

The Kansas State University Foundation  
ACCOUNTING MANUAL  
Training Agenda-November 29, 2011

1. Contact Information

- |   |  |        |
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2. Overview

- a. Quick tour of KSU Foundation Website [www.found.ksu.edu](http://www.found.ksu.edu)
- b. Campus partners <https://colleges.found.ksu.edu>
  - i. Access Policies and Forms or
  - ii. Access Polices and Forms via FIN portal
  - iii. Log in
  - iv. KSU Foundation tab
  - v. KSU Foundation External Document Library
- c. Key Policies
  - i. Accounting Manual
  - ii. Accounting Manual FAQ
- d. Forms
  - i. KSUF-8 Fund Transfer Request Form
  - ii. KSUF-9 Sponsored Project Certification
  - iii. Request to open a form
  - iv. Request to modify a form
- e. All forms are in PDF format and can be opened in Adobe Reader. If you don't have Adobe Reader you can download it from Policy/Forms page on the Foundation website.
- f. We require the use of our forms.

3. Contributions

- a. Update-Credit Card Security

4. Fund Administration

5. Distributions

- a. Update-Payments to Foreign entities
- b. Update-Payroll reimbursement
- c. Update-Parking permits
- d. Update-Sponsored Project Certification

6. Future plans

- a. Discussions about sharing Image information
- b. Short training video to post on the website

## UPDATES TO ACCOUNTING MANUAL

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## **Campus Parking Passes---Effective Date 07/01/2011**

**Effective** beginning July 1, 2011, the KSU President and his Cabinet have made the decision that all University employee parking passes will be paid for with personal funds. In accordance with this decision, Foundation funds may **not** be used to pay for parking passes. With regards to vendor and service parking permits, the University has instructed the Foundation that no payments from Foundation funds should occur. Payments for these type of expenditures should be approved for payment from State funding sources. Questions regarding this policy should be directed to the KSU Provost's office.

According to the KSU Parking Services web site

<http://www.kstate.edu/parking/KSUParkingRegs.pdf> visitors should also purchase a parking permit. Parking permits are \$4.00 for the day and allow for parking in Lots O, R, J, T, W and Z. If you are sponsoring a conference, parking services will sell daily garage passes. See the K-State web site for pricing. The Foundation will reimburse for visitor parking passes as long as the business purpose is documented.

## **Cellular Devices/Phone Bills----Effective Date 12/1/2011**

### **Business Cellular Device**

The University released an updated Cell Phone Policy (6330) ( <http://www.k-state.edu/policies/ppm/6330.html> ) and Out of Office Availability Policy (4660) on April 7, 2011. The University policy regarding Cellular devices requires that Cellular devices purchased using state funds must be used 100% for Business Purposes. The Foundation will follow the University's policy.

The Foundation will pay the vendor directly or reimburse the employee for cellular service when the employee verifies that the phone is used 100% for business purposes. The employee must provide a written certification of the business use along with their signature for each invoice they submit to the Foundation. The monthly billing statement shall show each call, the date, time, length, billing charge and telephone number of the other party, when such number is available.

In the event that the employee has some personal use of the cellular device, the reimbursement will be limited to the amount of business use only. This will be determined by applying a percentage to the total bill amount. The percentage will be calculated by dividing the number of business minutes by the total minutes used.

Foundation funds may be used to reimburse for an approved salary supplement under University policy 4660, ( <http://www.k-state.edu/policies/ppm/4660.html> ). The Foundation will write a check to the University to reimburse for the University payroll. We will **not** pay the salary supplement directly to the employee. The department should request reimbursement using the Foundation's reimbursement Forms (either KSUF-5 or KSUF-6) and attach a copy of the "Out-of-Office Availability Addendum PER-63" to each reimbursement request.

## Personal Cellular Device

University policy Chapter 6320.080 ( <http://www.k-state.edu/policies/ppm/6320.html>) provides guidelines for the Reimbursement for Personal Expenditures made on behalf of KSU. The Foundation will follow the University's policy.

