A Guide to

THE KANSAS STATE UNIVERSITY FOUNDATION
ACCOUNTING and REPORTING

- Policies & Procedures
- Sample Forms
- Resources

Effective June 30, 2018

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Section 1 Introduction

The Kansas State University Foundation is a non-profit corporation founded in 1944 to encourage, receive, and hold in trust any real and personal property given for the use of Kansas State University and to invest, disburse, and administer all such gifts to provide those services to Kansas State University that are not or cannot be provided through appropriated funds or student fees.

The Kansas State University Foundation has been designated as the official fund raising arm of Kansas State University and received its tax-exempt status under Section 501(c)(3) of the Internal Revenue Code in March 1945.

In 1969, the Kansas Legislature authorized the Kansas State University Foundation to act as the investing agent for any endowment or bequest to Kansas State University. Kansas Statute 76-156a further provides for Kansas State University Foundation to exercise such fiscal management and administrative powers as may be necessary or appropriate for the lawful and efficient management of any endowment or bequest.

The current mission of the Kansas State University Foundation is to secure and prudently manage private gifts in support of Kansas State University and foster a culture that unites philanthropic desires with university priorities.

The Kansas State University Foundation is governed by a volunteer Board of Trustees. The Board of Trustees has elected a Board of Directors and authorized it to act on the trustees' behalf to provide support for undergraduate and graduate student scholarships, establish faculty chairs and professorships, provide departmental support, and enhance the campus infrastructure.

In order to carry out the above responsibilities and to ensure the observance of donor restrictions on the use of gifts, the Kansas State University Foundation establishes and maintains separate fund accounts. While the ultimate fiduciary responsibility for these fund accounts rests with the Kansas State University Foundation, each fund account is assigned a disbursing authority from the University College or Department to which the gifts were restricted. The disbursing authority is responsible for the disbursing of funds for the purpose intended by the donors, and works with the Kansas State University Foundation in the proper management of the assets.

Confidentiality of the Kansas State University Foundation Records

The successful partnership between Kansas State University (hereinafter KSU) and the Kansas State University Foundation (hereinafter Foundation) is based on effective service, trust and accountability. The Foundation acknowledges the importance of public scrutiny of its financial affairs. However, the Foundation's ability to assure donors and prospective donors that their personal or financial information will be held in confidence is essential to fulfilling its primary mission of raising private support for KSU.

The Foundation and the Alumni Association are jointly responsible for maintaining the database of records. Users of the data need to be aware that the information is confidential and may not be used or released in any format or for any reason other than for the purposes of KSU and more specifically for fundraising/development or alumni relations. Any individual having access to any of the database information including that which appears singly or as part of labels or lists may not release the information to the general public or be used or sold for personal gain.

The Alumni Association maintains the biographical module of the database of graduates, friends and donors of KSU. To help ensure timeliness and accuracy of records as well as reduce address correction costs, home address and business information received about or from alumni and friends should be forwarded to the Alumni Association.

The Foundation maintains the contribution history, donor prospect management and scholarship module of the database for graduates, friends, and donors of KSU. The Foundation maintains these modules in an effort to recognize donors for their contributions to KSU, to research and track current and prospective donors, and to steward past donors.

Upon receipt of a reasonable and specific request in writing, the Foundation will provide financial information, such as expenditures from the Foundation funds, documentation regarding completed business transactions, and information about the investment and management of the Foundation assets. The Foundation will furnish this information in a format reasonably responsive, at a reasonable cost to the requesting party. The Foundation will not, however, release any record or information that includes personal or financial information about a donor, alumnus, prospective donor, volunteer or employee.

All fund-raising activities undertaken by KSU staff, faculty, students, volunteers, K-State Athletics and the Alumni Association of KSU are undertaken on behalf of the Foundation. All records associated with such activities relating to personal or financial information about a donor, alumnus, prospective donor, volunteer or employee in the possession of any staff, faculty, students, and volunteers, K-State Athletics or Alumni Association of KSU are records of the Foundation and Alumni Association and are confidential.

State Solicitation Registrations

The Foundation is registered to solicit charitable contributions with the appropriate governing authorities in all states requiring registration. There are some states that require specific disclosure statements with regards to solicitation activity. For information about our charity registration and disclosure statements, please visit the Foundation website at the following link: http://www.found.ksu.edu/financials/governance/state_disclosures.html

Section 2 Processing, Depositing and Receipting Assets

The Foundation will deposit, process, and receipt gifts as tax deductible contributions if they are made in accordance with current IRS regulations governing charitable gifts. All contribution checks must be made payable to the **Kansas State University Foundation.** The Foundation cannot accept third party checks. Gifts received in a campus office must be sent as soon as possible to the Foundation's Cashier's office for deposit. To ensure that all assets sent to Foundation for deposit and receipt are recorded properly, the deposit must be accompanied by a completed Contribution Transmittal Form (KSUF-1)

The Foundation cannot accept gifts if they:

- Involve contract deliverables (i.e. grants)
- Are fees-for-services
- Fund proprietary research
- Pay for services within the mission of the Division of Continuing Education (DCE)
- Involve sales of State Property
- Would jeopardize the Foundation's tax-exempt status.

Credit Card Security Standards

The University and the Foundation have adopted policies and procedures to ensure that it meets all requirements for safeguarding credit card information. The University's 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 employees authorized and trained 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.

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's Receptionist —1800 Kimball 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.**

What is a Contribution?

A charitable contribution is a donation or gift to, or for the use of, a qualified organization. It is voluntary and is made without getting, or expecting to get, anything of equal value. The Foundation is a qualified tax-exempt entity under Internal Revenue Code Section 501(c)(3). If the donor receives incidental items such as "the goodwill of the department" or small inexpensive things such as a calendar, a program, etc., the contribution can still qualify as a 100% contribution. The current IRS guidelines for "token" benefits are $10.90 (for examples see FAQ-Q5).

Gifts with benefits - *Quid pro quo*

A *quid pro quo (*hereinafter *"benefits received")* contribution is a payment made partly as a contribution and partly in consideration for goods or services provided to the donor. As a charitable organization soliciting *benefits received* contributions, the Foundation is responsible for disclosing to the donor the amount of the gift that is considered a charitable contribution. When a donor receives a benefit for their donation they can report a tax deduction for a part of their contribution. An example of a *benefits received* contribution is when a donor pays $100 to attend a charity dinner event. The fair market value of the food and entertainment is $40. This amount is not what the charity pays for the food and entertainment, but rather the fair market value of those items. If the food and liquor is donated this has no bearing on the amount disclosed, the fair market value is still required. Accordingly, $60 would be eligible as a tax-deductible gift. Another example is when a donor is promised a specific item in exchange for a gift, e.g., for each $100 contribution the donor will receive a $25 alumni directory; this results in a $75 gift. *Benefits received* amounts must be determined by the department organizing the event. Deposits with a *benefits received* component must have the Benefits Received Form (KSUF-3) attached to the Contribution Transmittal Form (KSUF-1). (For examples see FAQ-Q5 and FAQ-Q9.)

In the case where the amount of benefits received equals the contribution amount this should be submitted on a non-contribution form (see the instructions for non-contribution deposits later in this Section).

What are the steps associated with a Gift-In-Kind contribution?

Gifts of tangible or intangible personal property will be considered for acceptance only if needed by the University to be used in a manner which is related to the University's mission. If such gifts are accepted, the needs of the University will determine whether the gift is held or sold, or ownership is transferred to the University. When property is transferred from the Foundation to the University, it is subject to all normal restrictions on University property.

The completion of a Gift-In-Kind Donation Form (KSUF-2) is the means by which the University acknowledges that a Gift-In-Kind (GIK) meets the needs of the University. The Gift-In-Kind Donation Form (KSUF-2) must be completed for **all** gifts-in-kind. Please include all correspondence relative to the gift and receipts, invoices, or printouts of comparable items documenting the value on the form.

The receipt sent to the donor for a non-cash gift will describe the gift (e.g. 20 IBM personal computers, 14 shares of XYZ common stock, livestock), but will not assign value to the non-cash gift. For non-cash gifts (except publicly traded securities) with a value in excess of $5,000, it is necessary for the donor to complete and file an IRS Form 8283 in order to obtain a charitable contribution income tax deduction. See Section 9 Resources for a link to IRS Form 8283 and its instructions. When working with your donor, you may consider providing the forms to them for their convenience. The donor must submit the completed form to the Foundation's Controller for acknowledgement signature.

Per policy, the Foundation will not accept a GIK form for software. Additionally, by agreement and cooperation with University departments, it is the policy of the Foundation that a GIK form **will not** be processed for a charitable deduction associated with the receipt of an animal (i.e. horse, cow, etc.) that is acutely and critically ill. From time to time, a donor wishes to donate an animal for research purposes or surgical or euthanasia purposes (i.e. in the school of Veterinary Medicine). Prior to the animal becoming critically ill it may have had an insured value or an appraised value that is in excess of $250 dollars (the amount for which the Foundation is required to provide a tax receipt) or in excess of $5,000 (the amount for which a donor must complete IRS Form 8283 and request the Foundation to acknowledge the receipt of the gift). The IRS provides for penalties (up to $10,000) when a person knowingly provides false information regarding appraisals or the acceptance of gifts that will not be used for the purpose for which the organization is exempt.

IRS regulations state that the individuals authorized to sign the Foundation's tax returns are the only authorized signatories for Form 8283. Any Form 8283 sent to campus offices should be forwarded to the Foundation's Controller.

See Appendix - Requirements for Transfers of GIK Property with value of more than $5,000 for additional information.

Publicly Traded Securities - If a donor desires to make a gift of publicly traded securities, please contact the Foundation's Investment Accounting Specialist for specific instructions and assistance. Additional information may be found on the Foundation's website at http://www.found.ksu.edu/how-to-give/securities_funds.html.

Real Property - Gifts of real property must be coordinated in advance with the Foundation's Director of Real Estate, who can provide a copy of the detailed procedures for accepting such gifts (see Section 8 Appendix - Requirements for Transfers of Real Property). Additional information is also available on the Foundation's website at http://www.found.ksu.edu/how-to-give/real_estate.html.

Tax Receipting and Written Disclosure Statements

A receipt/acknowledgement is sent to each donor upon receiving a gift. The receipt reflects the amount or type of the gift and the value of any benefits received by the donor. Non-cash gifts will receive a receipt showing a description of what was donated with no dollar value given. This is per the IRS guidance on gift in kind donations. The amount available for deduction for non-cash gifts is determined by the donor and the IRS. Receipts are not sent for non-contribution payments, such as event tickets with no contribution portion.

IRS rules require that a donor, in order to obtain a charitable contribution deduction for federal income taxes, must substantiate any charitable contribution of $250 or more with a receipt from the Foundation (a canceled check is specifically **not** sufficient). The receipt must provide the amount of the payment, the value of any *benefits received* (goods or services) by the donor from the University, and the resulting amount of the gift. In addition, the IRS requires the receipt to state **affirmatively** if the donor has **not** received any benefits received. The Foundation's receipts reflect these requirements.

IRS rules further require that the donor be provided with a written disclosure statement when the donor has made a contribution that is more than $75 which includes *benefits received*. The required written disclosure statement must:

- Inform the donor that the amount of the contribution that is deductible for federal income tax purposes is limited to the excess of money (and the fair market value of property other than money) contributed by the donor over the value of goods or services provided by the organization
- Provide a donor with a good-faith estimate of the fair market value of the goods or services

The organization must furnish a written disclosure statement in connection with **either** the solicitation or the receipt of the *benefits received*. It is the Foundation's policy to provide disclosure both at solicitation and on the receipt. A penalty is imposed on charities that do not meet the written disclosure requirement. The penalty is $10 per contribution, not to exceed $5,000 per fundraising event or mailing. An organization may avoid the penalty if it can show that failure to meet the requirements was due to reasonable cause. In order for the Foundation to comply with these disclosure rules, it must receive the appropriate information from the department. Form KSUF-3 Benefits Received Form (quid pro quo) must be completed and forwarded to the Foundation with the deposit.

The Foundation is currently providing Tax Receipts in the following ways:

- For all donors for whom we have an e-mail address, an electronic tax receipt is provided for **all** donations regardless of the amount UNLESS they have indicated to us that they would rather receive a paper receipt.
- Donors may request to receive a paper receipt for every gift regardless of the amount of the gift. If you are aware of a donor that wishes to receive a paper receipt, please refer them to the donor relations department of the Foundation.
- If we do not have an e-mail address, a Tax Receipt is mailed for all donations of $250 or more.
- GIK tax receipts are printed and mailed regardless of the amount of the gift. No valuation is provided on the tax receipt.
- At calendar year-end, a donor can receive a summary of their donations by logging into their Wildcat Connection account or can request a paper copy of the summary.

In order to comply with these requirements, the Foundation needs campus personnel to provide adequate information to meet the IRS rules. The following sections will explain our transmittal requirements in order to gather the necessary information. As is the Foundation's practice and policy, we will rely on your statements in preparing receipts. Please be advised that there are IRS imposed penalties for providing false written substantiation to a donor.

How do I transmit Contributions to the Foundation?

Because Contribution deposits require additional steps in order to properly provide a Tax Receipt to the donor, the Foundation requires that Contributions and Non-Contribution Deposits be transmitted separately. See information on Non-Contribution Deposits in next section. Deposits should be grouped in the following way:

- Cash for the same fund in a separate batch
- Checks for the same fund in a separate batch
- American Express credit cards for the same fund in a separate batch (credit card numbers beginning with 3xxx)
- Master Card/Visa credit cards for the same fund in a separate batch (credit card numbers beginning with 4xxx or 5xxx)
- Discover credit cards for the same fund in a separate batch (credit card numbers beginning with 6xxx)

Please limit the number of items in a batch to 35 items or less.

To standardize the information gathering process, the Foundation has created form KSUF-1 Contribution Transmittal Form. This form **MUST** accompany all contribution deposits transmitted from a campus department. Because this form can be printed on plain white paper, it will eliminate the need to use expensive departmental letterhead in the transmittal process.

Completing the Contribution Transmittal Form (KSUF-1)

KSUF-1 Contribution Transmittal Form is available on the Foundation website for download use. A paper copy is also included in SAMPLE FORMS of this manual. A separate form should be submitted for each of the following situations:

- Segregate deposits to different FUNDS. In the event a donor has written one check to be allocated to more than one fund, please submit that check separately.
- Segregate deposits which are pure contributions from contributions with a *benefits received*
- *Gift-in-Kind* contributions must also be accompanied by KSUF-2 Gift-In-Kind Form
- *Benefits received* contributions must also be accompanied by KSUF-3 Benefits Received Form
- Segregate deposits of Cash
- Segregate deposits of Checks
- Segregate deposits Credit Cards

If a solicitation/mailer card was utilized, please provide the document.

If you are providing a detail listing of checks/credit cards, etc., please organize the supporting information (i.e. the checks) in the same order as your listing.

COPIES OF CHECKS are not required for our purposes. We will IMAGE all documents as a part of our deposit process.

Cash donations can only be tax receipted if the donor's name, address and the amount of cash are listed on an attachment.

Completing the *Benefits Received* Form (KSUF-3 Benefits Received Form)

As discussed above, when a donor receives benefits as a result of their donation, their tax deductible contribution is reduced. The following is an example of the type of information that will be required on the *benefits received* form:

Donor Name	Check total	Benefits Received	Description of Benefits
John Smith	$100.00	$35.00	1 Dinner Ticket
Jill Allen	$200.00	$70.00	2 Dinner Tickets

In this example the dinner is valued at $35.00 apiece.

In the event that the *benefits received* amount equals or exceeds the amount of the donor's check then the donor has **not** made a tax-deductible contribution. The funds should be transmitted to us as a non-contribution deposit on KSUF-4 Non-Contribution Form (see further discussion below). An example of this would be if a donor paid $300.00 for a golf package at an auction that was valued at $500.00.

See Frequently Asked Question 9 for additional information and examples.

Special discussion regarding proceeds received as a result of an AUCTION

Charity Auctions are a common fundraising vehicle used to encourage alumni, friends and others to make contributions to a particular area of interest at KSU. As the official fundraising entity for the University, the Foundation accepts contributions and non-contributions from fundraising activities for deposit.

Because of the complexity associated with running a Charity Auction and the usual desire to accept payments via credit card, the Foundation requires the use of an auction service provider for the administration of a charity auction. Due to Payment Card Industry (PCI) and insurance liability issues, the Foundation cannot provide credit card processing equipment for utilization at a charity auction, nor will it set up PayPal/Stripe processing accounts.

Auction service providers specialize in providing a variety of services that can improve the success of the charity auction and provide safe and secure credit card processing equipment. When selecting a service you should ensure that the company can provide the following information: Purchasers name and address, listing of item purchased, value of item, and the amount paid for the item.

