

## A. General Expenditure Policies

1. It is important to remember that funding for Foundation accounts comes from donors. It is the goal of the Foundation to be completely transparent to donors regarding the use of funds.
2. Use of funds must be reasonable and appropriate, not lavish or extravagant in order to meet the intent and spirit in which contributions are made.
3. Use of donor funds must be scrutinized carefully.

In the course of spending Foundation funds, consider these questions to ensure that resources are being used appropriately and that the Foundation are being good stewards of the funds entrusted to us:

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

4. Of particular concern are enrichment, advancement, and discretionary accounts. These types of accounts are established with broad statements of purpose which allow for a variety of expenditures in support of the particular unit/program/project. The broad intent is helpful to ensure the maximum benefit to the unit, but it requires a higher level of responsibility to insure funds are prudently used to advance the work of the department and NOT for the personal benefit of individuals.
5. The university unit has the primary responsibility for ensuring expenditures are made in accordance with the donor's intent.
6. The Foundation, as a tax exempt organization, will determine in its sole discretion whether to reimburse, not pay, or to reduce payment requests for expenses which appear unreasonable, unjustified, lavish or extravagant or inconsistent with donor's intent.
7. Some expenditures, especially meals may be subject to additional approvals.
8. The Foundation can make payments to university employees for reimbursement of expenses. The Foundation cannot make payments directly to a University employee for any item that is construed to be wages for IRS purposes. In these cases, the university must make the payment to the employee and then Foundation funds can be used to reimburse the university.