In order for a University employee to be reimbursed from Foundation funds for business use of **personal** cellular phone, an itemized billing, listing all calls must be submitted. Any reimbursement will be for reasonable costs in excess of the base plan including additional fees such as roaming fees or other fees and taxes incurred as a direct result of the business use. Business calls are to be highlighted on the itemized billing statement and attached to the voucher.

The following approval statement is to be submitted with each reimbursement voucher.

\_\_\_\_\_  
*Name of person requesting reimbursement*

Statement Date: \_\_\_\_\_

Reimbursement Amount: \_\_\_\_\_

I certify that the requested reimbursement amount is for charges incurred while on official state business.

\_\_\_\_\_  
Signature of person requesting reimbursement

\_\_\_\_\_  
Date

APPROVED:

\_\_\_\_\_  
Department Head or Designee

\_\_\_\_\_  
Date

Submit a copy of the itemized billing. Reimbursed charges are to be highlighted.

## Credit Card Security Standards---Effective Date 12/1/2011

The University has adopted policies and procedures to ensure that it meets all requirements for safeguarding credit card information. These policies are available at the following web site; <http://www.k-state.edu/policies/ppm/6115.html> . The Foundation has also adopted a similar policy and procedure.

It is expected that employees of the University who may handle credit card information that will be transmitted to the Foundation are informed about these procedures. It is the intention of the University and the Foundation to achieve and maintain compliance with the Payment Card Industry (PCI) Data Security Standards (DSS). Most of these requirements consist of safeguarding information in computer environments. However, some of these requirements are for processing and securing non computerized applications. Non-compliance to these standards can result in significant fines.

Only University authorized and trained employees on confidential material are to have access to donor provided credit card numbers that are received over the telephone or through the mail. Originals or copies of information with credit card information should not be retained in either electronic or paper formats. If the documentation that has the credit card number is required to be retained, the documentation is to be accessible only to employees who are authorized and trained on handling confidential and sensitive information. The documentation is to be secured at all times and stored in a locked and secured area or cabinet with access permitted to only authorized and trained employees.

It is important that credit card information be transferred to the Foundation in a secure manner. If Campus personnel have received credit card information from a donor, this information should be placed in a tamper resistant sealed envelope (e.g. stapled or sealed with packing tape) and hand-delivered to the Foundation cashier's office. (5<sup>th</sup> floor of the KSU Foundation building—2323 Anderson Ave., Manhattan, KS). **The use of CAMPUS MAIL is NOT considered a secure method.**

No credit card information is to be sent through the email process or faxed, including sending from a campus email or fax to the Foundation. **Email and faxing is not secure in any format and is not to be used.**

### **Payments to Foreign Entities-----Effective Date 12/1/2011**

The Foundation will process checks to foreign vendors for purchases of products, licenses or reimbursements. In instances where services were performed on a Kansas State University Campus (in the United States) by a non-US citizen, the Foundation will write a check to Kansas State University. Payment to a foreign individual will need to be processed through the University's Division of Financial Services personnel since they are better equipped to handle foreign reporting requirements. Examples of services include, but are not limited to, honorariums given to speakers or instances where representatives from foreign companies come to campus to install equipment or train employees.

### **Payroll Reimbursement Documentation-----Effective Date 12/1/2011**

There are numerous Foundation accounts that have been established by donors to provide funding in support of salaries for a specific College or department. For example, donors have provided endowed "chairs" for a dean, professor or department head. There are other situations where the donor has provided that funds should be used to hire graduate assistants or provide for other types of salary supplements. In order to ensure that funds are being used in the manner that the donor intended, it is important that the Foundation have appropriate documentation in its files showing that salaries have actually been paid to a person who meets the restrictions as established by the donor. For this reason transfers of funds in advance of the expenditure will **no longer** be permitted.