If an auction service is not used, no tax receipt will be issued when appropriate. When a service is used, or if only cash and checks are the chosen payment method, the following applies:

Donors who purchase items at a charity auction may claim a charitable contribution deduction for the excess of the purchase price paid for an item over its FMV. For example, if the donor paid $100.00 for an item whose FMV is $75.00, the donor would be entitled to a deduction of the $25.00 they paid in excess of the FMV. The donor must be able to document that he or she knew that the value of the item was less than the amount paid. Since bidders **must** readily know the fair market value (FMV) of each auction item to claim the deduction, an auction program, or descriptions on the bid sheets, are common ways to accomplish this. Listing of an item as "**priceless**," will prohibit the Foundation from issuing the winning bidder a tax receipt. In such a case, the winning bid establishes the value and thus the bidder receives something of equal value for their payment. For this reason, please make all efforts to identify the FMV of auction items and document this in a program or bid sheet.

When transmitting the information to the Foundation for an Auction, a copy of the bid sheet showing the FMV should be provided for backup. All other information as discussed above in the "completing the *benefits received* form" should also be provided with the KSUF-3 Benefits Received Form.

Special discussion regarding proceeds received as a result of RAFFLE

The IRS considers these "games of chance", therefore amounts paid for raffle tickets are not tax deductible and should be submitted to the Foundation on the KSUF-4 Non-Contribution Deposit Form. No gift receipts to donors are provided.

Additionally, effective July 1, 2015, the state of Kansas passed Kansas Statue 75-5175 allowing raffles by charitable organizations.

> *Any bona fide nonprofit religious, charitable, fraternal, educational or veterans' organization that conducts charitable raffles for which the aggregate gross receipts from such raffles in the fiscal year does not exceed $25,000 shall be exempt from the provisions of this section, except*

that such organization shall be subject to the provisions of subsection (d) regarding how such raffles are managed, operated and conducted.

In the event that gross revenues from a raffle are expected to exceed $25,000, then a registration form must be completed and filed with the State of Kansas. The Foundation has not registered with the State of Kansas because we are not aware of any raffles that have gross revenues in excess of $25,000.

You can access the Kansas Statute at the following link:
http://kslegislature.org/li/b2017_18/statute/075_000_0000_chapter/075_051_0000_article/075_051_0075_section/075_051_0075_k/

If you plan to conduct a fundraising raffle and expect revenues of $25,000 please contact the Sr. Director of Compliance Services for assistance. 785-532-7567.

How are contributions processed?

When the Foundation receives form KSUF-1 Contribution Transmittal Form along with all appropriate back up information (i.e. checks, credit card information, KSUF-3 as needed) or KSUF-2, the cashier batches these for deposit. Batch information is scanned using the ImageNow software. The checks and cash are deposited to the Foundation's bank and credit cards are processed using our bank credit card software. The information is then transmitted to the gift processors who enter the information into the ONE database for recordkeeping and for Tax Receipt preparation.

If a check comes into the Foundation or from campus without a mailer or if there is information about an address change, the Foundation transmits the images to Alumni Center personnel prior to Gift Processing so that the donor record can be verified and/or corrected. Alumni personnel provide the correct donor ID numbers so that the contribution can be credited to correct donor. After the Alumni Center has reviewed the images, they transmit the images back to our Gift Processing staff and at this time the gift is entered on our system and a tax receipt is generated. We normally allow three to five days for these to be processed during non-peak times.

How do I transmit non-contribution deposits to the Foundation?

Non-contribution deposits reflect income received for which the payer does not receive a charitable tax deduction. Non-contribution deposits must also be made payable to the **Kansas State University Foundation.** The Foundation cannot accept third party checks. They are not recorded on donor giving records and do not generate Tax Receipts. Examples of non-contributions include:

- Reimbursement for supplies
- Fundraising Events (where there is **no** contribution component)
- Ticket sales for events such as alumni picnics, galas, tailgating events, etc., for which the payer receives a benefit greater than or equal to the price, such as a meal or football ticket.
- Items purchased at an auction when the fair market value of the item is more than the amount paid.

Departments who collect monies for departmental gifts such as for baby showers, retirement gifts, birthday gifts, etc., should collect and spend these monies outside of Foundation accounts.

Non-contribution deposits should be transmitted to the Foundation with form KSUF-4 Non-Contribution Form. Because of new reporting requirements for IRS Form 990 (the annual tax information return for the Foundation), additional account coding for non-contribution deposits is necessary. The following categories are provided on the form and should be utilized:

Acct #	Acct Description	Definition
3202	Income	Miscellaneous. Non-fundraising dinners or banquets, rebates, services, commissions, entry fees, licensing fees, prize and awards, class reunions, insurance cash surrender values
3206	Fundraising Events	Dinners/dances, concerts, carnivals, sporting events, auctions, clinics, camps, etc.
3208	Reimbursements	Funds collected to reimburse expenses incurred. Provide documentation to show that expenses were (or will be) paid from Foundation funds.
3209	Sales	Sale of inventory items purchased or produced for purpose of re-sale (i.e. t-shirts, calendars, etc.). If the resale items were purchased with state funds or produced using STATE funded facilities and staff, the income must be deposited to STATE accounts. Furniture or equipment sale proceeds can never deposited in the Foundation.
3210	Rental	Funds received for rental of Non-State owned space, equipment, etc.

Deposits should be grouped in the following way:

- Cash for the same fund in a separate batch
- Checks for the same fund in a separate batch
- American Express credit cards for the same fund in a separate batch (credit card numbers beginning with 3xxx)
- Master Card/Visa credit cards for the same fund in a separate batch (credit card numbers beginning with 4xxx or 5xxx)
- Discover credit cards for the same fund in a separate batch (credit card numbers beginning with 6xxx)

The fund number should be written in the memo section of each check.

The Foundation is currently imaging all departmental deposits and backup so it is not necessary to send copies of checks.

The Foundation cannot deposit any revenue that is the result of work performed by University Employees using University resources. These payments must be deposited with the State.

The Foundation cannot deposit payments from students for any courses, course materials, or workshops provided in connection with their education. These payments also must be run through the State system.

Additionally, all equipment, furnishings & fixtures etc. purchased by the Foundation (or donated to the Foundation) become the property of the State of Kansas. The Foundation provides a listing quarterly of these items to the Division of Financial Services. Even though the price of the item(s) might not qualify it to be recorded on the State's property books, these items are still considered State property and any proceeds from their sale cannot be deposited in the Foundation.

Section 3 Disbursement Policy

If Accounts Payable requests are submitted without proper documentation the Foundation will return the request. **The Foundation reserves the right to refuse reimbursement for expenditures that are older than 180 days.**

The following sets forth the responsibility and authority of the President, Vice Presidents, Deans, and Directors to administer funds of the Foundation and the guidelines for making disbursements.

Authority and Responsibilities

1. The KSU President, Vice Presidents or Deans of Colleges are solely responsible for disbursements from funds which they control.
2. The KSU President, Vice Presidents or Deans of Colleges may delegate authority which allows Department Heads or designated others to submit requests for disbursement. KSUF-7 Signature Authority Form must be submitted to notify the Foundation of these approved persons. Should changes to the approved persons be needed, a new KSUF-7 Signature Authority Form must be submitted.
3. **Payments to the KSU President, Vice Presidents, Deans of Colleges or Department Heads, or payments which benefit them, must be approved by an appropriate higher authority.**
4. Colleges may develop additional control policies.

General Disbursement Policies - Applicable to all Funds

1. All funds shall be administered with due regard to conditions attached to the gift and governing statutes and rules, in accordance with what is reasonable and equitable, and lastly, in the manner in which persons of ordinary prudence would act in the management of the property of another. Please be advised that the Foundation is not subject to open records, however, our Board of Directors may allow disbursements to be disclosed to the public upon receipt of an appropriate written request to the Foundation.

2. All disbursement requests must be submitted electronically through our electronic disbursement submittal form. Only employees of the University are authorized to submit disbursement requests for campus funds.

3. **There are four basic criteria which determine the legitimate use of Foundation funds.**
   a. **The use must be reasonable and benefit KSU.**
   b. **The use must fall within the donor's intent for the gift.**
   c. **The use must not jeopardize the Foundation's tax-exempt status (such as political contributions).**
   d. **The use must comply with all applicable statutes and regulations.**

4. All disbursements must have written justification suitable for auditing purposes.

5. The following guidelines govern disbursements.

a. The person with signature authority and the Dean, Director or Vice President, or KSU President are responsible for ensuring that the use of funds meets all the criteria in number 2 above.

b. The Foundation is exempt from Kansas sales tax for direct payments to vendors. When making purchases, provide the vendor with the Foundation's sales tax exemption certificate. A Kansas Sales Tax Exemption Certificate needs to be prepared specifically for a vendor. To obtain a Kansas Sales Tax Exemption Certificate, please send an e-mail request to Accounts Payable. Payments for Alcohol are still subject to the "Sin" tax.

c. The Account signer is responsible for ensuring that there are sufficient monies to cover disbursements. Check requests from funds with insufficient available balances will be held until additional deposits have been made to cover the check request. Updated cash balance information is available via FIN.

Basic Guidelines

Substantiation rules under IRS code section 274 require every disbursement request must provide documentation justifying the business purpose of the expense. All disbursement requests are required to contain the following information:

- Who
- What
- Where
- When
- Why how does this benefit K-State i.e.: the business purpose for this expense.
- Foundation Fund number from which the disbursement is to be paid.

To facilitate providing the proper documentation, the Foundation has developed KSUF-5 Disbursement Request Form and KSUF-6 Travel/Entertainment or Other Expenses Form. One of these forms **must** accompany all disbursement requests. A **separate** form must be used for each payee. Only one KSUF-5 is required per check request.

In the occasional event that an invoice is lost, the individual must submit a lost receipt form and reimbursement will be allowed if the amount is less than $50.00 and a detail description of the item purchased is provided.

A Frequently Asked Questions section is provided in Section 9. This section provides additional information and examples.

University Travel

Transportation Expenses

The Foundation can reimburse KSU employees if they are required to travel outside their main place of business and the travel purpose benefits KSU. In most respects when reimbursing for travel, the Foundation will follow the University's travel reimbursement policy, however, **Foundation policy does not allow payment of per diem.** When authorizing employee travel, the KSU Policy and Procedures Manual states that the most economical or advantageous mode of travel made by the most direct route is reimbursable. It further states that the most economical mode of airline travel is tourist or economy class. Airline billing receipts provided to the Foundation must clearly indicate the class.

Specific justification for an upgrade in travel class must be furnished **and** pre-approved by the reporting unit's KSU President's Cabinet member (e.g. the Provost must pre-approve any request from an employee whose unit reports to the Provost, the KSU President must pre-approve a KSU Cabinet member's request). This pre-approval document must be submitted to the Foundation with the travel claim forms for reimbursement of air fare when an upgrade in travel class is used. If these classes are not available, a verifying statement from the travel agency or airline must be furnished with the travel claim form. In the event that an upgrade in class is the most economical mode of transportation, pre-approval is also required. A seat selection fee allowance/upgrade of $25/leg will be reimbursed without pre-approval. The Foundation will reimburse for one standard weight bag per leg. Consistent with University policy the Foundation will not reimburse for travel insurance/protection. Finally, if there are unique facts and circumstances surrounding the purpose of the travel (i.e. personal component associated with the trip), pre-approval by the KSU employee's supervisor and the Foundation's Controller should be obtained prior to expending the funds. If pre-approval in the above described instances is not obtained, the Foundation will **deny** reimbursement for the expenses.

Further if first class airfare is chosen by the traveler as an upgrade option, the Foundation will only reimburse the economy rate. The economy rate must be provided with the disbursement request.

All travel and entertainment expenses must comply with IRS regulations and state the KSU business purpose for reimbursement

The Foundation will only reimburse for the most economical mode of transportation made by the most direct route. In most instances this is economy or tourist airline travel or the use of a rental car instead of use of a personal vehicle. If a traveler chooses to drive, rather than fly, a cost comparison needs to be completed and the Foundation will only reimburse for the lower of the two. For example if a round trip airline ticket is $450.00 and the individual traveling opts to drive and their calculated mileage reimbursement would be $650.00, the Foundation will only reimburse the $450.00. When other modes of transportation are used the Foundation requires a statement of what the airfare would have been along with the reimbursement request so that we can verify the reimbursement amount.

When using a personal car for transportation, the Foundation will reimburse at the current IRS mileage reimbursement rate if this is the most economical. You should provide adequate documentation of the mileage driven for the trip. This can include a mileage log showing beginning and ending odometer readings, a copy of a Map Quest document that shows the mileage between the employee's Campus office and the location traveled to, or similar documentation.

Per IRS Guidelines, travel between an employee's domicile and their official Campus office is not a reimbursable travel expense. The Foundation will not reimburse for travel between the employee's domicile and their official Campus office.

EXAMPLE The Dean has a business meeting at the Denver, CO airport. For personal reasons he/she has decided to drive from Manhattan to Denver. The round trip mileage is 990 miles. The airfare from Kansas City to Denver is $222. The cost of a rental car for travel to and from the airport is $100. The Foundation will reimburse $322 for the trip as this is less than mileage reimbursement which is $495 (990 miles x 50 cents).

Lodging

Lodging expenses are reimbursable when performance of job duties requires the employee to be away from home overnight.

The IRS requires itemized receipts **for all lodging charges** including itemized receipts for any room service meals charged to your room.

When lodging is shared with a spouse/partner, family member, friend, etc., who does not have a business purpose for the travel, the Foundation can only reimburse for the single rate for the room. The Foundation requires documentation of the single room rate be submitted with the request.

Charges for movies, spas, mini bar, exercise facilities or other items of similar nature are personal expenses and not reimbursable.

Meals and Entertainment

It is the policy of the Foundation to reimburse meals based on **actual expenses. The Foundation does not pay per diem and requires an itemized receipt for all meals**. An employee may ask for reimbursement for a meal expense if they are hosting or entertaining non-KSU employees in a business capacity or have job duties that require the employee to be away from home overnight.

For business travel that results in an extended day that exceeds ten (10) working hours, one meal of the employee's choice can be reimbursed.

For example:

- If you leave for KC at 8:00 a.m. and have business meetings from 10:00 a.m.-12:00 p.m. and from 1:00-2:00 and then return to Manhattan by 4:00, the cost of your lunch, which you eat on your own, is NOT reimbursable.
    - If you are traveling with a co-worker the cost of lunch for the two of you is not reimbursable.
- If your business meeting includes hosting non-KSU employees for a business luncheon, this is a reimbursable expenditure as long as all appropriate documentation is provided.
    - If a co-worker is included in the business meetings and is included in the business meal, their expenses are also reimbursable.

When hosting in a business capacity, requests must clearly show the business purpose for the entertainment and how the expenditure benefits KSU. In addition we require the date, name, title and company (if applicable) of person(s) entertained.

Colleagues from the same department who have a meal together which does not include extended day travel does not qualify for reimbursement. An exception to this rule is if colleagues from the same department are entertaining a prospective employee or donor. The business purpose for each colleague should be provided in the documentation.

The occasional and infrequent department wide staff meeting or retreat will be reimbursed. A listing of all department personnel in attendance with titles and a copy of the agenda should be included with the reimbursement documentation.

Spouses/partners of official hosts shall not receive payment for meals not scheduled with an official function.

Snacks and beverages, unless they are part of the meal or when they substitute as a meal, are personal expenses.

Birthday celebrations are reimbursable up to one per month per business unit. Expenses for snacks such as cake, soda, chips, etc., are allowable.

Tips must not exceed 20% of the total bill including the sales tax. See Frequently Asked Questions Q4 for additional information.

Reimbursement of meals for KSU Employees

In the normal course of a business day, employees are responsible for their own meals. So as stated above, the general rule is that "Colleagues from the same department who have a meal together which does not include extended day travel does not qualify for reimbursement." The Internal Revenue Service has issued a substantial amount of guidance on meals and entertainment. However, there are instances where IRS rules would allow a reimbursement but either University or Foundation policy does not. Due to the fact that the Foundation strives to be transparent with our donors, potential donors, and comply with IRS regulations it is imperative that reimbursed expenditures be supported by documentation, such as an agenda, that shows the existence of a business purpose and how the expenditure clearly supports the KSU and Foundation mission.

The IRS provides several factors to determine business purpose:

- The expense must be "ordinary and necessary".
  - Ordinary expenses are those that are generally accepted and common in the industry in which you operate.
  - Necessary expenses are defined as helpful and appropriate for your business.
- The expense must pass either the "directly-related" or "associated" test.
  - Directly-related test requires that you meet the following three conditions:
    - The main purpose was business;
    - You engaged in business and;
    - You had "more than a general expectation of getting income or some other specific business benefit at some future point".
  - The associated test requires you to show:
    - The expense was "associated with the active conduct of your business" and;

- The meal or entertainment was "directly before or after substantial business discussion." The expense is considered associated with your business if you can show clear business purpose, such as the creation of new revenue.

Rarely will colleagues going out to lunch be able to overcome these criteria.

So, are there times when it is acceptable for colleagues to go out to lunch? The answer is a tentative yes. The IRS provides several exceptions to the rules above for employee meals which we have listed below:

- De Minimis meals
  - Coffee, doughnuts and soft drinks provided to employees
  - Occasional meals to allow an employee to work overtime
  - Occasional parties or picnics for employees and their guests
- Meals on your Business Premises
  - These meals must be located on your premises and "furnished for your convenience."
- Meals while traveling away from home
  - Please note that it is our policy to reimburse one meal only after the work day has exceeded 10 hours.

