

GRAMBLING STATE UNIVERSITY OFFICE OF INSTITUTIONAL ADVANCEMENT GUIDELINES, POLICIES AND PROCEDURES

INTRODUCTION

The Grambling State University Foundation known as the Grambling University Foundation was formed “to promote the educational and cultural welfare of Grambling State University and all departments thereof, and to develop, expand and improve the University’s facilities so as to provide broader educational advantages and opportunities, encourage research and increase the University’s usefulness to the citizens of Louisiana and the United State of America.

The Grambling University Foundation serves a large number of objectives in support of the University. These basic values and purposes are:

1. To secure private gifts as a resource distinct from state and institutional resources;
2. To enlist and use key volunteers in development endeavors on behalf of the institution;
3. To engage prospective donors in the University’s dreams and aspirations, and steward their investments of time and money;
4. To provide a vehicle for important University activities, ventures and service, such as acquiring real estate by gift or purchase that the University cannot pursue (at least not in a timely manner) because of statutory or regulatory restrictions; and
5. To strengthen the University’s public image and create an environment conducive to financial support.

Foundation Programs and Operations

The activities of the Foundation are divided into:

1. Solicitation of funds for the qualified activities of the Foundations and for support of appropriate areas of Grambling State University;
2. Management and administration of the Foundation’s University-related accounts, fund, scholarship and programs;
3. Asset management and investment oversight responsibilities; and
4. The internal operations of the Foundation itself.

The Foundation serves as the depository for a great majority of all gifts and donations from alumni and friends for the support of the programs and mission of Grambling State University. In this capacity, its staff receives, records, receipts and processes thousands of donations on an annual basis.

Future

As the world of public higher education undergoes extensive and rapid changes, the role of the Grambling University Foundation must also change and grow. In a time of decreasing state financial support, the maintenance and growth of the quality of the educational experience now provided by Grambling State University will require additional private support and commitment. As public scrutiny and demand for accountability with regard to educational foundations grow, the established and scrupulously maintained prudent practices exhibited within the Foundation’s stewardship of donated resources must be communicated to an ever increasing audience.

The Office of Institutional Advancement at Grambling State University signifies the University administration's commitment to the activities of the Office: alumni relations, sponsored program, development of private financial resources and communication with the external constituencies of the University. This Office's staff is dedicated to maintaining and enhancing the services provided by all departments within the Office and to providing the highest quality in carrying out the business of the Grambling State University.

RECORDS INFORMATION POLICY

The Office of Institutional Advancement maintains a database of biographical and gift/pledge information relative to Grambling State University alumni and friends in accordance with the needs of the Office and the University. The information contained in this database is intended exclusively for purposes related to the programs of Grambling State University. The Office seeks to support the activities of Grambling State University by providing assistance for programs, communications and events that bring together alumni, donors and friends of the University while maintaining the confidentiality of the information.

Persons with access to the constituent database of biographical and gift/pledge information or persons with whom this information is shared in the necessary course of business shall maintain the confidentiality of constituent information. Persons with access to the constituent database or persons with whom this information is shared will be required to sign a confidentiality agreement. Such confidentiality agreement will be maintained by the Vice President of Institutional Advancement. Violations of the confidentiality agreement are considered very serious and may result in disciplinary action, up to and including dismissal of employees or contractors, or removal from the Board or any committee of volunteers.

Requesting Information

Information from the database may be requested by **University-affiliated organizations**, including, but not limited to, the Grambling State University, the Grambling University National Alumni Association, Grambling State Athletic Foundation, University Development personnel, administrative units of the University, academic units of the University, and athletic units of the University. The appropriate form for requesting database information, including address labels, should be completed and sent to the Administrative Assistant, to the Vice President in the Office of Institutional Advancement.

Uses of the information

University-affiliated organizations may use the information in support of legitimate University-related activities. These include, but not limited to, fundraising, alumni relations, public relations, governmental relations, College/departmental communications to alumni and friends, continuing education, and student recruitment. In cases of dispute about what constitutes a legitimate University-related activity, the decision will rest with the Vice President for office of Institutional Advancement.

The confidentiality of donor information and certain other information contained in the records must be protected; consequently, some information may not be available upon request. Alumni and friends listed in the database have the legal right to request that not information be released about records.

In accordance with federal and state laws, the Office may release public information to third-party vendors for miscellaneous services, including, but not limited to, the preparers of alumni directories, direct mail firms and marketing firms. The vendors must agree to use the information only for the intended purpose. The sale or transfer of the information by the vendor is strictly prohibited.