In order to receive a reimbursement for salary expenditures, KSUF-5 or KSUF-6 should be utilized for this request. The PeopleSoft HR payroll payments by account report should be provided to support the expenditure. It is preferred that requests for reimbursements be made at the end of each semester, however, reimbursement requests may be made more often if this better meets the needs of the department for funding purposes. The reimbursement will be made payable to Kansas State University.

## **Transfers of KSU Foundation Funds to Sponsored Project Account---- Effective Date 12/1/2011**

Donors may contribute monies to the Foundation and specify that the funds be used for research. In order to document that the funds are being used in a research project, it is desirable to transfer the funds to the University to be managed through the Office of Research & Sponsored Programs and accounted for through the Division of Financial Services, Sponsored Programs.

To ensure that the monies are being allocated and utilized properly, the Foundation has coordinated with the Office of Preaward Services, which is a department within the Office of Research & Sponsored Programs, to develop a process for the proper approvals and transfer of funds.

The **KSUF-9 Sponsored Project Certification** form has been developed to assist University personnel in the documentation process and the actual transfer of monies from the Foundation to the University. The form is located on the Foundation web site at: [https://colleges.found.ksu.edu/docs/DocumentLibrary\\_External.htm](https://colleges.found.ksu.edu/docs/DocumentLibrary_External.htm) or it may also be found on the University's Office of Research & Sponsored Programs web site at: <http://www.k-state.edu/research/forms/preaward/index.htm>.

The KSUF-9 form should be used for the initial set up of a Sponsored Project as well as for additional transfers of available funding on existing projects. To ensure that a donor's intent is being followed the Memo of Understanding (MOU) that the donor has signed should be reviewed. To facilitate this process, a copy of the MOU should be attached to the KSUF-9 Form. If you don't have a copy of the MOU, please contact the Foundation Donor Relations department and a copy will be provided. Finally, KSUF-9 form will serve as the source document for requesting a check which will transfer the funds to the University. The check request should provide information regarding the specific intended use of the funds that are being transferred.

The signed KSUF-9 and the requested check (made payable to Kansas State University) will be forwarded to the Office of Preaward Services.

In order for the Foundation to have information regarding the ultimate expenditure of the funds transferred to the University, an annual expenditure reporting is required. This report should be provided at the end of each fiscal year (June 30), no later than September 30. The Division of Financial Services, Sponsored Programs is responsible for providing this report.



# **KANSAS STATE UNIVERSITY FOUNDATION**

## **WELCOME TO TRAINING**



# INTRODUCTIONS





# REASONS FOR TRAINING

- Ongoing commitment to improve process
- Commitment to cooperation/consistency
- Manual updates and new forms
- LIGHT OF DAY



# OVERVIEW

- KSU Foundation website
  - [www.found.ksu.edu](http://www.found.ksu.edu)
- Campus partners
  - <https://colleges.found.ksu.edu/>
- FIN portal
  - <https://colleges.found.ksu.edu/login.jsp>



# Sources for Information

- Accounting Manual
- Accounting Manual FAQ
- Accounting Manual Updates
- Forms
  - KSUF-1 Contribution Transmittal Form
  - KSUF-2 Gift-In-Kind Form
  - KSUF-3 Benefits Received Form
  - KSUF-4 Non Contribution Form
  - KSUF-5 Disbursement Request Form
  - KSUF-6 Travel/Ent or Other Exp Form
  - KSUF-8 Fund Transfer Request Form
  - KSUF-9 Sponsored Project Certification Form
  - Request to Open a Fund
  - Request to Modify a Fund



# FEATURES OF FORMS

- All forms in PDF format
- Open in Adobe Reader
- Save as a Template
- Remember to change info
- Text automatically compresses
- Automatic Calculations
- Drop-down boxes



## EFFECTIVE DATE

- New Manual issued Feb 1, 2011
- Manual updates effective Dec. 1, 2011



# UPDATE

## Credit Card Security Standards

- University and Foundation policies to ensure compliance with PCI (Payment Card Industry) standards
- Documents with Credit Card numbers should not be retained
- No e-mail or faxing of CC information
- Use Tamper resistant sealed envelope
- Credit card information CAN NOT be sent to Foundation via CAMPUS mail.