For examples of this topic please see Frequently Asked Question Q11.

Spouse/Partners

The Foundation cannot reimburse any spouse/partner expenses for travel and/or meals unless the spouse/partner's presence is necessary at the function and it benefits KSU. All non-essential spouse/partner expenses are considered to be personal expenses. See Frequently Asked Question Q1 for additional discussion and examples. Please consult accounts payable if you have additional questions prior to travel.

Memberships

The Foundation will not pay for lifetime memberships in professional organizations.

Credit card statements as documentation

A credit card statement which summarizes your monthly charges is NOT an adequate receipt for documentation purposes. You must provide the detail credit card receipt that is given to you by a business. For example, the detailed meal receipt in addition to the credit card slip is required for all meals.

Gifts to Non-employees

Non-employees of KSU may be given gifts in the form of cash, gift certificates or merchandise as a token of appreciation. If the item is a gift that was not in exchange for a donation or other services, there is no tax consequence to the recipient. Because gifts in excess of $25 are not deductible, it is the general policy of the Foundation that business gifts should not exceed $25. Gifts in excess of $25 should occur rarely, and should have approval of the Dean or the Department Head.

If a non-employee wins a prize associated with a fundraising event it is considered taxable income by the IRS and is reportable by the recipient. Therefore it is necessary to provide an IRS form W-9 with the name, address and SSN for anyone receiving a prize. See Resources for link to Form W-9. The Foundation is required by law to provide a Form 1099 to any person who receives payments accumulating to $600 or more in a calendar year.

See Frequently Asked Questions 6 and 8 for additional explanation and examples.

Payments to employees (including gifts/gift certificates)

Any additional compensation (awards, prizes, etc.) for KSU employees must be processed by Human Capital Services, included in the employee's payroll and then submitted for reimbursement by the Foundation. Gift cards given to KSU Personnel will be relayed to KSU Human Capital Services and the amount will be included in the employee's taxable income.

The IRS allows for de minimis fringe benefits to be provided to employees without taxation. A de minimis fringe benefit must be provided only occasionally. An essential element to a de minimis fringe benefit is that it is occasional or unusual in its frequency.

De Minimis fringe benefits are such items as:

- Occasional snacks, coffee, doughnuts, etc.
- Occasional tickets for theater or sporting events (see ticket purchase section for details)
- Holiday gifts, other than cash, with a low fair market value.
- Occasional meal money or transportation expense for working overtime
- Occasional parties or picnics for employees and their guests.

Cash is **never** an excludable benefit and must always be included in taxable income.

Gift cards or certificates that are redeemable for general merchandise or have a cash equivalent value are **not** a de minimis benefit and are taxable. A certificate that allows an employee to receive a specific item of personal property can be excludable if all of the other rules are met.

For example:

- Visa gift card for $5.00 is always taxable
- Gift Card for $5.00 to XYZ restaurant is always taxable
- Gift Certificate for a free appetizer at XYZ restaurant is **not** taxable
- 4 Tickets to a Theater performance is **not** taxable

See Frequently Asked Question 7 for additional explanation and examples

Payments to Foreign Entities

The Foundation will process checks/wires 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 because 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

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 are not permitted.

In order to receive a reimbursement for salary expenditures, KSUF-5 or KSUF-6 should be utilized for this request. The HRIS 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 month to reduce the volume of the request. The reimbursement will be made payable to Kansas State University.

Retirement and Achievement Gifts and Awards

Internal Revenue Code Section 274(j) specifies that gifts, honoraria and tangible personal property may be given to an employee for various reasons, such as, length of service (retirement) or safety achievement. Non-taxable awards may be provided to employees if certain rules are followed. These awards must be:

- Tangible personal property
- Cannot be disguised wages
- Must be awarded as part of a meaningful presentation
- Cannot be cash, cash equivalent (gift card or certificate), vacation, meals, lodging, theater or sports tickets, or securities.

Other limitations on these awards include:

- The recipient must be employed for five years to be eligible for such an award and the employee must not have received a similar award in any of the prior four years.
- If a **qualified plan** is in place, tangible personal property with a value up to $1,600 is permitted. KSU does have a qualified plan and these expenses will be forwarded to KSU Human Capital Services.

Foundation funds may be used for these types of awards, but should not be used as a conduit for collecting employee monies and purchasing gifts. If using existing funds, the University's policies with regards to qualification for an award must be followed. See http://www.k-state.edu/policies/ppm/4812.html

Scholarship and Award Payments for Students

All payments for scholarships and awards are processed through the Office of Student Financial Assistance to avoid causing a taxable event for the student.

Season Ticket Purchases and Usage

On an annual basis, various departments of the University purchase season tickets for admissions to Football, Men's and Women's Basketball games, McCain performances and other similar types of events for the primary use of entertaining donors, prospective donors, business partners, visiting professors, etc. Monies for purchasing these tickets come from Foundation accounts which provide for the discretionary use of donor funds.

When University employees are expected to attend an event to perform duties that are consistent with their job description (i.e. donor relations, cultivation, prospect identification, visiting distinguished professors, or other business activities) this will constitute a "business purpose" as defined by the IRS and there will be no income tax consequences to the employee. If the invited guest to the event includes a primary business person and their spouse/partner or guest, then it will be appropriate for the University employee to include their spouse/partner or guest without any taxable income consequences.

On occasion, there are unused tickets available. In those cases, it is at the discretion of the head of the department that purchased the tickets to determine when employees may be offered the opportunity to use the tickets (for non-business reasons) for attendance at the event.

The IRS provides an exception to taxation when employees receive de minimis fringe benefits (Internal Revenue Code Regulation 1.132-6(e) (1)). These rules provide a specific exclusion for the "Occasional (infrequent), **not routine"** benefit of theater or sporting event tickets. The law does not specify a dollar threshold for benefits to qualify as de minimis.

If an employee receives ticket benefits, **more than occasionally**, the value of the tickets must be included in their W-2 income and taxed at the employee's required tax rate.

The University will use the following guidelines to determine whether the usage of tickets will require taxation:

	No Tax	Taxed
Football ticket –	2 or fewer game tickets	More than 2 game tickets
Men's Basketball ticket -	4 or fewer game tickets	More than 4 game tickets
Women's Basketball ticket –	4 or fewer game tickets	More than 4 game tickets
McCain Performance	4 or fewer event tickets	More than 4 event tickets
Other	4 or fewer event tickets	More than 4 event tickets

In the event that an employee should be taxed on tickets received, the face value of a single ticket will be used.

An attendance roster must be provided to the Foundation as documentation for the expenditure for the season tickets. These rosters will be associated with the original expenditure for the season tickets. Rosters should be provided within one week of the date of the event.

THESE TICKETS CANNOT BE USED FOR RESALE, BARTER OR EXCHANGE FOR GOODS OR SERVICES RESULTING IN PERSONAL BENEFIT. NON-COMPLIANCE

WITH THIS POLICY MAY RESULT IN DISCIPLINARY ACTION AND/OR EMPLOYMENT TERMINATION.

Tuition payments for employees taking professional development courses at K-State

If a KSU employee is taking a professional development course through a KSU department you must submit a check request with backup to the Foundation and have the check made payable to your restricted fee account. The payment to the KSU department for the tuition should be made via an Inter-Fund voucher.

Tuition payments for students

Tuition payments for students should be run through SFA as a scholarship. If this is not done, payments must be made via an Inter-Fund voucher and reimbursed back to the college fund that was used.

Foundation credit cards

It is the Foundation's policy not to issue Foundation credit cards for funds held at the Foundation. The Foundation Board of Directors has reviewed and affirmed this policy,

Non-Reimbursable Expenditures

- Airline Club Memberships
- Baby/Wedding Shower gifts and related expenses
- Contributions or gifts paid to political parties or candidates
- Clothing (except for clothing bearing departmental or program logo to be used while hosting an event or as a uniform or in a group travel situation)
- Credit Card Annual Fees
- Hands-free devices for cell phones (unless the cell phone is departmental property and the device can be checked out for use by any persons who check out the cell phone)
- Hotel mini bar fees
- Incremental costs of double over single occupancy rates when a spouse/partner/guest has not been authorized for travel
- Interest charges on personal credit card
- Parking tickets and traffic violations
- Personal entertainment or recreation items (e.g. magazines, books, theater/movie/sporting event tickets, hotel in-room movies)
- Personal expenses (e.g. laundry, phone calls, toiletries, snacks, medication, etc.)
- Personal expenses incurred during business travel (e.g. child care, pet care, lawn care, snow removal, etc.)
- Theft of personal items which occurs during a business trip (e.g. luggage, GPS, iPad, laptop, cellular phone, etc.)
- Travel insurance/travel protection fees
- Tuxedo or formal rental or purchase fees
- Regalia purchases, unless regalia is the property of the University and will be retained by KSU

Accommodation loans

The Foundation provides non-interest bearing payroll loans to KSU employees if there has been an error in the payroll process and an employee fails to receive a regularly scheduled payroll check for work already completed. The loan amount requested cannot exceed 65% of the employee's gross pay for the pay period.

This policy is **not** intended to be used for advances of payroll for future pay periods and applies only to eligible KSU employees defined as faculty and staff. Accommodation loans will not be approved for students or graduate students as they have the option of obtaining a loan through the Emergency Loan Program at the Office of Student Financial Assistance. Accommodation loans must be utilized by KSU in lieu of loaning money to employees through Foundation funds such as "discretionary accounts."

A letter must be received requesting the accommodation loan and must include the employee's name, WID, gross amount of the paycheck and the pay period that is being missed. Information requested on each form must be provided in its entirety and the request must be signed by the employee's Department Head.

Employees receiving accommodation loans will sign a promissory note with a Power of Attorney clause. The loan balance is due at the University's next regularly scheduled payroll payment date. If the balance is not paid in full by the due date, the Power of Attorney clause authorizes the Kansas State University Human Capital Services to deduct the amount from the employee's next University payroll check(s) and to send the deducted amount to the KSU Foundation until payment is made in full. In addition, interest will accrue at 14% from the date issued until repaid in full.

Departments should contact the KSU Human Capital Services Office for information on supplemental payrolls before submitting a request for an accommodation loan as it may not be beneficial to submit an accommodation loan request if the payroll check is expected within the next week.

Checks must be picked up and signed for by the borrower at the Reception Desk, 2nd Floor, KSU Foundation 1800 Kimball after 3:00 p.m. on the day they are available and cannot be picked up prior to the applicable pay date. Loan checks will not be mailed.

Travel loans

The Foundation provides non-interest bearing sixty (60) day travel loans to faculty and staff of KSU who are traveling on behalf of the University. Loans are made based on an approved KSU Out-of-State Travel Voucher form signed by the appropriate officials including the traveler.

The loan may be approved for the total amount listed on the travel request form, or any part thereof. **The Foundation cannot loan an individual amounts that are being directly paid by KSU.** For example if the airfare is being charged to a campus credit card, it will need to be subtracted from the loan request. Airfare or rail transportation should be paid by KSU rather than with a Foundation travel loan if possible. A forty-eight hour processing time is required for issuing the loan check after the approved travel voucher is received by the Foundation. A service charge of $1 per $100 loaned will be assessed. A travel loan request must be submitted before the designated travel dates. Foundation travel loans must be utilized by KSU for University travel in lieu of loaning money to employees through Foundation funds such as "discretionary accounts."

Employees receiving travel loans will sign a promissory note with a Power of Attorney clause. The loan balance is due sixty (60) days after issuance. The employee will have five working days from the date of reimbursement to repay the KSU Foundation. After five working days, interest will accrue retroactively from the issuance date at an annual percentage rate of 14%. If the balance is not paid in full within the five working days, the Power of Attorney clause authorizes the Kansas State University Human Capital Services Office to deduct the amount from the employee's next University payroll check(s) and send the deducted amount to the KSU Foundation until payment is made in full. The Foundation will refund any amount in excess of the obligation within three working days.

Failure to repay loans promptly may affect the availability of loans to the borrower's department. Any employee with a delinquent loan is not eligible for another loan. The Foundation reserves the right to deny loans to any department that has members with a delinquent balance.

Checks must be picked up and signed for by the borrower at the Reception Desk, 2nd Floor, KSU Foundation 1800 Kimball after 3:00 p.m. on the day they are available. Loan checks will not be mailed.

Moving/House hunting Expenses

With the passing of the Tax Cuts and Jobs act of 2017 (PL 115-97) all moving expenses are taxable compensation to the employee. However, the Foundation still may reimburse for moving expenses to newly hired unclassified employees under the Kansas Civil Service Act.

Moving expenses must be handled as follows: The employee is required to pay their moving expenses directly. The Foundation cannot pay any third party vendors directly (i.e. a moving company). The employee should complete and submit a reimbursement request on the KSUF-6 Travel/Entertainment or Other Expenses Form. The payee will be Kansas State University and **NOT** the employee. Copies of all itemized receipts for moving expenses, MapQuest information for mileage, lodging receipts, DA-22, 3 quotes from the moving company, etc., should be attached. The Foundation will issue a check to Kansas State University and forward it to Human Capital Services for processing.

House hunting expenses are also treated as compensation to the employee**.** These will be treated in the same way as moving expenses. All payments will be made out to Kansas State University and forwarded onto Human Capital Services.

If there are any additional questions regarding the taxable consequences, please contact Human Capital Services.

Cellular Devices/Phone Bills

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) (http://www.k-state.edu/policies/ppm/4600/4660.html) on July 16, 2015 and October 12, 2016, respectively. The University policy regarding cell phones requires that cell phones purchased using state funds must be used 100% for business purposes. The Foundation will follow the University's policy. Please note that if an out-of-office stipend is provided by KSU the Foundation will not reimburse for any equipment or cell phone charges.

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 cell phone, 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.

Personal Cell Phone

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** cell 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.

Campus Parking Passes

Foundation funds may **not** be used to pay for employee parking passes or the parking garage. 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.

The Foundation will reimburse for visitor parking passes if the business purpose is documented.

Parking Tickets

The Foundation will not reimburse for **any** parking tickets. These are personal expenses.

Transfers of KSU Foundation Funds to Sponsored Project Account

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: http://www.found.ksu.edu/fin-external/KSUF-9%20Sponsored%20Project%20Certification-Rev-04-2017.pdf or it may also be found on the University's Office of Research & Sponsored Programs web site at: http://www.k-state.edu/research/faculty/submission/forms/KSUF-9-Sponsored-Project-Certification.pdf.

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 Stewardship 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.

Completing the KSUF-5 Disbursement Request Form

The KSUF-5 Disbursement Request Form **must** be used whenever requesting a payment direct to a vendor, or whenever reimbursing an individual for services rendered. This form may also be used in the situation where an individual is being reimbursed for out-of-pocket expenses, but **only** if there is a single invoice associated with the reimbursement request. A separate form for each disbursement request must be submitted.

Whenever there is a request to reimburse an **individual** for multiple out-of-pocket expenses such as travel, supplies, books, or dues the KSUF-6 Travel/Entertainment and Other Expenses must be used. See following section for further discussion.

If this is the first time you have requested payment to the vendor, you should complete all Payee information including payee name, payee address, and payee identification number (i.e. FEIN or SSN). Please attach a completed IRS Form W-9 with your reimbursement request. If there has been an address change by the vendor, please complete the payee address information. If this is an established vendor with no changes, you need only complete the Payee name information.

An original invoice or receipt is required for all purchases and reimbursements. This must be attached to the KSUF-5 form. If the invoice has been lost and cannot be reproduced, a statement must be attached to the KSUF-5 form that has been signed and approved by the person with authority to expend monies from the fund.

Complete all sections of the form that provides the purpose/justification of the expense. If the payment is for a meal or entertainment, a listing which includes the name, title, and company (if applicable) of each attendee must be attached. If the number of persons attending the event is 20 or more, a detail listing is **not** required, however, some type of documentation must be provided that shows the nature of the event. For example, a meeting agenda, an invitation to an event, or a listing of persons invited should be included.

Always complete the "CONTACT NAME" section of the form. This allows us to contact the correct person if any questions arise regarding the payment request.

The form should be signed by a person from the department who has signature authority for expending monies from the Foundation fund.

Completing the KSUF-6 Travel/Entertainment and Other Expenses Form

The KSUF-6 Travel/Entertainment and Other Expenses Form **must** be used whenever requesting reimbursements for travel and entertainment expenses for an individual, or when a payee has multiple invoices to be reimbursed for.

All expense sheets must be accompanied by original receipts. Foundation policy does not allow payment of per diem. All travel and entertainment expenses must comply with IRS regulations and state the business purpose for reimbursement.

Travel expenses include lodging, airfare, mileage, gas, taxi fares, tolls, parking, charges for use of hotel telephone or fax, tips, or meals. You may be reimbursed for your gasoline or mileage on a trip. Attach a copy of your itinerary whenever possible. Please note that Foundation funds may not be expended for first class travel.

For all expenses, the description should be as complete and concise as possible. When entertaining donors or business contacts please provide names, title, company and a description of the type and purposed of business discussion. The general rule is that the Foundation will not reimburse for spouse/partners unless there is a clear business purpose. Please review Frequently Asked Questions-Q1 for further information and examples.

