



## Operating Policy

### **Disbursements from Spendable Funds**

The purpose of this policy is to define reasonable expectation guidelines for disbursements from a spendable fund held at the Kent State University Foundation (KSUF). The KSUF and its board of directors have a fiduciary responsibility to insure that all funds expended meet both donor intent and the KSUF mission statement. Accordingly, it is expected that fund administrators will make every reasonable effort to ensure that funds are used in a responsible, prudent, and appropriate manner. The guidelines are varied depending on whether the fund is discretionary or donor restricted. While fund administrators are given wide latitude, the Foundation will continue to maintain high standards in relation to donor intentions.

#### **A. General**

All requests for disbursements from a spendable fund shall be submitted on a disbursement form authorized by the KSUF. The request must be initiated by the authorized fund administrator. All signatures on a disbursement request form shall be original.

All disbursement requests must be reasonable and commensurate with the expected benefit to Kent State University (KSU). A request for disbursement from a KSUF spendable fund can be made any time of the year but administrators are encouraged to limit the number of requests. Disbursement requests will normally be processed in three to five days.

Our intent is to provide flexibility while also meeting our fiduciary responsibilities.

#### **B. Discretionary Funds**

All disbursements from a KSUF discretionary fund shall be payable to KSU for credit to a budget unit of KSU. The authorized fund administrator has primary responsibility for insuring that the expenditure is appropriate. No supporting documentation or explanation is required to be forwarded to the KSUF prior to disbursement. Discretionary funds may be paid directly to a non-KSU payee for items included in section D., so long as they comply with the requirements of Section D..

### **C. Donor Restricted Funds**

Disbursements from a KSUF donor restricted fund can be made either directly to KSU on behalf of a budget unit of KSU or directly to a payee. The purpose for a disbursement must meet a two part test. The first test is that the purpose meets the restrictions of the donor. The second test is the disbursement must be for a purpose allowable under KSU disbursement policies. The disbursement request shall have documentation attached which substantiates the purpose of the request. An exception shall be permitted for items included in section D. of this policy.

Certain items must first pass through the KSU disbursements system prior to requesting funding from a donor restricted fund of KSUF. This requirement is due to specific information and control needs of KSU.

1. Scholarships and Prize Awards greater than \$100
2. Items deemed to be compensation
3. Procurement of Materials, Supplies, Equipment and Services.
4. Independent Contractor Services
5. Capital Projects and Equipment subject to KSU inventory control
6. Moving expenses of newly hired employees
7. Travel and entertainment subject to KSU administrative policies

### **D. Allowable items not meeting KSU disbursement policies**

Certain items which are not allowable under KSU disbursement policies shall be permitted under this KSUF policy. The disbursement must be reasonable and commensurate with the expected benefit to Kent State University (KSU) and shall have documentation attached which substantiates the request.

1. Alcoholic beverages purchased in conjunction with a purpose permitted under entertainment policies included in university disbursement policies.
2. Membership dues, subscriptions, and licensing for organizations directly related to employee work responsibilities.
3. Disbursements to non-profit organizations directly related to the mission of Kent State University including table seats at fundraising events. No amount may have a political affiliation or purpose. The disbursement must

be approved by the vice president responsible for the area of the university to be benefited.

4. Social events on or off campus for employees or students that are mission centric. The amount per participant shall be a reasonable amount. The disbursement must be approved by the vice president responsible for the area of the university to be benefited. A request by a KSU vice president must be approved by the President of the University.
5. Gifts or awards to employees or students for the purpose of special events, workplace recognition, or conditions related to health. The amount shall not exceed the amount allowable as non-compensation by the Internal Revenue Code and associated regulations. A request by a KSU vice president must be approved by the President of the University.
6. Business meals which meet the requirements of KSU disbursement policies but do not include a non-university employee so long as the amount requested does not exceed the appropriate per diem rate allowable under KSU disbursement policies.
7. Social club membership so long as the club is to be used solely for purposes permitted under entertainment policies included in KSU disbursement policies. Personal use of the club will not be permitted.
8. Items for the benefit of Kent State University specifically permitted by a donor restricted fund.
9. Exceptions specifically approved by an officer of the KSU Foundation.