# CONTRIBUTIONS

An outright charitable contribution:

- Voluntary transfer of assets
- Donor does not receive or expect to receive anything of equal value
- Cash/Checks/Credit Cards – Use KSUF-1

What if the donor does get something in exchange for their contribution?

- Can still be considered a contribution if they are paying more than they are receiving in goods or services
- Fill out KSUF-3 and attach to KSUF-1



# GIFTS IN KIND

What if they are not giving cash (Gifts in Kind)?

- If the donor is transferring a non-cash item, complete KSUF-2 Form and attach supporting documentation
- Receipts for GIKs will not contain dollar amounts
- Neither University nor Foundation persons should provide valuations
- Gifts valued at \$5,000 or greater require an outside appraiser to be deducted on the donor's taxes (IRS Form 8283)
- Quarterly, Compliance Officer will be communicating with departments regarding gifts in excess of \$5,000.





# AUCTIONS

- Items received by donors to be auctioned
  - Use KSUF-2 to give donor credit for auction item
  - Documents the Fair Market Value (FMV) of the item
  - KSUF will not include a value on the receipt to the donor



# AUCTIONS

- Most important thing to remember
  - If you want your donors to have a the opportunity for a portion of their payment to be a contribution you must publish the FMV of the items you are auctioning **before** the auction.
    - Publish a catalog listing items and FMV do not use “priceless”
    - Indicate on “silent” items bid sheet the FMV of item(s) being bid on
- Contribution vs. Non contribution
  - If the donor pays more than the FMV of the item the amount paid over the value is a contribution-use KSUF-3 Form
  - If the donor pays less than the FMV of the item there is no contribution-use KSUF-4 Form



# NON CONTRIBUTION DEPOSITS

- Use form KSUF-4 Non Contribution Deposit Form
  - Please indicate what the funds are for and why they are being deposited with the Foundation
  - The Foundation has been working with the Controller's office to identify monies that can not be deposited at the Foundation
  - Included in the listing of things the Foundation can not deposit



## **NON CONTRIBUTION DEPOSITS (continued)**

- Items the Foundation can not deposit
  - Monies received from the sale of class supplies to students
  - Proceeds from the sale of state property
  - Fees received for work that was provided by state employees
  - Conference monies
  - Grant monies
  - If in doubt please contact the KSUF or the controller's office for guidance.



# RAFFLES

- Run the risk of violating state gambling laws
  - Specific ways you must set up your raffle so that you do not violate KS Statute 21-4302.
  - [Link](#) in the policy manual
  - Contact us for more information



# REQUEST TO OPEN OR MODIFY A FUND

- Forms used to open/modify fund initiated by College/Department, not specific donor.
- Can be used to document existing departmental funds if necessary.
- Continue to use forms that are available on the website.
- Forms will be updated in next quarter to provide fill-in features and additional info.
- Do NOT use this form to change signature authority. There is a Signature Authorization Form for that purpose.



## FUND REQUEST (Cont)

- Funds are typically expendable
- Fund Requests can no longer be used to establish Quasi-endowed funds
- Permanently endowed funds must meet minimum endowment level – currently \$25K.
- Scholarship funds ALWAYS require an MOU
- Requires Dean level approval.



# FUND TRANSFER REQUEST FORM

- Use to transfer funds between two Foundation accounts
- Requires signature authority for account releasing funds
- Please specify if it is an expense transfer
- Fund-raising or Conference registration should use Accounts Payable request





# GENERAL DISBURSEMENT POLICIES

- Expense is reasonable and benefits KSU
- Meets donor intent
- Does not jeopardize tax-exempt status
- Complies with statutes and regulations
  - IRS rules
  - University policies