Organize receipts by date and expense type. Tape them in that order to a plain piece of paper. Enter the information into the KSUF-6 form in the order organized. There is a supplemental form (page 2) available for overflow invoices.

Receipts in foreign currency must refer to the exchange rate used and a copy included with the request showing the U.S. dollar equivalent.

Certification of Expenses – The certification section must be signed by the person requesting the reimbursement and the person with signature authority for expending monies from the Foundation fund.

Section 4 Fund Administration

Types of Funds

Funds can contain two separate portions or "buckets" of monies. The first of these buckets are funds that are available for immediate expenditure. These funds are referred to as the Expendable or Income portion of the fund. The second bucket are those funds not readily available for expenditure. These funds are called the Endowed, Principal or Corpus portion of the fund.

The Foundation has three main types of Funds: Expendable, Term Endowed and Permanently Endowed.

Expendable funds are not invested in the endowment pool and do not have a principal component. All contributions are immediately available for expenditure.

Both Term Endowed and Permanently Endowed funds contain both an expendable and a principal portion. For both types, the principal portion of these funds is invested in Pooled Endowment Fund and a minimum commitment (currently $25,000) is required. In a Term Endowed fund, the principal may be liquidated and transferred to the expendable portion if requested, whereas in a Permanently Endowed fund the principal may not be invaded.

Earnings Distributions

Endowed funds, both term and permanent, receive distributions to purpose (income) at the end of each quarter. The earnings distribution rate (currently 4.5% annually) is determined each Fiscal Year by an algorithm approved by the Foundation Board of Directors that takes into consideration the current market value of the Pooled Fund and the rate of inflation. It is meant to keep the amount available to campus consistent or increasing if possible. A Term Endowed fund can also specify an amount or percentage in the MOU. A Permanently Endowed fund's first year's earnings are reinvested in Principal to enhance long-term viability. This is referred to as the "Holding Period."

Fees

Most gifts are subject to the University Advancement Fee (UAF) of 5% which is truncated to an even dollar amount. For larger gifts and commitments the amount of the fee is tiered as follows:

- 5 percent on gifts up to $5 million
- 2.5 percent on the next $5 million ($5 million through $10 million)
- 1 percent on all above $10 million.

Commitments are grandfathered to the UAF schedule in existence when they were made. For gifts splits between Income and Principal, the UAF will be charged against the principal portion. For deferred gifts and real estate, the fee is assessed when the cash is recognized in the fund. For additional information on the UAF, please visit www.found.ksu.edu and see FAQs.

Term Endowed funds are subject to a liquidity fee of 0.5% annually, prorated quarterly. This covers additional administration costs associated with these funds.

Establishing Funds MOU

The Memorandum of Understanding is the legal agreement between the donor, the University and the Foundation documenting the type of fund, the donor's intent for use of funds and who is authorized to make expenditures, as well as other administrative procedures. Any changes to these funds must be made with a superseding MOU that is signed by the individual donor(s) or corporation that established the fund. These documents are prepared by the Development Officer and processed through Compliance Services.

Fund Request

The Request to Open an Expendable Fund form is used to create expendable non-scholarship funds that do not have an external primary donor. These funds are typically created by a University college or department for a specific need. They are modified/updated using the Request to Modify an Existing Fund form. Sample Forms are available in the forms section. These documents are submitted by an individual requestor and must be approved by Development and Compliance Services.

Signature Authority

The administrative responsibility for the fund is specified in the MOU or fund request. For changes in signature authority, there is a form available as addressed in Section 3 Disbursement Policy. The Sample Form is located in the forms section.

Fund Setup

A fund number is assigned based on college, whether expendable or endowed, and scholarship or non-scholarship.

Fund attributes are determined by the MOU/Fund Request and describes the fund. These are used for various reports including FIN access and customized reporting.

Required:

Restriction (Type of fund) – Expendable, Term Endowed, Permanently Endowed
College
Department
Purpose (Use of funds) – Examples include Departmental, Scholarships, Professorships
Primary Goal – Facilities, Faculty, Student Enhancements, Excellence, Programmatic
Secondary Goal – Further refines Primary Goal
Setup – Documentation used to set up the fund
Status – Open, Pending, Closed

Fund Transfers

Occasionally, colleges may wish to transfer monies between accounts within the Foundation. To transfer monies between the expendable portion of funds the KSUF-8 should be used. Please note, it is not advisable to use a transfer between donor funds as this does not provide a good trail for donors as to the detail behind how their monies were spent. When at all possible the expenses should be directed to the proper fund and not paid out of another one and "reimbursed" through a transfer.

If a donor gift is designated incorrectly, you should work with your development staff to move it to the correct fund. Transfers should not be used to move donor contributions between funds.

Funds Reinvestment

Campus established funds. From time to time, it may be desirable to transfer expendable monies for the purpose of establishing an endowment or to increase the endowed portion of an existing fund. These monies may be placed in a newly created term-endowed fund or the term-endowed portion of an existing fund. These monies will be subject to liquidity fees. There is an expectation that the transferred monies should remain in the term endowed portion for a 10 year period.

> **Exception:** Reinvestments of monies from funds whose purpose is to provide scholarships are generally not allowed. Approval from the Gift Acceptance Committee is required to allow for the investment of scholarship funds.

Donor established funds. In the instance where it is desirable to request a reinvestment for a fund that was established by a donor, living donors must be notified and their permission received. If donors are not living, then the Gift Acceptance Committee must approve the transfer. Living donors may request that reinvested dollars be applied to the permanent endowment or to the term-endowed portion of the fund.

In all instances. Whenever a request for reinvestment is made, the Fund Reinvestment Request form should be used.

Ongoing Administration

Funds with special administration instructions are reviewed daily, monthly, quarterly, annually or as appropriate as indicated by the pledge, MOU, Fund Request or donor instructions.

Contact your development officer for specific gift instructions.

Section 5 Student Organizations

The Center for Student Involvement will determine if a student organization is a registered Departmental Student Organization (DSO) or an Independent Student Organization (ISO). That determination is made based on criteria in the policy, but for a group to be a DSO it requires an agreement of the department/unit and the organization.

The approach around account treatment for each student organization is as follows:

Departmental Student Organizations

- Foundation Accounts
  - Private direct donations to Foundation
    - Scholarships, Excellence, Other
    - Derived directly from Corporations, Households, Not for Profits, etc.
- University – DSO Member account or Restricted Fee account
  - Departmental account managed by department's accounting staff
  - Membership Dues/Fees
  - Organizational Fundraising Initiatives (i.e. bake sales, car washes, career fair etc.)
- Organization Bank Account
  - Not allowed to have an outside bank account (after grace period)

Independent Student Organizations

- Foundation Accounts
  - Private donations to Foundation
    - Scholarships
      - New Donations - Foundation will accept new donations with preference criteria around an ISO
      - Existing Funds – continue to award based on fund criteria as documented in Memorandum of Understanding ("MOU")
    - Excellence & Facility/Organization Support
      - New Donations - Not Allowed
      - Existing Funds - Foundation will work with organization to transfer monies outside of Foundation pursuant to fund MOU, or otherwise attempt to modify the fund MOU to transfer the monies to or for the benefit of an applicable department.(to the extent allowable by the donor agreement and applicable law)
- University – Member account, Restricted Fee Account
  - Not Allowed
- Organization Bank Account
  - ISO establishes outside of the University and Foundation system

Section 6 Accessing Fund Financial Information

Access to the fund information is available through the Foundation Information Network (FIN). There are three major reporting areas as described below. ONE access is administered through the Alumni Association.

Obtaining access to FIN/ONE

To obtain the Campus Reports access, please complete the FIN/ONE access form that is available on the website (http://www.found.ksu.edu/fin-external/FIN_ONEAccess.pdf) or in Section 7.

There are two different accesses: Fund Accounting and ONE. Fund Accounting provides the financial transactions and statements. ONE access included donor information. Please select the appropriate choices. All FIN users have Fund Finder.

There are also three levels of access – College, Department and fund level. For fund level, please include which specific funds are required. If it is additional access to an existing account, please note that as well.

The FIN/ONE Access form must be signed by a Dean or VP level position and then sent to the Alumni Center as shown on the form. They will route it to the Foundation.

Once established, Foundation IT will send an e-mail with the login, password, and some introductory instructions. The login is the username followed by @found.ksu.edu. Please note that this is different from a campus email or login.

Foundation Information Network (FIN)

Access to FIN is through the following website:

https://ksufound.sharepoint.com/FIN/SitePages/Home.aspx

It can also be easily accessed via the www.ksufoundation.org website under Students, faculty and staff. There is access there for both users with FIN logins and those without. Those without logins may need forms, policies, etc.

Once logged in, the dashboard will be the first page. It will provide information regarding which months are finalized, as well as any announcements and which Foundation staff should be contacted with questions on different issues. It also provides links to policies and forms on the left. It will have a link to Campus-Reports at the top that will access Accounting Reports, and Fund Finder.

Accounting Reports

These reports may all be run for individual funds, all department funds or all college funds. The date ranges may be any time from July, 1997, through the end of the current month. However, please note which months are finalized and which recent months may have transactions still to be posted as noted on the report footer and the FIN dashboard.

Expendable Cash Transaction Register – This is like a checkbook for your fund. Shows transactions and cumulative balance.

Principal Cash and Pooled Fund Activity – This shows contributions, investments/divestments and revaluation of principal.

Fund Balance Summary with Cash – Summarizes expendable and principal balances, usually for a department or college.

Balance Sheet – This shows the detail behind balances, including pledges, life insurance CSV, etc.

Income Statement –This summarizes activity over a period of time by revenue and expense category.

Contributions Report – This details all contributions including amount and donor over a specified period of time.

You may also hover over the report type for a more detailed description of the report output.

Fund Finder

This is available to all FIN users. This includes information on each of the funds that includes the Formal Title, the expendable/endowed status, and the purpose as well as additional information on the use of funds. It can be run for Open and Pending (those awaiting a deferred commitment), the default, or to include Closed funds or exclude Pending funds.

Please see more detailed information in the FIN Campus Users Guide, which is available without login privileges at http://www.ksufoundation.org/financials/accounting_forms.html.

ONE—Donor Database

This system is administered by the Alumni Association. Please contact alumni@k-state.com for additional information.

Section 7 Pooled Endowment Fund and Reporting

The following section is an overview of the Endowment Pool. Following each section are examples of how the different endowment pool transactions look on the campus reports available on FIN.

Endowment Pool Overview

The endowment pool consists of about 100 different investments that are held in one fund. Campus funds buy shares of this pool of investments, like a mutual fund. The pool is valued on the last day of each quarter and a share price is assigned. The unrealized gain/loss is calculated for each fund using this share price on the last day of each quarter.

KANSAS STATE UNIVERSITY
FOUNDATION

Principal Cash and Pooled Investment Activity
From: 10/1/2015 to 1/1/2016

Principal Cash Activity

[redacted]

Date	Journal Reference	Principal Cash	Balance
	Beginning Cash Balance		**$0.00**
10/30/2015	CONTRIB-2015-10-30	$500.00	$500.00
10/30/2015	UNIV ADV FEE-2015-10-30	($25.00)	$475.00
1/1/2016	PURCHASE POOLED ENDOWMENT SHARES	($475.00)	$0.00
	Ending Cash Balance		**$0.00**

Pooled Investment Activity*

[redacted]

Date	Journal Reference	Pooled Investment	Balance
	Beginning Pooled Investment Balance		**$30,162.45**
12/31/2015	<Reversal>UNREALIZED POOLED FUND A GAIN LOSS	$1,044.52	$31,206.97
12/31/2015	UNREALIZED POOLED FUND A GAIN LOSS	($1,475.40)	$29,731.57
1/1/2016	PURCHASE POOLED ENDOWMENT SHARES	$475.00	$30,206.57
	Ending Pooled Investment Balance		**$30,206.57**
	Ending Total Balance		**$30,206.57**

* This activity and balance only reflects the pooled fund investment. It does not include other principal assets such as real estate, other investments, etc. Please see the balance sheet report for the value of these items.

The report contains two separate lines, one for the reversal of the previous quarter's gain or loss and one for the current quarter's gain or loss. The sum of the two lines will equal the unrealized gain or loss for that quarter.

Endowment Pool Value

There are three things that affect the value of the pool:

1. Management fee - The Foundation charges a 1.4% management fee to fund operations. This fee comes directly out of the pool, not the individual funds, so the effect can't be seen in each fund, but it does decrease the market value of the pool as a whole.
2. Distributions - Quarterly distributions are made to each fund invested in the pool. These also decrease the value of the pool.
3. The value of the investments themselves, which can increase or decrease in value.

New Investments into the Pool

New investments in the pool are made on the first day of every quarter. Any principal cash received in the prior quarter is invested using the share price based on the valuation discussed above. There must be a minimum of $25,000 for new investments. This amount is gross of the University Advancement Fee. For example, when a $25,000 donation comes into a new fund, after the UAF comes out, the cash amount will be down to $23,750. Since the contribution amount is at the $25,000 minimum amount, this fund will be invested. Stock gifts must have a cash value (not gift value) of at least $25,000 (also gross of the UAF). Once a fund is invested in the pool, any contributions that come into it in a given quarter will be invested, regardless of the amount.

KANSAS STATE UNIVERSITY
FOUNDATION

Principal Cash and Pooled Investment Activity
From: 10/1/2015 to 1/1/2016

Principal Cash Activity

[redacted]

Date	Journal Reference	Principal Cash	Balance
	Beginning Cash Balance		**$0.00**
10/5/2015	CONTRIB-2015-10-05	$25,000.00	$25,000.00
10/5/2015	UNIV ADV FEE-2015-10-05	($1,250.00)	$23,750.00
1/1/2016	PURCHASE POOLED ENDOWMENT SHARES	($23,750.00)	$0.00
	Ending Cash Balance		**$0.00**

Pooled Investment Activity*

[redacted]

Date	Journal Reference	Pooled Investment	Balance
	Beginning Pooled Investment Balance		**$71,178.59**
12/31/2015	<Reversal>UNREALIZED POOLED FUND A GAIN LOSS	$2,819.66	$73,998.25
12/31/2015	UNREALIZED POOLED FUND A GAIN LOSS	($3,836.47)	$70,161.78
1/1/2016	PURCHASE POOLED ENDOWMENT SHARES	$23,750.00	$93,911.78
	Ending Pooled Investment Balance		**$93,911.78**
	Ending Total Balance		**$93,911.78**

* This activity and balance only reflects the pooled fund investment. It does not include other principal assets such as real estate, other investments, etc. Please see the balance sheet report for the value of these items.

Underwater Funds

A fund is underwater if the market value of the pooled fund investment is less than the contributed value. Contributed value is the original contribution amount from a donor to a permanently endowed fund. Term endowed funds will never be underwater because they have no contributed value. The amount that a fund is underwater affects the amount of the distribution to purpose. This is discussed in the next section.

Distributions

The distribution rate is determined based on the market value on June 30th of each year. The rate is calculated per share, so the distribution will remain the same throughout the year unless there is a change in the number of shares. This is done to keep it consistent throughout the year so that colleges/departments can plan accordingly. Distributions are made quarterly (September 30th, December 31st, March 31st and June 30th). All new permanently endowed funds will have distributions held and reinvested for four quarters to help the fund build value and to prevent it from going underwater.

Distribution Policy

Distributions to purpose are made quarterly, and are affected by an individual fund's underwater percentage. If the fund is less than or equal to 7.5% underwater, 100% of the distribution will go to the expendable portion of the fund and can be spent for purpose. If the fund is greater than 7.5% and less than or equal to 15% underwater, 50% of the distribution will go to the expendable portion of the fund and can be spent for purpose and 50% will go to principal to be reinvested. If the fund is greater than 15% underwater, no distribution will be made into the expendable portion – all of the distribution will be re-invested. Reinvested distributions increase the market value, but do not increase the contributed value. Therefore, reinvested distributions help keep a fund out of underwater status.

Normal Distribution to Purpose:

KANSAS STATE UNIVERSITY FOUNDATION

Expendable Cash Transaction Register
From: 9/30/2015 to 1/31/2016

Date	Check Number	Journal Reference	Amount	Balance
		Beginning Cash Balance		**$114,291.73**
9/30/2015		POOLED MARKET DISTRIBUTION ALLOCATION	$3,990.21	$118,281.94
12/31/2015		POOLED MARKET DISTRIBUTION ALLOCATION	$3,990.21	$122,272.15
		Ending Cash Balance		**$122,272.15**

Held Distribution:

KANSAS STATE UNIVERSITY FOUNDATION

Principal Cash and Pooled Investment Activity
From: 10/2/2015 to 1/31/2016

Principal Cash Activity

Date	Journal Reference	Principal Cash	Balance
	Beginning Cash Balance		**$0.00**
12/31/2015	POOLED MARKET HOLDING ALLOCATION	$288.18	$288.18
1/1/2016	PURCHASE POOLED ENDOWMENT SHARES	($288.18)	$0.00
	Ending Cash Balance		**$0.00**

Underwater Distribution:

KANSAS STATE UNIVERSITY FOUNDATION

Principal Cash and Pooled Investment Activity
From: 10/2/2015 to 1/31/2016

Principal Cash Activity

Date	Journal Reference	Principal Cash	Balance
	Beginning Cash Balance		**$0.00**
12/31/2015	POOLED MARKET DISTRIBUTION ALLOCATION	$236.61	$236.61
1/1/2016	PURCHASE POOLED ENDOWMENT SHARES	($236.61)	$0.00
	Ending Cash Balance		**$0.00**

Term Endowed Liquidity Fee

Since there is more maintenance required on term endowed funds, a .5% annual fee is charged quarterly to these funds. Like the distributions, it is calculated on a per share basis based on the June 30th market value. This fee comes directly out of each individual fund. It reduces the amount that is available to be spent in that particular fund.