GIFT ACCEPTANCE AND ADMINISTRATION

Gift Acceptance

Gifts of cash, publicly-traded securities and other types of negotiable instruments to the Grambling University Foundation, if consistent with the mission and purposes of the University Foundation and Grambling State University, are officially accepted upon receipt and deposit.

Gifts of closely held stock or other non-publicly traded business interests, real estate, mineral interests, business property, personal property, gifts-in-kind and deferred gifts are subject to special acceptance procedures by the Grambling University Board of Directors which functions as the Gift Acceptance Committee.

Gifts-in-Kind

Gifts-in-kind are items of personal property or professional services donated for the use or benefit of University entities and include, but not limited to, equipment, reference materials, works of art, supplies, items of clothing, hotel accommodations, meals, legal services architectural services, engineering services and design services.

All proposed gifts are accepted by the Board of Directors. Gifts may be refused if the proposed gift violates Internal Revenue Service regulations or other state and federal laws and regulations, is discriminatory would subject the Foundation to unacceptable liability exposure or undue administrative costs and burdens or undue administrative costs and burdens or is inconsistent with the missions of the University and the Foundation.

Gift Acceptance Guidelines for Personal Property

Gifts of personal property or professional services are accepted if approved by the Grambling University Foundation and are subject to the policies of the Foundation and the regulations of the Internal Revenue Service of the United States of America.

A. General

- 1) The office of Institutional Advancement serves as the official agent in accepting, acknowledging and maintaining records for all gifts of personal property to the Foundation.
- 2) Certain gifts may require a written appraisal which must be supplied by the donor. The appraisal must be from an independent, qualified appraiser mutually acceptable to both the donor and the Foundation and in compliance with Internal Revenue Service regulations and policies.

B. Acceptance and Handling of Gifts

- 1) The Vice President for University Advancement shall make recommendations to the Grambling University Foundation as to the acceptance of all proposed gifts. If a gift is unacceptable because of conditions the donor has attached to the gift (such as restrictions on its use, costs resulting from its acceptance, etc.), an effort will be made to persuade the donor to remove or modify the conditions. If the conditions are not removed or sufficiently modified so as to make the gift acceptable to the Foundation, the gift will be refused upon the decision of the Gift Acceptance Committee.

- 2) A complete inventory of all gifts of real property or tangible personal property donated to the Foundation shall be kept by the Vice President, of Business and Finance.
- C. Valuation of Gifts
- 1) Donors shall be solely responsible for ascertaining the fair market value of gifts to the Foundation. Donors will be asked to submit a letter of appraisal receipt, statement of value or other evidence of fair market value for gifts with a value of more than \$500 but less than \$5,000. The appraisal requirements for gifts with a value of \$5,000 or more are given in paragraph C2 below. Foundation officials shall not give opinions concerning the fair market value of donated property.
 - 2) An "Appraisal Summary", signed by the appraiser and acknowledged by an authorized representative of the Foundation must be attached to the donor's tax return. Appraisal Summaries may be acknowledged on the Foundation's behalf by any officer or person so authorized by the Foundation's Empowering Resolution. An Appraisal Summary (but not an Appraisal) is also required for gifts of non-publicly traded stock with a claimed value which does not exceed \$10,000 but is greater than \$5,000.
 - 3) The value of a publicly traded security donated to Grambling University Foundation shall be determined by the average of the high and low prices of the security during trading on the day of the transfer of the security to the Grambling State University Foundation.
- D. Gifts Which May Require Special Attention
- 1) It is donor's sole responsibility to consult with his or her own tax advisor concerning the tax consequences of a gift of tangible personal property. Nevertheless, University and foundation officials should be aware that charitable gifts of certain types of property may be the object of special treatment under tax laws and regulations. It is recommended that the Foundation's Vice President, of Business and Finance and, if necessary, other financial and tax advisors, be involved in the acceptance of such gifts. Examples of these types of gifts are:
 - a) Gifts of partial interests of future interests.
 - b) Gifts of property used in a trade or business, including gifts of appreciated inventory and gifts of research property.
 - c) Gifts of appreciated property whose sale at the time of gift would have resulted in ordinary income or short-term capital gain.
 - d) Sales of property to the Foundation for less than fair market value (bargain sales).
 - e) Gifts of property subject to liabilities which are to be assumed by the University, the Foundation, or a third party.

Gift Processing

All checks must be made payable to Grambling University Foundation.

