

KSU FOUNDATION

FUND OVERDRAFT POLICY

With the understanding that it is a good business practice to maintain positive fund balances, the purpose of this policy is to:

- Establish responsibility at the Department level to monitor and minimize fund balance deficits.
- Establish monitoring procedures at the Foundation level to minimize the number and duration of fund balance deficits.

Departments are responsible for maintaining positive or zero fund balances for all funds that are under their control. The KSU Foundation will review each fund that incurs a deficit balance as a result of a request for funds that has been processed. The intent is to ensure that any overdraft will not be continual and that the departments are aware when deficits do occur.

As a part of the month end balancing and reconciliation, all funds with deficit balances as of the end of the each month, except for those funds which have been exempted, will be assessed a fee of one percent of the deficit balance. This fee will be charged to the fund and posted at the end of the deficit month and will be included in the month end fund balance as reported on the KSU Foundation Financial Information Network (FIN).

This policy will be effective beginning June 1, 2006.