KANSAS STATE UNIVERSITY
FOUNDATION

Expendable Cash Transaction Register
From: 10/2/2015 to 1/31/2016

[redacted]

Date	Check Number	Journal Reference	Amount	Balance
		Beginning Cash Balance		**$5,563.29**
12/7/2015		[redacted]	($2,500.00)	$3,063.29
12/31/2015		POOLED MARKET DISTRIBUTION ALLOCATION	$633.86	$3,697.15
12/31/2015		TERM END LIQUIDITY FEE	($70.57)	$3,626.58
1/10/2016		[redacted]	($2,500.00)	$1,126.58
1/13/2016		CONTRIB-2016-01-13	$2,500.00	$3,626.58
		Ending Cash Balance		**$3,626.58**

Section 8 Sample Form Links and Examples

A link to the Foundation's website is provided after the name of each form. A paper copy of each form is provided in each section. You are encouraged to use the on-line version of the form. It is a PDF document that can be opened using Adobe Reader. Functionality has been extended to the document which allows for entering information and saving the entered information. If you wish to create templates that have recurring information entered, the forms will allow this. You **SHOULD NOT** make any changes to the forms. If there is information that needs to be communicated in addition to the form, please provide it in an attachment.

All forms are available on the Foundation website, with or without login privileges.
http://www.ksufoundation.org/financials/accounting_forms.html

KSUF-1 Contribution Transmittal Form

http://www. ksufoundation.org/fin-external/KSUF-1%20Contribution%20Transmittal%20Form-Rev%2004-2017.pdf

KSUF-2 Gift-In-Kind Form

http://www. ksufoundation.org/fin-external/KSUF-2%20Gift-In-Kind%20Form.pdf

KSUF-3 Benefits Received Form (quid pro quo)

http://www. ksufoundation.org/fin-external/KSUF-3%20Benefits%20Received%20Form-Rev-04-2017.pdf

KSUF-4 Non-Contribution Form

http://www. ksufoundation.org/fin-external/KSUF-4%20Non%20Contribution%20Form-Rev%204-2017.pdf

KSUF-5 Disbursement Request Form

http://www. ksufoundation.org/fin-external/KSUF-5%20Disbursement%20Request%20Form-Rev-04-2017.pdf

KSUF-6 Travel/Entertainment or Other Expenses

http://www. ksufoundation.org/fin-external/KSUF-6-Travel-Ent%20and%20Other%20Exp%20Form-Rev-04-2017.pdf

KSUF-7 Signature Authority

http://www. ksufoundation.org/fin-external/Foundation%20Request%20for%20Signature%20Authorization%20Change.pdf

KSUF-8 Fund Transfer Request Form

http://www. ksufoundation.org/fin-external/KSUF-8%20Fund%20Transfer%20Request%20Form-Rev-04-2017.pdf

KSUF-9 Sponsored Project Certification

http://www. ksufoundation.org/fin-external/KSUF-9%20Sponsored%20Project%20Certification-Rev-04-2017.pdf

Request to Modify a Fund

http://www. ksufoundation.org/fin-external/forms/Request_to_Modify_a_Fund.pdf

Request to Open a Fund

http://www. ksufoundation.org/fin-external/forms/Request_to_Open_a_Fund.pdf

FIN and ONE Access Registration Form

http://www. ksufoundation.org/fin-external/FIN_ONEAccess.pdf

KSUF-1 Contribution Transmittal Form SAMPLE

KSUF-1 Contribution Transmittal Form

KANSAS STATE UNIVERSITY
FOUNDATION
1800 Kimball Avenue, Suite 200
Manhattan, Kansas 66502-3373
785-532-6266 • www.found.ksu.edu

Print Form

The following PDF form should be used for transmitting Contribution Deposits.

A separate form should be submitted for each type of deposit (e.g. contribution, Gift-in-Kind, contribution with benefits received).

This PDF form is a FILL-IN form that can be used either with Adobe Reader or with Adobe Professional.

If you open the PDF form with Adobe Reader, you will be able to save the blank form for future use, fill-in requested data, print the form, and save the form with filled in data.

You can save the commonly used data (i.e. fund #, fund name, contact information) as a template in order to streamline the preparation of transmittal forms.

If you have access to Adobe Professional, you can customize the form for your college with a drop-down box listing the most used Fund numbers and Fund names. If you need help with this, please contact Christy Scott via e-mail at christys@found.ksu.edu.

KSUF-1 Contribution Transmittal Form SAMPLE

KSUF-1 Contribution Transmittal Form

KANSAS STATE UNIVERSITY
FOUNDATION
1800 Kimball Avenue, Suite 200
Manhattan, Kansas 66502-3373
785-532-6266 - www.found.ksu.edu

Print Form

Date

Fund #

Fund Name

INSTRUCTIONS:
1. This Form should be attached to any transaction where the recipient should receive a Gift Receipt.
2. If the donation is a Gift-In-Kind, please use KSUF-2 GIK Form.
3. If the donor receives benefits attached to the donation, please also attach KSUF-3 Benefits received Form or your own form.
4. Please submit one (1) form for each type of Gift.
5. Please limit number of transactions per batch to approximately 35.
6. Cash and Checks may be remitted together. **Credit Cards (by type) must be submitted in separate batches.**
7. Please provide adding machine tape which includes a subtotal for cash and checks or provides a total of all credit cards submitted.
8. Please provide Donor name and address if it is not clearly stated on the check or donation card.
9. Deposits which have NO contribution component should be remitted with the KSUF-4 Non-Contribution Form.

Whenever possible, checks should be made payable to the Kansas State University Foundation. Checks made payable to Kansas State University or any University entity, such as a college, department or program which clearly represents gifts to the University, may be deposited in the appropriate Foundation fund.

TYPE OF DEPOSIT: (Check one)

GIFT
(will receive an acknowledgement)

☐ Gift/Contribution (cash, check, credit card)

☐ Contribution with Benefits Recvd (attach KSUF-3 Benefits Recvd Form or your own form)

TYPE OF ASSET

Bank deposit procedures require Cash, Checks and Credit Cards to be remitted separately.

☐ Cash (Hand delivery recommended)

☐ Check (Limit of 35 checks per transmittal)

☐ Credit Card Check one: ☐ MC/Visa ☐ Discover ☐ AmEx

Total deposit enclosed

FOR AUDIT PURPOSES
1). Please attach copies of all correspondence relative to the deposit.
2). Please review all checks to verify that Dollar amount and Written amount are in agreement.
3). KSU Foundation cannot accept funds if they involve contract deliverables, fees-for-services, proprietary research, DCE or sales of State property.
4). All deposits and attachments will be imaged. Paper copies are retained for three months, and then shredded.
5). Credit Card information will only be retained for the period necessary to ensure proper collection of funds.

CONTACT INFORMATION

Name: PH Number Dept:

Kansas State University Foundation (Rev. 04/2017)

KSUF-2 Gift-In-Kind Form SAMPLE

KSUF-2 Gift-In-Kind Form

KANSAS STATE UNIVERSITY
FOUNDATION
1800 Kimball Ave., Suite 200
Manhattan, KS 66502

Print Form

The following PDF form should be used for providing information to document a Gift-In-Kind donation

This PDF form is a FILL-IN form that can be used either with Adobe Reader or with Adobe Professional.

If you open the PDF form with Adobe Reader, you will be able to save the blank form for future use, fill-in requested data, print the form, and save the form with filled in data.

You can save the commonly used data (i.e. fund #, fund name, contact information) as a template in order to streamline the preparation of transmittal forms.

If you have access to Adobe Professional, you can customize the form for your college with a drop-down box listing the most used Fund numbers and Fund names. If you need help with this, please contact Deb Depew via e-mail at debd@found.ksu.edu.

FEATURES OF THE FORM:

1). Fill-in boxes will automatically change the 'font' size to fit the information that you type into the space available.

KSUF-2 Gift-In-Kind Form SAMPLE

KSUF-2 Gift-In-Kind Form

KANSAS STATE UNIVERSITY
FOUNDATION
1800 Kimball Ave., Suite 200
Manhattan, KS 66502

Print Form

Date _____

DONOR INFORMATION

Name _____ Donor ID # (if available) _____

Address _____ City _____ State ____ Zip Code _____

GIFT DESCRIPTION

Provide Donor intended use, Equipment brand, Model #, Serial # and Condition of property. Attach Documentation

GIFT VALUATION

Donor's Valuation of Gift: _____

BASIS FOR VALUATION OF GIFT

◯ Sales Quotation or Invoice ◯ Market Price ◯ Outside Appraisal ◯ Other (please describe) _____

NOTES TO DONOR(S):

KSU Foundation gratefully acknowledges your in-kind contribution. The following information is being provided for your convenience and does not constitute legal advice on behalf of the KSU Foundation or its employees.

You are strongly encouraged to consult with your tax advisor:

* To claim a tax deduction for in-kind gifts valued between $500 and $5,000, the donor must complete Part I of IRS Form 8283 and attach it to their tax return
* For gifts that exceed $5,000, the donor must:
  ** Complete ALL parts of IRS Form 8283 and submit the complete form to KSU Foundation for a signature.
  ** Submit a certified appraisal dated no more than 60 days from the date of the donation. The appraisal must be prepared, signed and dated by a qualified, third-party appraiser.

The value of any item, regardless of the amount, is used for internal gift reporting only--the KSU Foundation does not include the estimated value on a donor receipt or acknowledgement. It is the responsibility of the donor to substantiate the fair market value for his/her own tax purposes.

My signature below verifies that I donated the property listed above to the Kansas State University Foundation. In doing so, I hereby relinquish all claims to ownership of said property.

Donor's Signature _____ Date of Gift: _____

UNIVERSITY OFFICE

Fund # _____ Fund Name _____

Person completing form _____ Department: _____ Campus Phone _____

Location of property recvd _____ Exempt use of property _____

Signature-Department Head _____ Date _____ Signature-Dean _____ Date _____

Print Name-Department Head _____ Print Name-Dean _____

KSU Foundation Use Only

Donor #_____ Gift Date_____ Fund # _____ Campaign Code _____

Account # _____4004/3105 Artwork (A) _____4007/3108 Furnishings (G) _____4001/3113 Rental Service (M)
_____4012/3109 Books & Pub (B) _____4002/3112 Auto, Boat, Plane (J) _____4201/3109 Construction (N)
_____4005/3106 Computer (D) _____4009/3110 Prof Services (K) _____4025/3109 Other (O)
_____4006/3107 Equipment (E) _____4003/3111 Livestock (L)

Approved by _____ Date approved_____

KSU Foundation (REV 09/2016)

KSUF-2 Gift-In-Kind Form SAMPLE

KSUF-2 Gift-In-Kind Form

KANSAS STATE UNIVERSITY
FOUNDATION
1800 Kimball Ave., Suite 200
Manhattan, KS 66502

Print Form

GIFT-IN-KIND ACCEPTANCE INSTRUCTIONS

In order to claim a gift of real or personal property (gift-in-kind) to KSU as a charitable tax deduction, the donor must have an acknowledgment of the gift from the KSU Foundation. KSUF-2 Gift-In-Kind Form must be completed by the KSU College or Department that receives the gift-in-kind property in order for the KSU Foundation to process and acknowledge the gift.

The KSUF-2 Gift-In-Kind Form is divided into four sections as follows:

The **Donor Information** section requires the donor's name, address, date of gift and signature. In the case it is not feasible to have the donor sign the form, a letter or note from the donor which confirms the gift and the donor's intent must be attached to the KSUF-2 Gift-In-Kind form.

The **Gift Description** section is to identify the gifted property, confirm the donor's intended purpose for the property and the amount or volume given. If equipment is donated, please also provide the identifying information such as the equipment brand, model, serial number and the condition of the property (i.e. new, used, or reconditioned). Please provide any available documentation from the donor, i.e. invoice, registration papers, certification etc.

The **Gift Valuation** section is used to establish the value and the method of valuation for the gifted item(s). The value assigned must be supported by adequate documentation, including invoices, outside appraisals, price lists, etc. Gifts valued in excess of $5,000 (a single item or group of similar items) are required, by the IRS, to be supported by a certified appraisal, completed within 60 days of the date of gift. The value assigned will be used by the KSU Foundation to determine the gift credit amount. However, the amount will not be noted on the gift receipt. The value allowed by the IRS for the tax deduction may be different from the gift credit amount. The donor is encouraged to consult with their tax advisor concerning the deductible amounts for each situation and to determine the documentation required by the IRS.

The KSU Foundation will acknowledge having received the gift by mailing a receipt to the donor. If the donor submits a completed IRS Form 8283 (Noncash Charitable Contributions) to the Foundation, the Foundation will sign and return the form to the donor. Additionally, the KSU Foundation is **required** by the IRS to file an IRS Form 8282 (Donee Information Return) for gifted items valued at more than $5,000, if the property is sold or disposed of **within three (3) years** of the date of the gift. The donor(s) will receive a copy of the 8282 which will list the "Amount Received Upon Disposition." This does not apply to gifted items that are consumed while fulfilling the University related purpose.

The value of a gift of an automobile, boat or airplane will be limited to the gross proceeds from the sale of the property by the Foundation.

The **University Office** section is to be completed by the receiving college or department. The department should include the fund designation for the gift item(s), the purpose or intended use by the college and the location of the property after receipt. **The Dean and Department Head must acknowledge their acceptance of the gift by signing in the "Approval Signature" line.**

It is the responsibility of the college or department to report any gift-in-kind that may fall under the University's inventory policy to the appropriate University official. For gifts of equipment, it is the University's policy that approval be secured prior to accepting the gift.

KSU Foundation (REV 09/2016)

KSUF-3 Benefits Received Form (quid pro quo) SAMPLE

KSUF-3 Benefits Received Form
(Quid pro quo)

KANSAS STATE UNIVERSITY
FOUNDATION
1800 Kimball Avenue, Suite 200
Manhattan, Kansas 66502-3373
785-532-6266 • www.found.ksu.edu

Print Form

The following PDF form should be attached to KSUF-1 Contributions Deposits when there are benefits received by the donor in exchange for the contribution.

This PDF form is a FILL-IN form that can be used either with Adobe Reader or with Adobe Professional.

If you open the PDF form with Adobe Reader, you will be able to save the blank form for future use, fill-in requested data, print the form, and save the form with filled in data.

You can save the commonly used data (i.e. fund #, fund name, contact information) as a template in order to streamline the preparation of transmittal forms.

If you have access to Adobe Professional, you can customize the form for your college with a drop-down box listing the most used Fund numbers and Fund names. If you need help with this, please contact Christy Scott via e-mail at christys@found.ksu.edu.

KSUF-3 Benefits Received Form (quid pro quo) SAMPLE

KSUF-3 Benefits Received Form
(Quid pro quo)

KANSAS STATE UNIVERSITY
FOUNDATION
1800 Kimball Avenue, Suite 200
Manhattan, Kansas 66502-3573
785-532-6266 • www.found.ksu.edu

Print Form

Date

Fund # **Fund Name**

INSTRUCTIONS:
1. KSUF-1 Contributions Form is required to be attached.
2. Attach this form (KSUF-3) when the donor has made a gift and also received some benefits.
3. If you have an EXCEL spreadsheet designed that provides similar information as this form, you may use it in lieu of KSUF-3.
4. If the donor's address is on their check, then you only need to complete the Donor name. Otherwise, please provide address.
5. Please attach a copy of any communication information that was provided to the donor (e.g. Invitation, brochure, copy of e-mail)

Benefits Received

Complete this section with the total paid and the total benefits received. For example, the department sponsors a Fundraising Event where a participant has the choice of entering a golf tournament, attending different social activities and/or participating in a variety of sponsorship activities. Please provide a copy of the literature provided to participants.

Name of Event

Donor Name/Address	Donor ID (if available)	Amount Paid	FMV of Benefits	Description of Benefits
	Pg 2 subtotal			
	Grand total		Total should agree with the amount on attached KSUF-1. It should also agree to the money/credit cards attached.	

PAGE 2 is available for overflow information

FOR AUDIT PURPOSES
1). Please attach copies of all correspondence relative to the deposit.
2). Please review all checks to verify that the **dollar** amount and **written** amount are in agreement.
3). KSU Foundation cannot accept funds if they involve contract deliverables, fees-for-services, proprietary research, DCE or sales of State property.
4). All deposits and attachments will be imaged. Paper copies are retained for three months, then shredded.
5). Credit Card information will only be retained for the period necessary to ensure proper collection of funds.