Gifts are processed upon receipt according to a step-by-step procedure. Checks and currency are deposited upon receipt. Gifts are entered into the computerized accounting system as soon as possible. Computer-generated reports are used as a check and balance deposits. Gift information, including photocopies of all checks, is filed and retained as required for tax purposes. All pledges including payroll deduction pledges, are entered into the accounting system.

Grambling University Foundation serves as the fundraising entity of the University. University units, departments and individuals should not solicit gifts to be directed to the campus units without consent from the Office of Institutional Advancement. If a gift is received by a unit, department or individual, those checks or cash should be delivered on the day they are received to the Foundation office at

Institutional Advancement and any accompanying memos, letters, and other items of information pertaining to the gifts. Checks received by campus entities should NOT be endorsed by the department or individual before delivery to the Foundation.

Gift Allocation

Each gift received by the Foundation, without exception, is credited to the appropriate Foundation fund according to information provided by the donor. Designations must be clearly indicated; if the payee of a check or the designation of the gift is unclear or inconsistent with accompanying documentation, Foundation staff will contact the donor to clarify and document the intended recipient and designation of the gift.

Restricted Foundation funds are established for the use of the Colleges, departments or other University units and programs. All gifts received without designation are treated as unrestricted.

All gifts to endowments are added to the corpus of the endowment unless the gift indicates that it is to be immediately spendable, in which case the gift is placed in a separate spendable reserve account.

Gift Receipting and Acknowledgement

Donors receive a letter of acknowledgment and appreciation from the Foundation, typically within 1-2 weeks of receipt of the gift. Donors of gifts in the amount of \$500 or less receive a letter from the Vice President of Institutional Advancement. Gifts in excess of \$500 receive a letter from the President of Grambling State University. University Colleges and other units are notified by the Foundation of gifts designated to their areas; some unit heads also send letters of appreciation to their donors.

When a gift is received from a donor-advised fund or other similar charitable gift fund, the gift is posted to the record of the individual who directed the gift to the Foundation with a tax-deductible value of \$0 to ensure that no annual tax statement is sent since no tax credit is due. A letter of acknowledgment and appreciation is sent to the individual as acknowledgment of the gift.

Annual statement for tax purposes is issued to each donor by no later than January 31 of each year, in accordance with IRS regulations, for all donations made in the previous calendar year. Statements are issued for every gift received regardless of the size of the gift, subject to the exceptions mentioned below. Statements include the donor's name and address, gift date, gift amount, tax-deductible amount, and gift allocation.

Donors of gifts-in-kind receive an official letter of acceptance from the Foundation. For gifts which must be valued by independent appraisal, including closely-held securities, real estate, mineral interests and other special gifts, donors receive an official letter of acceptance from the Foundation. The amount of the appraised value of the accepted gift is included on the donor's annual statement.

Memorial and Honor Gifts

Memorial and Honor Gifts are received and acknowledged by the Office of Institutional Advancement. A letter of thanks is sent to the donor, and an acknowledgment card is sent to the person being honored or to the family of the person(s) in whose memory the gift is received, including the name and address of the donor. Donors receive credit on their giving history for Memorial and Honor Gifts.

Matching Gifts

Legal credit for a matching gift is credited to the company making the gift to match that of an employee or associate. "Matching" credit is given to the individual whose gift generated the matching gift.

Matching gifts are allocated to the same fund as the initial gift unless prohibited by the policy of the matching gift company. If the policy of the matching gift company specifies that matching gift funds must be used for different purposes, that policy will be honored.

Use of Restricted and Unrestricted Gifts

Restricted gifts are allocated by the Foundation according to the expressed designation of the donor. Gifts credited to restricted funds are used in accordance with the policy on Guidelines for Foundation Account Withdrawals (page 8).

Unrestricted gifts are allocated by the Foundation to the unrestricted fund (see Gift Allocation, page 5). The budget for unrestricted funds of the Foundation includes such items as: production of the University's annual report, operation of the Foundation's fundraising activities (includes salaries, computer purchase and maintenance, telephone, maintenance of building, printing, travel, donor recognition, supplies, etc.), legal fees, scholarship, student recruitment expenses and student Advancement projects and promotions.

ESTABLISHING FOUNDATION ACCOUNTS

The following guidelines shall be adhered to in establishing an account within Grambling University Foundation for the benefit of a college, division, department, program or organization within the University.

Eligibility

Accounts may be established for a College, division, department, program or organization of Grambling State University within the framework of Grambling State University.

