- Project History
- Project Information Update Request
- Project Information with Cash Available
- Project Summary
- Student Aid Cash Available
- Transaction Search
- Vendor Payment



# Gift Journal Report

- Provides a weekly snapshot of gifts and pledge payments that are received to your accounts.
- Allows you to send acknowledgment letters to donors, in addition to what UHF sends.
- The gift journal report contains sensitive donor information; in order to gain access, the completion of the UH Information Security Awareness Training (ISAT) and acknowledgement of the UH General Confidentiality Notice (GCN) is required.
- Request access by submitting the form on our website at Resources > Account Activity Reports > Request Access, and check the “I require access to the Gift Journal Report...” box.



# Contact Information

- UHF Help Desk
  - Account Activity Report portal access
  - Email: [HelpDesk@uhfoundation.org](mailto:HelpDesk@uhfoundation.org)
- Report questions
  - Lap Ho Cheung, Systems Programmer/Analyst
    - Phone: 808-376-7838
    - Email: [LapHo.Cheung@uhfoundation.org](mailto:LapHo.Cheung@uhfoundation.org)
  - Christine Koo, AVP for Advancement Services
    - Phone: 808-376-7833
    - Email: [Christine.Koo@uhfoundation.org](mailto:Christine.Koo@uhfoundation.org)



# Questions?



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**Thank you for attending!**

HAVE A GREAT REST OF YOUR DAY