CONTACT INFORMATION

Name: Dept: PH Number

Kansas State University Foundation (Rev. 04/2017)

KSUF-4 Non Contribution Deposit Form SAMPLE

KSUF-4 Non Contribution Deposit Form

KANSAS STATE UNIVERSITY
FOUNDATION
1800 Kimball Avenue, Suite 200
Manhattan, Kansas 66502-3373
785-532-6266 • www.found.ksu.edu

Print Form

The following PDF form should be used for providing transmitting monies for deposit for which a contribution gift receipt will not be provided to a donor.

This PDF form is a FILL-IN form that can be used either with Adobe Reader or with Adobe Professional.

If you open the PDF form with Adobe Reader, you will be able to save the blank form for future use, fill-in requested data, print the form and save the form with filled in data.

You can save the commonly used data (i.e. fund #, fund name, contact information) as a template in order to streamline the preparation of transmittal forms.

If you have access to Adobe Professional, you can customize the form for your college with a drop-down box listing the most used Fund numbers and Fund names. If you need help with this, please contact Christy Scott via e-mail at christys@found.ksu.edu.

FEATURES OF THE FORM:

1). Fill-in boxes will automatically change the 'font' size to fit the information that you type into the space available.
2). The form will only allow you to choose one (1) Account code description. Separate forms should be used for each type of account coding.
3). The form will only allow you to choose one (1) Credit Card type. Separate forms should be used for each type of credit card.

KSUF-4 Non-Contribution Deposit Form SAMPLE. PLEASE NOTE: DSO MEMBERSHIP PAYMENTS NEED TO BE REMITTED TO CAMPUS.

KSUF-4 Non Contribution Deposit Form

KANSAS STATE UNIVERSITY
FOUNDATION
1800 Kimball Avenue, Suite 200
Manhattan, Kansas 66502-3373
785-532-6266 • www.found.ksu.edu

Print Form

Date

Fund #

Fund Name

INSTRUCTIONS:
1. This Form should be attached to any transaction where there is NOT a gift component.
2. Please submit one (1) form for each type of deposit.
3. Please limit number of transactions per batch to approximately 35.
4. Cash, Checks and Credit Cards (by type) must be submitted in separate batches with a separate Form.
5. Please write the FUND # in the memo section of each check.
6. The IRS requires some break-downs of deposited revenues, thus it is required that you select an account description for each non-contribution deposit.
7. Contribution deposits should be remitted with the KSUF-1 Contribution Form.

Whenever possible, checks should be made payable to the Kansas State University Foundation. Checks made payable to Kansas State University or any University entity, such as a college, department or program which clearly represents gifts to the University, may be deposited in the appropriate Foundation fund.

	Amount	Detail Description of deposit
Acct # 3202-Cash Income-(Non-fundraising dinner, banquet, rebates, services, commissions, entry fees, licensing fee, prize and awards, class reunions, insurance cash surrender values) ☐		
Acct # 3206-Fundraising Events--(such as dinners/dances, concerts, carnivals, sporting events, auctions, clinics, camps, etc) ☐		
Acct # 3207-Club Membership/Dues-(funds received for joining a club when benefits recvd are the same as value pd) ☐		
Acct # 3208-Reimbursements-(funds collected to reimburse for expenses incurred) ☐		
Acct # 3209-Sales-(sale of inventory items purchased with foundation funds for re-sale, i.e. t-shirt, calendars, etc.) Note any item purchased with or produced with STATE funds or facilities MUST be deposited into STATE accounts. ☐		
Acct # 3210-Rental Income-(funds received for rental of Non-State owned space, equipment, etc) ☐		

Check one box

☐ Cash(Hand delivery recommended)

☐ Check (Limit of 35 checks per transmittal)

☐ Credit Card Check one: ☐MC/Visa ☐Discover ☐AmEx

FOR AUDIT PURPOSES
1). Please attach copies of all correspondence relative to the deposit.
2). Please review all checks to verify that Dollar amount and Written amount are in agreement.
3). KSU Foundation cannot accept funds if they involve contract deliverables, fees-for-services, proprietary research, DCE or sales of State property.
4). All deposits and attachments will be imaged. Paper copies are retained for three months, then shredded.
5). Credit Card information will only be retained for the period necessary to ensure proper collection of funds.

CONTACT INFORMATION

Name: Dept: PH Number

Kansas State University (REV 04/2017)

KSUF-5 Disbursement Request Form SAMPLE

KSUF-5 Disbursement Request Form

KANSAS STATE UNIVERSITY
FOUNDATION
1800 Kimball Avenue, Suite 200
Manhattan, Kansas 66502-3373
785-532-6266 • www.found.ksu.edu

Print Form

The following PDF form should be used for requesting reimbursements for a Single Invoice to a Single Payee. This form is GENERALLY used for person's or companies who are non-KSU employees.

A separate form should be submitted for each payment request.

If your expenditures are for Travel/Entertainment or you have multiple invoices for same Payee, please use form KSUF-6 Travel/Entertainment and Other Expenses.

This PDF form is a FILL-IN form that can be used either with Adobe Reader or with Adobe Professional. If you open the PDF form with Adobe Reader, you will be able to save the blank form for future use, fill-in requested data, print the form, and save the form with filled in data.

You can save the commonly used data (i.e. fund #, fund name, contact information) as a template in order to streamline the preparation of transmittal forms.

If you have access to Adobe Professional, you can customize the form for your college with a drop-down box listing the most used Fund numbers and Fund names. If you need help with this, please contact Christy Scott via e-mail at christys@found.ksu.edu.

FEATURES OF THE FORM:

1). Fill-in boxes will automatically change the 'font' size to fit the information that you type into the space available.
2). The Total amount field is a calculated field.
3). The Acct # field is provided for use by some colleges that maintain additional accounting information. This field is NOT required by the Foundation and only needs to be completed if required by the College's Business Officer.
4). The College Approval section is provided for use by some colleges that require additional approvals. This section is NOT required by the Foundation and only needs to be completed if required by the College's Business Officer.

INSTRUCTIONS:

1). A separate form must be completed for each PAYEE.
2). If you have multiple invoices for a single PAYEE, please use form KSUF-6 Travel/Entertainment or Other Expenses.
3). If you have travel and entertainment expenses, please use form KSUF-6 Travel/Entertainment or Other Expenses.
4). Original and itemized receipts are required as documentation for all disbursement requests.
5). If payee is a new vendor, please provide address and FEIN or SSN number as well as a completed W-9. If you are paying a recurring vendor, you do not need to provide this information, just check the appropriate box.
6). Requests to pay non-KSU individuals for awards, honorariums or services rendered **must** include the individuals' full name, address and Social Security number. Use IRS Form W-9 to gather this information.
7). Please provide an Invoice number or a Customer number. This information will print on the check stub and aid the vendor in properly applying the payment to your account.

Kansas State University Foundation (REV 4/2017)

KSUF-5 Disbursement Request Form SAMPLE

KSUF-5 Disbursement Request Form

KANSAS STATE UNIVERSITY
FOUNDATION
1800 Kimball Avenue, Suite 200
Manhattan, Kansas 66502-3573
785-532-6266 • www.found.ksu.edu

Print Form

DATE

PAYEE Information	PURPOSE/JUSTIFICATION OF EXPENSE
WHO:	WHAT/WHERE: Describe purchase, i.e. office supplies,event, equipment, rental, catering, etc.
Payee Name	
Payee Address	
	WHEN: Provide Date purchase made or service to be rendered
FEIN# or SSN	
☐ Vendor Info on File ☐ W-9 Attached	WHY: Explain why the expenditure benefits KSU. For hospitality events provide list of attendees and their title in the space below or on an ATTACHMENT.
Provide Invoice # or Cust #	
See instructions for more information	

ACCOUNT INFORMATION/ AMOUNT

Accounting code (optional)	Fund # (req'd)	Fund Name (required)	Amount
		This amount should agree to attached Invoice---------TOTAL AMOUNT	

College Approval Section (to be used if College has additional approval procedures)--**NOT** required by the Foundation.

Requested by Name/Title _____ Signature _____

Approved by Name/Title _____ Signature _____

PAYMENT APPROVAL

I certify to Kansas State University Foundation that these expenses are valid, for the benefit of Kansas State University, and in accordance with donor instructions as documented in the FUND's MOU or appropriate correspondence. I also certify that reimbursement for these expenses is not being requested from another source.

_____ _____
Signature Date

_____
Name & Title

CONTACT NAME

☐ Call for Pickup ☐ Return Ck To:

Name:
Dept:
PH Number
Address

Kansas State University Foundation (REV 4/2017)

KSUF-6 Travel/Entertainment or Other Expenses Form SAMPLE

KSUF-6 Travel/Entertainment or Other Expenses

KANSAS STATE UNIVERSITY
FOUNDATION
1800 Kimball Avenue, Suite 200
Manhattan, Kansas 66502-3373
785-532-6266 • www.found.ksu.edu

Print Form

The following PDF form should be used for requesting reimbursements for Travel and Entertainment Expenses or when a Payee has multiple invoices to be reimbursed for.

The PDF form is a FILL-IN form that can be used either with Adobe Reader or with Adobe Professional.
If you open the PDF form with Adobe Reader, you will be able to save the blank form for future use, fill-in requested data, print the form, and save the form with filled in data.

You can save the commonly used data (i.e. fund #, fund name, contact information) as a template in order to streamline the preparation of transmittal forms.

If you have access to Adobe Professional, you can customize the form for your college with a drop-down box listing the most used Fund numbers and Fund names. If you need help with this, please contact Christy Scott via e-mail at christys@found.ksu.edu.

FEATURES OF THE FORM:

1). Fill-in boxes will automatically change the 'font' size to fit the information that you type into the space available.
2). Drop down boxes provide choices for Travel Expenses and Other Expenses. If you don't see a description that fits your expenditure, you can type the description directly into the field.
3). The Total Amount field is a calculated field.
4). There is a second page available for additional invoices. The total of the invoices on Page 2 will automatically populate to page 1.
5). The Fund #, Fund name and Payee name will automatically FILL-IN on the second page of the document. If you only need one page for information, just print that page only. Adobe allows you to select the pages to be printed.
6). This form is viewed in Landscape format. However, when printing, it will "shrink" to Portrait. If you wish to print in Landscape format you will need to set this preference in your print properties.

KSUF-6 Travel/Entertainment or Other Expenses Form SAMPLE

KSUF-6 Travel/Entertainment or Other Expenses

KANSAS STATE UNIVERSITY
FOUNDATION
1800 Kimball Avenue, Suite 200
Manhattan, Kansas 66502-3373
785-532-6266 • www.found.ksu.edu

Print Form

Fund #		Fund Name	
Payee Name			

Date	Expense paid to:	DESCRIPTION OF EXP & BUS PURPOSE Please state who, what, where, when, why to fully explain the nature of the expense.	Travel Expense Description (use drop down list or type your own)	Other Expense Description (use drop down list or type your own)	Fund # (if different from above)	Amount

Page 2 Total	

Kansas State University Foundation (REV 12/2017)

Fund Signature Authorization Change Request

Departmental Fund Signature Authorization Change Request

KANSAS STATE UNIVERSITY
FOUNDATION

About this Form *- This form should be used by the Foundation account custodian to document which individuals can approve expenditures on accounts and to provide an example of their signatures.*

Account Information *(all fields required)*

Fund Name: _____

Fund Number: _____ **Department/College:** _____

Signature Authorization *(all fields required) - Type the individual's information and have him or her physically sign on the signature line. Use the plus or minus buttons to add or remove line entries.*

+ -	First Name	Last Name	Title	Signature

Print

Reset

College Approvals *- When the Signature Authorization section is complete, obtain signatures from the appropriate college authorities.*

Department Head: _____

Date

Dean / Designee: _____

Date

Foundation Approval *- When the College Approvals section is complete, the account custodian sends the form to the Foundation for final approval.*

Foundation Agent: _____

Date

KSUF-8 Fund Transfer Request Form SAMPLE

KSUF-8 Fund Transfer Request

KANSAS STATE UNIVERSITY
FOUNDATION
1800 Kimball Avenue, Suite 200
Manhattan, Kansas 66502-3573
785-532-6266 • www.found.ksu.edu

Print Form

Date

Fund Transfer Request

INSTRUCTIONS:
1. KSUF-8 should be used anytime you are requesting that monies be transferred from one fund to another fund.
2. Signature authority is required from the person authorized to expend monies from the fund being transferred FROM.
3. The "transfer from fund#" information will automatically fill-in the Signature Authority section.

TRANSFER FROM FUND

Fund # (required)	Fund Name (required)	Transfer amount

REASON FOR TRANSFER

TRANSFER TO FUND #(s)

Fund # (required)	Fund Name (required)	Transfer amount

NET must equal ZERO $0.00

SIGNATURE AUTHORITY

Name and Title for person with Signature Authority

SIGNATURE

CONTACT INFORMATION

Name:

Dept:

PH Number

Kansas State University Foundation (Rev. 04/2017)

KSUF-9 Sponsored Project Certification Form SAMPLE

KSUF-9-Sponsored Project Certification

KANSAS STATE UNIVERSITY
FOUNDATION
1800 Kimball Avenue, Suite 200
Manhattan, Kansas 66502-3373
785-532-6266 • www.found.ksu.edu

Print Form

The following PDF form should be used for establishing a Sponsored Project Account with funds transferred from the KSU Foundation. It can also be used for the actual transfer of the funds whether that is at the beginning of the project, or for transferring funds that are available as a result of earnings from an endowed fund.

Because the transfer of funds is not usually accompanied by detail invoices to support the expenditures, the Foundation is requesting that an annual report be provided that describes the actual expenditures. This report will be provided by the Division of Financial Services, Sponsored Programs department after the end of each fiscal year (June. 30). Information is provided on the form with the e-mail address and deadline for providing this report.

This PDF form is a FILL-IN form that can be used either with Adobe Reader or with Adobe Professional.
If you open the PDF form with Adobe Reader, you will be able to save the blank form for future use, fill-in requested data, print the form, and save the form with filled in data.

You can save the commonly used data (i.e. fund #, fund name, contact information) as a template in order to streamline the preparation of transmittal forms.

If you have access to Adobe Professional, you can customize the form for your college with a drop-down box listing the most used Fund numbers and Fund names. If you need help with this, please contact Christy Scott via e-mail at christys@found.ksu.edu.

FEATURES OF THE FORM:

1). Fill-in boxes will automatically change the 'font' size to fit the information that you type into the space available.
2). The Acct # field is provided for use by some colleges that maintain additional accounting information. This field is NOT required by the Foundation and only needs to be completed if required by the College's Business Officer.
3). The Foundation Fund # and Foundation Fund Name boxes in the Check Request section will fill-in automatically from the information entered in the middle section of the form.

INSTRUCTIONS:

1). Please provide the Sponsored Project Account # and Name (unless this is the initial application).
2). You must attach a copy of the Memorandum of Understanding for the Foundation fund which received the donation. If you need a copy of the MOU, please contact KSU Foundation, Donor Relations department.
3). If you are requesting a transfer of funds, you must provide a detail description of how the funds will be utilized by the project.
4). The signed copy of the KSUF-9 form a check (made payable to Kansas State University) will be forwarded to the office of Sponsored Projects.

KSUF-9-Sponsored Project Certification

KANSAS STATE UNIVERSITY
FOUNDATION
1800 Kimball Avenue, Suite 200
Manhattan, Kansas 66502-3373
785-532-6266 • www.found.ksu.edu

Print Form

DATE

The purpose of this form is to transfer KSU Foundation funds to a Sponsored Project Account. The form may be used to set up a new Sponsored Project Account, to request a specific transfer of funds and to certify that the Sponsored Project satisfies the donor restrictions placed on the Foundation monies.

Sponsored Project Acct # (if NEW, so indicate)	Sponsored Project Title	Original Project Amount (If known)

Provide Name and Department of Principal Investigator(s) or Project Director(s)

Name and Department	Name and Department	Name and Department

DONOR PURPOSE AND RESTRICTIONS

Foundation Fund #	Foundation Fund Name

A copy of the signed Memorandum of Understanding MUST be attached to this request. The MOU provides information regarding the donor's purpose and restrictions.

CHECK ALL THAT APPLY

- ☐ No provisions are imposed concerning publications.
- ☐ Patents &/or Copyrights are not retained by the donor
- ☐ No specific time limit is designated
- ☐ Specific commitment of University resources is not required
- ☑ The KSU Foundation REQUIRES an annual expenditure report as of June 30. (E-mail report by Sept. 30 to foundation@found.ksu.edu)

CHECK REQUEST/ AMOUNT

Accounting code (optional)	Fund #	Fund Name	Amount

Provide detail description as to how funds requested will be used.

By signing this form you are authorizing the project, the account request and certifying that to the best of your knowledge, this project is in compliance with the KSU Conflict of Interest Policy. An annual report of expenditures (as of June 30th) will be provided to the KSU Foundation each year that the project continues to be active.

Department Chair Name _____ Signature _____

Dean or Designee _____ Signature _____

By signing this form you are certifying that the funds were received as a gift and that all known conditions or restrictions associated with these funds have been listed.