The following specific areas of the University are included:

1. Academic units as listed in the Grambling State University catalog
2. Administrative units approved by the vice president of the appropriate areas.
3. Functional units as approved by formal action of the University, including student organizations. Such organizations must be registered organizations of the University and in compliance with the regulations for such organizations as set forth by the Division of Student Affairs.

Unit head may establish discretionary accounts to be used for activities consistent with, but not limited to, the above categories. All donations to a discretionary accounts must be clearly specified as such.

Procedure and Approval

A request to open an account within Grambling University Foundation should be made by a written memorandum containing all of the requested information, approved by the appropriate dean or unit head and submitted to Grambling University Foundation. The request must meet the requirements set forth below. Written notification shall be provided for all requests; all accounts are subject to the final approval of the University office of Business and Finance. Approval for fundraising plans for individual funds rests with the Vice President for University Advancement.

If approved, the Vice President of Business and Finance of Grambling University Foundation shall assign the account a number. The Vice President of Business and Finance periodically reviews the balance and activity of funds and may request permission transfer balances between funds if inactivity and low balances seem to warrant such.

Requirements

The new account should fill a need not presently being met by existing Foundation accounts or University accounts. The individual assigned responsibility for the account must be a full-time employee of Grambling State University. Student organizations must assign such responsibility to a faculty advisor.

When establishing a scholarship account, the criteria and selection process for awarding the scholarship should accompany the request for establishing the account. If the account will result in an endowed scholarship, a formal endowment agreement must be executed between the Foundation and the donor(s) or the University unit responsible for the funding of the scholarship.

Categories of Foundation accounts

All Foundation accounts can be categorized into one of the following areas:

- A) General Welfare of the College, Division, Department, Program or Organization
 - 1) Provide funds for costs associated with professional seminars
 - 2) Provide funds for supplementary and educational materials
 - 3) Make special equipment and publications available
 - 4) Provide special programs and materials
 - 5) Assist in the advancement of Grambling State University
- B) Research
 - 1) To assist research efforts in a particular College, division, department or program
 - 2) To assist research effort by faculty, staff, students or individuals approved by the University
- C) Student Assistance
 - 1) To assist research efforts in a particular College, division, department or program
 - 2) To recognize outstanding academic achievement
 - 3) To assist students who have a financial need
 - 4) To recognize outstanding students through scholarships
 - 5) To provide financial assistance to students for special student efforts and programs
- D) Capital Improvements
 - 1) To fund building or remodeling of campus facilities under guidelines and policies approved by the University of Louisiana System and the State of Louisiana
 - 2) To acquire equipment
- E) Faculty Development
 - 1) To create endowed chairs and professorships
 - 2) To provide support for faculty conferences and meetings
 - 3) To provide support for special program development
 - 4) Other faculty uses as approved by the dean of the College and/or the appropriate Vice President and/or the University President

DISBURSEMENT FROM FOUNDATION ACCOUNTS

Requests for disbursements are made on the official Grambling State University Foundation check request form (Appendix I). Copies may be obtained from the Office of Institutional Advancement. The person submitting the request completes and signs the form. The request is then reviewed and signed by the individual responsible for the account (dean or other designated person). After approval, the form, along with all necessary receipts and attachments, is forwarded to the Foundation office for review and payment. For more information about documentation that may be required for submission with the check request, see Procedures for Requesting Withdrawal from Foundation Accounts on page 10.

Checks will be sent to the name and address provided on the disbursement form via campus mail or the U.S. Postal Service unless other instructions are provided. Checks will be held for pick-up if requested.

Guidelines for Foundation Account Withdrawals

In order to develop and maintain policies and procedures which will provide proper documentation and review of withdrawals from Foundation accounts, disburse funds in accordance with donor intent, maintain the tax-exempt status of the Foundation, prohibit the use of funds for the direct personal benefit of faculty and/or staff, obtain goods and services efficiently at the lowest cost consistent with the quantity and quality desired and properly account for all transactions, guidelines for withdrawal of Foundation funds are listed below.

- A) Foundation guidelines for determination of allowable use of funds includes general expenditure categories listed as follows:
 - 1) Compensation and supplemental payments by the Foundation to faculty, staff and/or part-time employees of the University are allowable under the following circumstances:
 - a) Payments for services rendered under guidelines of the accounts. In such cases the Foundation makes the check payable to the University, and the University remits a check to the individual, unless the employment contract, as approved by the University of Louisiana System Board of Supervisors, call for the employee to be paid directly from the Foundation.
 - b) Advances
 - c) Special circumstances when departments are unable to complete necessary paperwork for University payments in time for an employee to be compensated appropriately.
 - d) Awards

An IRS Form 1099 will be issued by the Foundation to those who receive checks written under these circumstances except in the case of an advance payment which must be repaid.