# DISBURSEMENT REQUEST FORMS

- **KSUF-5 Disbursement Request Form**
  - Typically used to request payments to non-KSU employees (i.e., outside vendors, honorariums, etc)
  - One invoice per request form
- **KSUF-6 Travel-Entertainment & Other Expense Form**
  - Typically used to reimburse KSU employees for travel costs or other expenses they paid out of pocket
  - Requestor will need to detail each receipt that supports reimbursement and attach original receipts



# Common Issues Causing Payment Delays

- Original supporting documentation not provided or doesn't agree to amount requested (change templates)
- Please provide a Business Purpose
- Form not signed by person with Signature Authority
- Name and TITLES must be provided (if < 20 people at event)



## Other Helpful Tips!!

- Please tape small receipts to paper
- Need detail receipt NOT just credit card signature receipt
- Form W-9
- Keep your remittance advice



# TRAVEL

- IRS mileage rate
  - 1/01/11 to 6/30/11 - 51 cent/mile
  - 7/01/11 to 12/31/11 - 55.5 cent/mile
- Itemized receipts for lodging (receipt v. reservation)
- Foundation follows University policy re: airfare



## MEALS & ENTERTAINMENT

- Day must exceed 12 hours for one meal reimbursement
- Colleagues going out to lunch is not reimbursable
- KSUF does not reimburse per diem—  
Keep receipts if you might want to reimburse from KSUF funds
- Credit card slips are not sufficient
- Tips limited to 20%



## KSUF 5 AND KSUF 6

There are examples provided on the website at the following link

<https://colleges.found.ksu.edu/docs/EXTERRNAL/FORMS/Sample%20KSUF%20Filled%20in%20forms.pdf>



# UPDATE

## Payments to Foreign Entities

- Foundation will process checks to foreign vendors for purchases of products, licenses or reimbursements
- Foundation will reimburse Kansas State University for payments to Foreign Individuals for services performed in US





# UPDATE

## Payroll Reimbursement Documentation

- New procedure to ensure donor intent is followed
- No transfer of funds in advance of employee services
- Provide PeopleSoft HR payroll payments by account report
- Reimbursement made to Kansas State University



# UPDATE

## PARKING PERMITS

- University Policy DOES NOT permit payment for personal parking passes.
- Therefore Foundation Funds may not be used for permits.
- State Funds should be used for Vendor and Service permits
- Visitor parking may be reimbursed with Foundation funds.



# NON-REIMBURSABLE EXPENSES

- Airline club memberships
- Contributions/gifts to political parties/candidates
- Credit card annual fees
- Hands-free devices (unless dept property)
- Hotel mini bar fees
- Interest charges on personal credit card
- Parking tickets and traffic violations
- Theft of personal items when traveling



## SPONSORED PROJECTS CERTIFICATION

- Donor funds to be used for Research
- Desire by donor or dept to track & report
- New Form
  - Coordinated w/ University
  - Sets up the project
  - Verifies donor intent with MOU
  - Requests money transfer
  - Provides tracking info to Fin Services



## FAQ-1 – SPOUSAL EXPENSES

- Bona fide Business Purpose
- Facts and Circumstances of each situation
- Nine examples provided



## FAQ-7 GIFTS TO KSU EMPLOYEES

- Very Complex area
- Discuss with KSUF and KSU-HR before expenditure
- De minimus fringe-allowed
- Cash/Gift Card ALWAYS taxable
- See manual for Retirement, Length of Service and honorariums
- Be mindful of Kansas Ethics Laws.



## FAQ 8 PRIZES @ FUNDRAISING EVENT

- The IRS says all prizes are taxable
- 1099 required for \$600 annually
- W-9 should be used to collect information
- KSU employee winnings must be reported on W-2



## CELLULAR DEVICES/PHONE BILLS

- Requires supervisor's approval
- 100 % Business use
  - Requires statement from employee
  - KSUF will pay vendor direct or employee
  - KSUF will reimburse University if a Salary supplement is provided to employee
- < 100% Business use
  - KSUF will reimburse ONLY business portion





# CLOSING

- The PowerPoint Presentation and Agenda are available on the website under policies
- Thank you for attending!