_____ Signature _____ Date

_____ KSU Foundation/Name-Title

CONTACT NAME

☐ Call for Pickup ☒ Return Ck To:

Name:	
Dept:	Office of Preaward Services
PH Number	2-6804
Address	002 Fairchild Hall

Kansas State University Foundation (REV 4/2017)

Request to Modify a Fund

KANSAS STATE UNIVERSITY
FOUNDATION

Print Form

REQUEST TO MODIFY AN EXISTING EXPENDABLE FUND

For Campus Funds Only

Return completed form to
KSU Foundation - Donor Compliance (DonorCompliance@found.ksu.edu)

Fund Information

Fund # _____ **Fund Name** _____

College _____ Department _____

Requestor's name _____ Phone _____ Email _____

Changes Requested

Fund Name _____

60 Characters Allowed

Use of fund

Provide a detailed description for fund usage. This information will be provided in the on-line criteria section.

A Memorandum of Understanding (MOU) is required to modify any fund which requires awarding criteria as well as any endowed fund. Please contact your Development Officer.

Signature Authority

Name of person authorized to approve expenditures _____ Title of authorized person _____ Signature of authorized person _____

Date _____

Approval

Print Dean, Provost, Chief of Staff or VP name (as applicable) _____ Signature _____

Date _____

This account will be administered in accordance with all Foundation & University policies and procedures.

FOR KSU FOUNDATION USE ONLY

Fund # _____ Group _____ Type _____ Purpose _____

College _____ Department _____ Primary Goal _____ Secondary Goal _____

DO initial & date _____ Compliance initial & date _____ Acctg Setup initial & date _____

Updated-02/24/2017

Request to Open a Fund

KANSAS STATE UNIVERSITY
FOUNDATION

Print Form

REQUEST TO OPEN AN EXPENDABLE FUND

For Campus Funds Only

Return completed form to
KSU Foundation - Donor Compliance (DonorCompliance@found.ksu.edu)

Fund Information

College _____ Department _____

Requestor's name _____ Phone _____ Email _____

Fund Name _____
60 Characters Allowed

Use of fund

Provide a detailed description for fund usage. This information will be provided in the on-line criteria section.

Source of Funding ☐ Donations ☐ Other (explain) _____

A Memorandum of Understanding (MOU) is required to establish any fund which requires awarding criteria as well as any endowed fund. Please contact your Development Officer.

Signature Authority

Name of person authorized to approve expenditures | Title of authorized person | Signature of authorized person

Name of person authorized to approve expenditures | Title of authorized person | Signature of authorized person

Date _____

Approval

Print or type Department Head (if not already listed in Signature Authority) | Signature

Print or type Dean, Provost, Chief of Staff or VP name | Signature

Date _____

This account will be administered in accordance with all Foundation & University policies and procedures.

FOR KSU FOUNDATION USE ONLY

Fund # _____ Group _____ Type _____ Purpose _____

College _____ Department _____ Primary Goal _____ Secondary Goal _____

DO initial & date | Donor Compliance initial & date | Acctg Setup initial & date

Updated-02/24/2017

FIN and ONE Access Registration Form

Kansas State University Foundation/Alumni Association
Access Registration Form

** Office Use Only **
Username:

Please read the following, sign and date the form. Please return to:

Jeanine Lake
Senior Director of Information Services
KSU Alumni Association
1720 Alumni Center
jlake@k-state.com

I am aware that the KSU Foundation/Alumni Association reserves the right and will exercise the right to monitor all data distributed on the Foundation's Portal and the ONE Database.

I understand that security dictates I not allow any other person to know or use my password and that, should it become known and used without my knowledge, I will change my password. I understand should I allow another person to use my user ID and password, I will be discontinued as a registered user.

Further, I understand all information I access is confidential and is only intended to be used for University sponsored development or alumni events and will not be disclosed to any other person(s). Failure to comply with this policy may result in denial of future access to donor and alumni information and other disciplinary action in accordance to the law.

I certify that I have read and that I understand the above acknowledgement:

Print User's Full Name	College	Department	Office Phone

User's Signature	Job Title	E-Mail Address

Dean's Level Access: Receives financial information for the entire college.
Department Level Access: Receives financial information for the specified department(s).
Fund Account(s) Level Access: Receives financial information for the specified fund(s).

FUND ACCOUNTING REPORTS: (check only one level of access)
Monthly reports that contain financial information related to fund accounts. Information includes contributions, other deposits, expenditures and transfers. Reports include monthly project activity reports and special requests. Interim reports will be available weekly until each month is closed.

- ☐ Dean's Level Access
- ☐ Department Level Access (please list Department(s) below):

  _____

- ☐ Fund Account(s) Level Access (please list Fund Account(s) below):

  _____

ONE: (check only one level of access)
"On-line" database that contains biographical and donor related information on all graduates, friends and donors of the University.

- ☐ Dean's Level Access (access all donor's biographical information and giving history to the college)
- ☐ Campus Level Access (access all donor's biographical information only; **cannot** access giving history)
- ☐ Other: _____

PLEASE NOTE: College Dean must approve the level of security appropriate for the user listed above.
(If not affiliated with a College, approval should come from an Associate VP, Assistant VP, VP or Department Head)

Please Print Full Name of Approver	Approver's Signature	Date

Section 9 Appendices

Directory of Departments and Contacts

Please visit the Foundation website for a complete listing of current personnel:
http://www. ksufoundation.org/Staff/ksuf-staff.html

Resources

IRS Publication 463-Travel, Entertainment, Gift and Car Expenses
http://www.irs.gov/pub/irs-pdf/p463.pdf

IRS Publication 521-Moving Expenses
http://www.irs.gov/pub/irs-pdf/p521.pdf

IRS Publication 526-Charitable Contributions
http://www.irs.gov/pub/irs-pdf/p526.pdf

IRS Publication 561-Determining the Value of Donated Property
http://www.irs.gov/pub/irs-pdf/p561.pdf

IRS Publication 1771-Charitable Contributions Substantiation and Disclosure Requirements
http://www.irs.gov/pub/irs-pdf/p1771.pdf

IRS Form-8283-Noncash Charitable Contributions
http://wwwirs.gov/pub/irs-pdf/f8283.pdf

IRS Form-8283-Instructions-Noncash Charitable Contributions
http://www.irs.gov/pub/irs-pdf/i8283.pdf

IRS Form-8282-Donee Information Return (Sale, Exchange, or Other Disposition of Donated Property and Instructions
http://www.irs.gov/pub/irs-pdf/f8282.pdf

IRS Form-W-9-Request for Taxpayer Identification and Certification
http://www.irs.gov/pub/irs-pdf/fw9.pdf

KSU Policy and Procedures Manual
http://www.k-state.edu/policies/ppm/1020.html

Requirements for Transfers of GIK Property with value of more than $5,000

Gifts of tangible or intangible personal property will be considered for acceptance only if needed by the University to be used in a manner which is related to the University's mission. If such gifts are accepted, the needs of the University will determine whether the gift is held or sold, or ownership is transferred to the University. When property is transferred from the Foundation to the University, it is subject to all normal restrictions on University property.

To claim a gift of real or personal property (gift-in-kind or GIK) to the Foundation as a charitable tax deduction, the donor must have an acknowledgment of the gift from the Foundation. In order to have the information needed to provide this acknowledgment, the Gift-In-Kind Donation Form (KSUF-2) must be completed by the KSU College or Department to acknowledge acceptance by the University. The form should then be forwarded to the Foundation

It is the responsibility of the **donor** to determine the fair market value (FMV) of GIK property in order to report a tax-deductible contribution in their income tax return
In the case of a GIK property donation which has been valued at **more** than $5,000, the Internal Revenue Service (IRS) requires a qualified appraisal that has been prepared by a qualified appraiser. The Foundation requests a copy of the appraisal to recognize the donor at the appropriate giving level as well as for notifying the University of the Value of the gift received.

Per the IRS, a qualified appraisal document includes eleven very specific pieces of information about the property being donated, the appraiser, and the method of appraisal. Additional information is also required if the donation is of art objects. A donor should consult their tax professional and IRS Publication 561-"Value of Donated Property" to ensure that they have a qualified appraisal.

A qualified appraiser is an individual who meets all the following requirements:

- The individual has either
  - Earned an appraisal designation from a recognized professional appraiser organization
  - Met minimum education and experience requirements
    - For real property the appraiser must be licensed in the state of the property
    - For other property the appraiser must have completed college or professional-level coursework relevant to the property being valued and have 2 years' experience in buying, selling, or valuing the type of property being appraised.
  - Regularly prepares appraisals for which he or she is paid.
  - Demonstrates verifiable education and experience. The appraiser can make a signed declaration that because of his/her background, experience, education, he/she is qualified to make the appraisal.

The following persons cannot be a qualified appraiser with regards to the donated property:

- The donor of the property
- The donee of the property
- A party to the transaction in which the donor acquired the property (unless the property was acquired within 2 months of the donation)
- Any person employed by the above three
- Any person related to any of the first three above

EXAMPLES:

Example 1:
Facts: An individual has a horse that "when healthy" was valued by him at $15,000. The animal is sick and has been brought to the KSU Veterinary Medicine department to be evaluated for surgery. The Vet Med department has determined that the surgery will cost $10,000. Without surgery, the animal will either die or suffer through a very poor remaining life. The individual decides to gift the animal to Vet Med to be used for "practice surgery" by Vet Med students. Can the individual receive a $15,000 tax receipt?
Answer: It is the policy of the KSU department **and** the Foundation to not process a GIK form or provide a tax receipt for a donation of an acutely and critically ill animal.

Example 2:
Facts: The facts are the same as example 1, except that the "when healthy" value was $4,999. In this situation, the donor has no IRS requirement for providing an appraisal in order to receive a tax deduction. Can the individual receive a $4,999 tax receipt?
Answer: It is the policy of the KSU department **and** the Foundation to not process a GIK form or provide a tax receipt for a donation of an acutely and critically ill animal.

Example 3:
Facts: A donor wants to make a GIK contribution of an item of art that has been appraised at $20,000. Can the individual receive a $20,000 tax receipt?
Answer: The donor and KSU Department must complete KSUF-2. The Foundation requests a copy of the written appraisal. The Foundation, **upon the request** of the donor, will complete Part IV Donee Acknowledgment of IRS Form 8283. The donor should also consult their tax advisor and IRS Publication 561 for additional requirements when preparing their income tax return. Once the KSUF-2 form is completed and accepted, the Foundation will issue a tax receipt which will acknowledge the donation and provide a description of the property transferred. By IRS rules the dollar amount is not included on the tax receipt.

Example 4:
Facts: A donor makes a GIK contribution of a horse to be used by the Athletics Equestrian Team. The horse is valued at $3,000. Can the individual receive a $3,000 tax receipt?
Answer: The donor and the Athletics department must complete KSUF-2. No appraisal is needed as the value of the gift is less than $5,000. Once the KSUF-2 form is completed and accepted, the Foundation will issue a tax receipt which will acknowledge the donation and provide a description of the property transferred. By IRS rules the dollar amount is not included on the tax receipt.

Example 5:
Facts: A donor makes a GIK contribution of a horse to be used by the Athletics Equestrian Team. The horse is valued at $30,000. Can the individual receive a $30,000 tax receipt?
Answer: The donor and the Athletics department must complete KSUF-2. An appraisal from a person qualified to determine the value of a horse is required by the IRS in order to receive a tax deduction. The appraisal date cannot be more than 60 days prior to the date of the donation. No member of the Athletics department is allowed to prepare the appraisal. The Foundation requests a copy of the written appraisal. The Foundation, **upon the request** of the donor, will complete Part IV Donee Acknowledgment of IRS Form 8283. The donor should also consult their tax advisor and IRS Publication 561 for additional requirements when preparing their income tax return. Once the KSUF-2 form is completed and accepted, the Foundation will issue a tax receipt which will acknowledge the donation and provide a description of the property transferred. By IRS rules the dollar amount is not included on the tax receipt.

Requirements for Transfers of Real Property

When considering transferring real estate to the KSU Foundation, either via an outright gift or a life income arrangement, several factors are taken into consideration by the Foundation before such a gift is accepted. Those factors include:

Location	Market value	Use of the property
Marketability	Condition	Environmental factors

For specific questions and/or procedures regarding a possible gift of real estate, please contact:

Larry D. Fox, Director of Real Estate
Kansas State University Foundation
1800 Kimball Ave., Suite 200
Manhattan, KS 66502 785-532-7541 (direct line) or 1-800-432-1578
Tax ID # 48-0667209

In general, for the KSU Foundation to consider a gift of real estate, the following information needs to be made available to the Director of Real Estate of the Foundation:

1. Complete address of property.
2. Legal description of property.
3. Current use of property.
4. Name in which ownership of property is held.
5. Name and address of occupant or tenant of property.
6. Owner's estimate of market value of property.

If it is determined that a specific gift of real estate is in compliance with the policies of the Kansas State University Foundation, the following steps need to be taken before ownership of the property is transferred to the Foundation.

1. The property will need to be appraised by a licensed real estate appraiser for the area in which the property is located (at the donor's expense, as per IRS regulations).
2. The property will be inspected by Foundation staff, if it is determined to be physically possible and appropriate, to determine if a more extensive environmental assessment is needed.
3. An ownership certificate will be obtained from a local title company to determine how ownership of the property is held.
4. A warranty deed will need to be prepared by a qualified individual.
5. Legal documents will need to be drafted by KSU Foundation staff and approved if the property is being used to fund a life income arrangement.

Additional information regarding the "Policy for Receiving Real Estate and for the Sale of Real Estate Contributed to the Kansas State University Foundation" is available upon request.

Frequently Asked Questions

There are four basic criteria that determine the legitimate use of Foundation funds.

a. **The use must be reasonable and benefit KSU.**
b. **The use must fall within the donor's intent for the gift.**
c. **The use must not jeopardize the Foundation's tax-exempt status.**
d. **The use must comply with all applicable statutes and regulations.**

Q1. When can a spouse/partner's expenses associated with attendance at a KSU-sponsored function or travel be reimbursed from Foundation funds?

A1. With regards to travel expenses the IRS states that if a spouse/partner, dependent or other individual goes with you on a business trip or to a business convention, you generally cannot deduct his or her travel expenses. Exceptions to this are if the "other person" is your employee or has a bona fide business purpose for the travel. A bona fide business purpose exists if you can prove a real business purpose for the individual's presence. Incidental services, such as typing notes or assisting in entertaining customers are not enough to make the expenses deductible. With regards to entertainment expenses the IRS further states…"You generally cannot deduct the cost of entertainment for your spouse/partner or the spouse/partner of a customer. However, you can deduct these costs if you can show that you had a clear business purpose, rather than a personal or social purpose, for providing the entertainment." There is not a single definition that determines "clear business purpose." You have to look at the "facts and circumstances" of each situation and determine whether a reasonable person would agree that a clear business purpose exists.

We will use the following examples for explanatory purposes:

Example 1: A member of the faculty entertains, at a business dinner, a donor and spouse/partner for philanthropic purposes. The IRS in section 1.274-2(4) specifically provides that it is reasonable and appropriate for the faculty member's spouse/partner to join the event. (Note: it is not required that the faculty member's spouse/partner join the meeting, but it is allowable). The entertainment expenses for all parties will be reimbursable.

Example 2: A member of the faculty entertains a donor, but not their spouse/partner, for philanthropic purposes. If the faculty member includes his/her spouse/partner at the event, the spouse/partner's expenses are **not** reimbursable because there was generally no business purpose for including the spouse/partner.

Example 3: The Dean, his/her spouse/partner (who is accompanying for personal reasons), and the Development Officer are traveling out of town for purposes of meeting with donors. A donor and spouse/partner are invited to attend a business dinner with the Dean, the Dean's spouse/partner and the Development Officer. In this situation the expenses related solely to the dinner may be reimbursed for the Dean's spouse/partner, because the donor's spouse/partner is included. However, if the facts are changed and at the last minute the Donor and spouse/partner are unable to make the dinner or only the Donor attends the meeting, the expenses associated with the Dean's spouse/partner cannot be reimbursed by the Foundation and should be paid for by the Dean.

Example 4: A member of the faculty is attending a business conference in Florida and his/her spouse/partner travels with the faculty member. The conference does not have any meetings where other attendees' spouses/partners are included. No expenses for the spouse/partner are reimbursable. With regards to the hotel expenses, you will be reimbursed at the Hotel's SINGLE occupancy rate only. If the hotel does not have a SINGLE occupancy rate, you need to provide documentation to that effect from the hotel.

Example 5: A member of the faculty and an associate member of the faculty entertain a prospective employee and spouse/partner during the interview process. The entertainment expenses for all parties will be reimbursable.

Example 6: Whether or not a spouse/partner's expenses associated with attending a banquet are reimbursable depends upon the "facts and circumstances" surrounding the banquet and whether or not the spouse/partner's attendance provides a business purpose.