- 2) Moving expenses are reimbursed upon request by the dean of a College from accounts of that College or from the Athletics Director from account of athletics. Original receipts are required. If the employee being reimbursed for these expenses can make the arrangements with the moving company and provide the Foundation with the appropriate original invoice, a check can be made payable to the moving company. However, Foundation check request procedures must be followed, meaning the check cannot be requested and issued on demand. The IRS rule for moving expenses reimbursement is to include the amount on the employee's W-2 Form; however, the Foundation is not an employer and cannot issue W-2 Forms.
- 3) Guest Expenses and Honorarium

- a) Reimbursement of expenses incurred in conjunction with visit of guest lecturers, speakers for special occasions and/or other guests of the University is allowable. Usual reimbursement is limited to expenses incurred for travel, food and lodging of guests and the associated expenses for a reasonable number of University staff accompanying the guests. Unusual expenditures should be cleared with the Vice President of Business and Finance of the Foundation before the expenditures are incurred.
 - b) Payment of an honorarium or consulting fee is allowable provided the individual receiving payment is not an employee of the University. Since honoraria constitute income to the recipients, the check request form authorizing payment must be accompanied by the form which will provide for the Foundation the recipient's home address and Social Security number. Additional forms must be filed for payments to recipients who are not residents of United States of America. Contact the Vice President of Business and Finance at the Foundation office in advance in these cases.
- 4) Expenses incurred for coffee hours, teas, retirement parties and/or receptions may be reimbursed from Foundation funds* provided the cost for such functions does not exceed a total of \$500 per event. Retirement gifts given to retiring employees can be given, or reimbursed, from Foundation fund* provided that the cost does not exceed \$500 per retiree. Special permission to exceed these amounts must be granted by the Foundation Board of Directors with concurrence of the University President.

*The \$500 maximum limits in the preceding paragraph are for general use Foundation funds; the \$500 limits do not apply to Foundation funds that are the result of contributions specifically designated for the applicable reception, gift, etc. Funds specifically given to pay for a reception may be used for that reception, provided they do not exceed \$5,000. Any gift purchased for an employee with funds given for that purpose shall not exceed \$1,000. These guidelines do not in any way limit the amount of non-Foundation funds that can be spent on events or retirement gifts, e.g., funds voluntarily collected from employees and other interested parties.

- 5) Departments should follow the same guidelines for Foundation reimbursement of faculty and staff travel expenses that are followed for the University Comptroller's office. The completed travel authorization form should accompany the request. If the Foundation is to pay expenses not paid by the University.
- 6) Capital Equipment
 - a) Capital equipment generally used for teaching, research and/or public service activities may be purchased from Foundation funds. Capital equipment is defined as those items costing \$500 or more and having a useful life of one year or more.
 - b) Title to, and inventory of, capital equipment purchased from Foundation funds remains with the Grambling State University Foundation unless other arrangements for transfer of title are made.
 - c) Department heads or other administrators and/or faculty may determine the specific manufacturer or vendor of any equipment purchased with Foundation funds.
 - d) Any item of capital equipment purchased with Foundation funds is included on the Foundation's fixed asset list.
- 7) Supplies and Expenses

- a) Expendable supplies may be purchased from Foundation funds.
 - b) Supply and expense items must be used for teaching, research, public service activities and other activities directly related to the mission of Grambling State University
- 8) Scholarship and Student Awards
- a) Scholarships are generally defined as payments made to students to financially support academic studies. Awards are generally made in recognition of prior academic work, whether in college or high school. Both are allowable from Foundation funds if the appropriate procedures outlined for scholarships are followed. IT IS THE POLICY OF THE FOUNDATION TO MAKE ALL SCHOLARSHIP PAYMENTS THROUGH THE UNIVERSITY. Please consult the Accounting Department for specific instructions and further details.

IMPORTANT NOTE: All invoices must be paid in the fiscal year in which they are issued. For instance, if an invoice is issued in June, it must be paid by the end of that month because July 1 begins a new fiscal year for the Foundation, coinciding with the University's fiscal year. NO PAYMENTS can be made on invoices from fiscal years other than the current one.