- The college is hosting a banquet to recognize their "honor scholars." The event is open to the general public including faculty members, students, parents, non-staff members, etc. In this circumstance, it is appropriate to include faculty spouse/partners and the Foundation would reimburse the cost of attendance.
- The college is hosting a banquet to recognize their "honor scholars." The event is open only to faculty members and students. In this circumstance, if a faculty member includes their spouse/partner it is **not** a reimbursable expense.
- The attendees to the banquet include visiting dignitaries and their spouses/partners or guests. The inclusion of faculty spouse/partner is an appropriate business expense and therefore would be reimbursable.
- The attendees to the banquet include visiting dignitaries but not their spouses/partners. The inclusion of faculty spouse/partner is **not** an appropriate business expense and therefore would **not** be reimbursable.

Example 7: Expenses associated with a departmental retreat should only include department faculty and staff. Spouse/partner expenses will not be reimbursed.

Example 8: Expenses associated with a departmental holiday party or departmental picnic including families will be reimbursed.

Example 9: With the exception of an event that includes all staff and family members, expenses associated for children to attend a business meal or entertainment are not reimbursable.

Q2. Why do I have to include names and titles of all persons in attendance at an event?

A2. The IRS requires the establishment of the business relationship of the persons for whom expenditures have been incurred. Their literature states that persons' occupations and other information such as names, titles or other designations must be provided to establish the business relationship to the organization; for example, donor, contractor, speaker, company representative, or VP for Human Resources for XYZ company. Additionally, due to the large number of people associated with KSU, we require the title information (i.e. Dean, Professor of XYZ College, student, graduate assistant, etc.) for KSU employees or students be provided in order for the documentation to be clear and complete.

- **EXCEPTIONS**
  - If the event is open to the public no list is required, however a brochure or flyer should be provided as documentation to that effect.
  - If the event has more than 20 people in attendance you should provide a general description of who is invited, (e.g. open to all students and faculty) as well as a description of the event. You don't need to provide a list of who actually attended.

Q3. What is required to document the "business purpose" for expenditures?

A3. Substantiation rules under IRS §274 require every disbursement request must provide documentation justifying the business purpose of the expense. In addition to the **original** receipt, all disbursement requests are required to contain the following information:

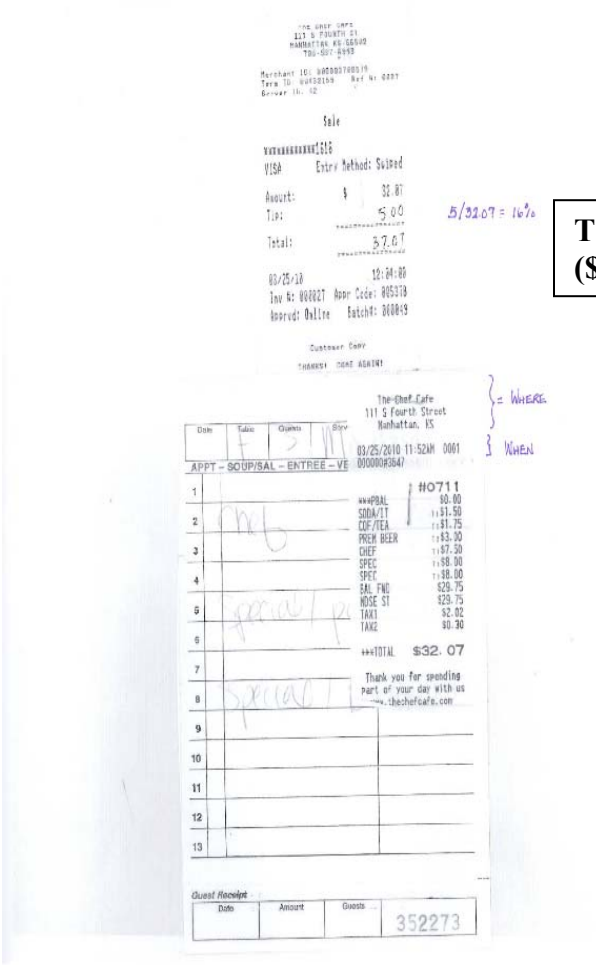
- Who - This is the name of the person or entity that is being reimbursed (i.e. who the check is made out to)
  - If a vendor, the vendor's name and address is required
  - If the expenditure is for services, the vendor's Tax Identification Number is required so that an IRS form 1099 can be filed. The preparation of IRS Form W-9 is useful. This form can be found at http://www.irs.gov/pub/irs-pdf/fw9.pdf
  - If a KSU employee, the employee's name and title is required
- What - Describe what was purchased (e.g. office supplies, equipment, business meal)
- Where - List the name of underlying service provider. (i.e. Applebee's, Manhattan, KS)
- When - Date of the expenditure
- Why - This is where you should explain how the expenditure benefits KSU.
  - Purchased a computer does not explain why you purchased the computer. This would be included in the "WHAT" part of the explanation. The WHY would go on to explain that the computer was purchased for use in the Student Computer Lab.
  - When the expenditure is for a business meal, the description should also include the type of business discussed, and list all of the people in attendance at the meal plus their business title.

Example 1: Dean John Doe entertained two donors at a business luncheon. The following information should be provided in his request for reimbursement from the Dean's discretionary foundation fund.

Please reimburse $37.07 from Fund number A12345

Who: Please reimburse Dean John Doe, College of XYZ
What: Business Luncheon in the amount of $37.07
Where: The Chef Café, Manhattan, KS
When: 03/25/2010
Why: Meeting to finalize donation to College of XYZ
John Doe, Dean of College of XYZ
Mr. Smith, KSU alumnus
Mrs. Smith, KSU alumna

The attached invoice should also be provided. Note that for meal reimbursements, the DETAIL receipt showing a listing of the food and beverages purchased should be attached in addition to the credit card receipt.



Total receipt is $37.07 ($32.07 + $5 tip)

Example 2: Dean John Doe and Asst Dean Jane Smith from the College of XYZ meet for lunch at the Aggieville Café to discuss curriculum changes. Even though there is a business purpose for the luncheon meeting, it is the policy of KSU and the Foundation to **not** reimburse meals when the parties are from the same College.

EXCEPTION: Expenses associated with the occasional and infrequent department wide staff meeting or retreat will be reimbursed. A listing of all attendees, their titles and an agenda for the meeting **must** be provided with the documentation

Q4. What is the policy regarding reimbursement for tips?

A4. The current policy provides for a tip of no more than 20% of the value of the meal or service being provided plus tax. If the tip exceeds 20%, the reimbursement request will be adjusted downward to reflect a 20% tip. It is however, allowable to round up to the next whole dollar.

- **Example**: A business meal cost $50.32. The exact amount of a 20% tip would be $10.06 (for a total of $60.38). If you round up the payment to $61.00 this would be permissible.

Q5. What are the rules regarding promotional items or gifts that are given to a donor as a thank-you or acknowledgement of their donation to the Foundation?

A5. There are several different IRS rules that could apply to gifts that you provide.

1. With regards to gifts given that are as a result of a donation received, the IRS allows that if a promotional item is considered a "low-cost" item then no additional reporting on the donor's Tax Receipt is required. A low-cost item is described as something that bears the organization's name or logo (e.g. calendars, mugs, or posters) and the cost is $10.90 (this amount is adjusted annually for inflation) or less. For this rule to apply, the donation received must be at least $54.50 (2018 - this amount is adjusted annually for inflation).
2. There is a "token exemption" if you provide a gift whose value or "quid pro quo" does not exceed the lesser of 2% of the payment or $109 (2018 - this amount is adjusted annually for inflation).
3. **EXAMPLES:**
   a. **Example 1:** A donor makes a $5,450 gift. You may provide a gift valued up to $109.00 and his entire donation will be deductible. ($5,450 x 2% = $109.00).
   b. **Example 2:** A donor makes a $5,450 gift. You provided a gift valued at $110. The token exemption does not apply. The Foundation would need to report on the tax receipt a donation of $5,450 with benefits received of $110, therefore a tax deductible gift of $5,340.
   c. **Example 3:** A donor makes a gift of $5,500. You provided a gift valued at $110 ($5,500 x 2%). Even though the gift did not exceed 2% of the donation, it **does** exceed the maximum allowed of $109; therefore the Foundation would need to report on the tax receipt a donation of $5,500 with benefits received of $110, thus a tax deductible gift of $5,390.
   d. **Example 4:** A donor makes a $54.50 gift. You may provide a token gift of up to $10.90 without impact on the donor's deductibility
   e. **Example 5:** A donor makes a $30.00 gift. You may provide a token gift of only .60 cents ($30 x 2%). The token exemption **does not** apply because the donation payment was less than $54.50.

This Table provides the Calculations and Explanations for the Examples discussed above.

Item	Total Donated	Token Value	Quid Pro Quo Value	Tax Deductible Gift	Explanation
EX 1	$5,450	$0.00	$109.00	$5,450.00	The value received was less than $109.00 and no more than 2% of the donation so the entire donation is deductible.
EX 2	$5,450	$0.00	$110.00	$5,340	No Token exemption. The value received was more than 2% of the donation. The deductible gift is the Donation minus the value received.
EX 3	$5,500.00	$0.00	$110.00	$5,390.00	No Token exemption. Since the value of the QPQ was more than $109.00 the tax deductible gift is the donation minus value received.
EX 4	$54.50	$10.90		$54.50	Since the Donation was $54.50 or more, and the Token items were not more than $10.90, the full donation is allowed.
EX 5	$30.00	$0.00	$1.00	$29.00	Since the amount received is less than $54.50, you can only provide a token equal to 2% of the gift, or 60 cents. If items costing $1.00 are given, they must be disclosed.

Q6. What are the rules regarding gifts that are given to a donor that is not related to a contribution received from the donor?

A6. The IRS allows for the deduction of expenses for "business gifts" that do not exceed $25.00 in a calendar year. This would be a gift that was not associated with a donation received from donor. This type of gift would have no impact on the recipient.

Q7. What are the rules regarding gifts to students, employees or co-workers?

A7. There are several different IRS rules that apply to gifts depending on the "facts and circumstances" surrounding the gift.

1. The IRS allows for the deduction of expenses for "business gifts" that do not exceed $25.00 in a calendar year. If the recipient is **not** an employee the type of the gift can be tangible property, cash or gift card. In this situation it will not be necessary for the Foundation to collect the name of the recipient and their tax identification number.
2. Gifts to Unclassified or student employees have some additional rules that must be followed:
   - **a.** Cumulative annual gifts of tangible property valued at $25 or less may be given without any additional reporting requirements.
   - **b.** A gift of cash, gift card or gift certificate of **ANY** amount requires that the recipient's name and tax identification number be provided to the Foundation by submitting a W-9 form. The Foundation is then required to provide the information to the Human Resources department for inclusion in the recipients' taxable income.
3. Gifts **MAY NOT** be given to Classified employees. Any additional compensation to a classified employee is governed by State compensation rules. The Foundation cannot reimburse for a gift made to a classified employee. Any reimbursement requests must be denied.
4. Retirement, length of service and honoraria gifts can qualify for non-taxable treatment if certain guidelines are met. Please refer to the sections in the Foundation Accounting Manual and the KSU Policy and Procedures Manual (PPM) for a complete discussion of the rules. See the following document; http://www.kstate.edu/policies/ppm/4812.html
5. In addition to IRS rules regarding gifts, employees of the State of Kansas must also be mindful of the requirements set out by the Kansas Ethics Commission. These rules are available at http://www.kansas.gov/ethics/

Q8. What steps are needed when prizes are given at a fundraising event?

A8. There are different IRS rules that govern prizes. It is common practice to provide various cash or non-cash prizes at auctions and golf tournaments that are held as fundraising events. Prizes are reportable as taxable income by the recipient. The income is reportable regardless of whether the prize is given in the form of cash, gift card (which is the same as cash), or merchandise. The Foundation is required to report these types of income to the recipient at the end of the year on IRS Form 1099 if the **accumulated** amount of income during the calendar year is $600 or more.

- **Example:** Your college hosts an annual golf tournament. One of the events in the tournament is a "Closest to the Hole" contest. The winner will receive a golf bag valued at $100, or cash prize of $100, or a gift card for $100. You should provide the winner's name, address and tax payer identification number to the Foundation accounting department. The use of IRS Form W-9 is helpful in collecting this information http://www.irs.gov/pub/irs-pdf/fw9.pdf. This information must be collected even though

the winning amount is less than $600. This same person could go on to win a $500 prize in another KSU fundraising event during the same year. If that occurs the Foundation would be **required by law** to provide Form 1099 to the individual. The income is reportable regardless of whether the prize is given in the form of cash, gift card (which is the same as cash), or merchandise.

- **NOTE:** If an employee of KSU wins a prize at a fundraising event, the value of that prize (whether cash or merchandise) must be reported on the employee's W-2 regardless of the amount of the prize.

Q9. What are the rules that apply when a donor makes a payment that is partly contribution and partly for quid pro quo, goods and services (hereinafter "*benefits received*")?

A9. The Foundation must furnish a written disclosure statement if a donor makes a payment that is more than $75 and is partly a contribution and partly *benefits received*. The statement must tell the donor that he/she can deduct only the amount of the payment that is more than the value of the goods or services received. The Foundation must also give the donor a good faith estimate of the value of the goods or services.

A penalty is imposed on charities that do not meet the written disclosure requirement. The penalty is $10 per contribution, not to exceed $5,000 per fundraising event or mailing. An organization may avoid the penalty if it can show that failure to meet the requirements was due to reasonable cause.

- **Example 1:** Your College hosts an annual gala dinner and auction. The admission to the event is $100 per person. The brochure advertising the event informs the potential attendees that the value of the dinner is $40, and $60 is tax deductible. This notification meets the rule for the written statement.
- **Example 2:** Your College hosts an annual gala dinner and auction. A catalog of the items to be auctioned provides the fair market value of each item to be auctioned. This catalog is available to attendees prior to the event. A donor subsequently purchases an item at the auction for $500 that had a fair market value of $200. The donor may report a $300 charitable contribution in his income tax return. The Foundation is required to provide the donor with a written statement that shows the payment received and the value of the *benefits received* that the donor received.
- **Example 3:** Your College hosts an annual gala dinner and auction. A catalog of the items to be auctioned is provided, but **no** fair market value is provided or all items were listed as "**PRICELESS.**" A donor subsequently purchases an item at the auction for $500. The donor may **NOT** report the item as a contribution and the Foundation cannot provide a Tax Receipt.

Q10. When the Dean hosts an event at his or her home, which meets the 'business purpose' test what expenses are reimbursable?

A10. The following expenses are reimbursable

- Catering charges
- Food purchases (for the event)
- Beverages (for the event)
- Clean-up after the event (only rooms used for the event)
- Flowers, table decorations (for the event)
- Paper goods

The following expenses are not reimbursable

- Pre-event cleaning
- Decorative items that would be retained by the host (i.e. cloth tablecloth)
- Babysitting services for the host

Q11. When will the Foundation reimburse for meals provided for KSU employees?

A11. Please refer to the Campus Accounting Manual - Reimbursement of Meals for an in-depth discussion of the IRS rules regarding meal reimbursement. In the normal course of a business day, employees are responsible for their own meals. In order for a meal that includes only KSU employees to qualify for reimbursement, you must show that there is substantial business discussion or meet the de minimis rules, or provide the meal on your business premises.

We will use the following examples for explanatory purposes:

Example 1: The Dean of the College of Arts and Sciences has a meal with the Department Heads from Biology, Mathematics and Art to discuss an upcoming collaboration. The Dean has prepared an agenda of talking points and the meal was scheduled weeks in advance due to everyone's busy schedule. The meal is ordered in and the Dean and Department Heads meet in a conference room on campus. The Foundation will reimburse for this expenditure because the employees are from different departments, it was a planned event, and documentation regarding the business purpose was provided.

Example 2: The Department Head of Chemistry has just been awarded a multi-million dollar research grant. This grant is the largest one ever awarded to the Chemistry department and it will assist KSU in its mission to become a premier research institute. The Department Head invites the professors, graduate students and administrative support staff that had an integral role in obtaining this grant to lunch to celebrate. The Foundation will reimburse for this expenditure because it is occasional in nature and the invitation was open to all persons involved in the project.

Example 3: Professor Smith, Professor Doe, Professor Ryan and Professor Taylor, all Art Department employees, entertain a prospective employee. Dinner is at a five start restaurant and the bill is in excess of $2,000. The Foundation will ask for additional approvals before reimbursement. While the purpose of the meal, i.e. recruiting a new employee, meets business purpose rules, the amount of the expenditure appears to be extravagant. The department should provide sufficient information to document why the expenditure was "ordinary and necessary."

Example 4: The College of Vet Medicine hosts an annual holiday party for its employees and their guests. The Foundation will reimburse for this expenditure because it is occasional in nature and meets the IRS's de minimis rules.

Example 5: Professor Mike takes his graduate students out for pizza to celebrate their first place win at the regional Architecture competition. The Foundation will reimburse for this expenditure. Mentoring students and celebrating student accomplishments supports the University's mission.

Example 6: Professors George, Jim and Jane, all from the Department of Civil Engineering, decide to go lunch. During the meal, they discuss what they can do to bring notable speakers to campus for presentations to students. The Foundation will **not** reimburse for this expenditure. While there was some business discussed during the meal, nothing indicates that this was the primary purpose for the meal. There was no pre-planning, no agenda provided, nor reasons provided as to why this could not have been discussed at one of the professors offices.