Proposed used of Foundation funds which are not directly related to the above listed categories or uses relating to unusual circumstances should be discussed with the Foundation office prior to the expenditures being incurred.

B) Prohibited Expenses

- 1) Fines, forfeitures or penalties of a University employee may not be paid from Foundation funds.
- 2) Foundation funds cannot be used for the purchase or reimbursement of gifts that are represented as having personally come from an employee
- 3) Political contributions prohibited by applicable Internal Revenue Service regulations or state laws and regulations may not be made or reimbursed. Accordingly, Foundation funds cannot be used in any manner for University employees to endorse political parties or candidates, attend political fundraisers, participate in lobbying activities, etc.
- 4) Any expense or reimbursement that would create, under all the circumstances, a reasonable conclusion on behalf of the Foundation that the benefit to the individual University employee outweighs the benefit to the University may not be paid.
- 5) Any expense or reimbursement that would create, under all the circumstances, a reasonable conclusion on behalf of the Foundation that the amount is extravagant or lavish beyond the appropriate University purpose may not be paid. While not necessarily controlling, reference should be made to regulations adopted by the Internal Revenue Service in connection with allowed business expenses.

C) Procedures for Requesting Withdrawal from Foundation Accounts

- 1) Requests for withdrawal of funds involving honoraria, consulting fees, dues, publications costs, reimbursement of expenses for University guests, reimbursement for payment to a vendor for supply items procured directly from the vendor, items of equipment of a non-capital nature, capital expenditures and other miscellaneous expenses will be processed as follows:
 - a) A fully completed Check Request Form is to be submitted to the Accounts Payable area of Comptroller office. The form must be signed by all appropriate persons. If payment is to an individual for an honorarium, a complete W-9 form must be submitted with the

check request. The Office of Institutional Advancement will supply this form to be completed by the payee. This information is necessary in order that the appropriate IRS Form 1099 can be issued to the payee.

- b) Original vendor invoices, expense receipts and/or other supporting documentation should be attached to the checked request form. For University activities, the name and purpose of the event and date should be included.
 - c) If an original invoice is not available to attach to the check request form, an explanation in writing is required and must be attached to the check request form. This is necessary to prevent duplicate payments.
- 2) Requests for compensation or supplemental payments to employees or students will be processed as follows:
- a) Requests for withdrawal of Foundation funds to make salary or wage payments must originate with the College or other unit making the commitment to pay Grambling State University employees or other persons for services. The form must be submitted to the Foundation for certification of sufficient funds review of required documentation, approval and payment.
 - b) If the payee is an employee of Grambling State University, that person must be hired in accordance with University employment procedures and be assigned to that unit's budget. The unit requesting payment will be responsible for [processing the appropriate payroll forms. Foundation reimbursement will be made to the unit budget within the University. The individual will receive a University payroll check from the Comptroller's office.
 - c) If the payee is not an employee of Grambling State University, there must be a contract or agreement with the payee signed by all parties, and the payee must fill out an IRS Form W-9 for the Foundation. If the payee is not a U.S. citizen, please contact the Office of Institutional Advancement so that the appropriate and necessary forms may be completed in order that the person can be paid.
- 3) Request for payment of Travel Expenses
- a) If the request for reimbursement for travel expenses is from Foundation funds, the request must be made on the Foundation check request form and supported by the original receipts for lodging, meals and transportation.
- 4) Scholarships and Student Awards
- a. Scholarship recipients must be chosen according to the criteria established in the endowment agreement for that scholarship. The Foundation will provide the amount available for each scholarship in advance of the awarding of that scholarship. Scholarships are paid through the University, except in extraordinary circumstances, and the Foundation reimburses the University for those Scholarships Payments.
 - b. Scholarship payments from Foundation funds are requested on the Check Request form and accompanied by a Financial Aid Scholarship Award form. All signatures are required on both the Check Request form and the Scholarship Award form.

- c. The Office of Financial Aid credits the student's account with the scholarship amount. It is very important that a copy of the scholarship form attached to the Check Request form be sent to the Financial Aid office and the Comptroller' office when the request is being made to the Foundation. A scholarship award is usually divided and awarded for the fall and spring semesters.
- d. Scholarship payments cannot be made to the University if there is not a positive balance in the scholarship account from which the payment is requested.

GUIDELINES FOR ESTABLISHING SCHOLARSHIPS

Scholarships at Grambling State University Foundation can be endowed or expendable (non-endowed). For information about endowments, see Endowed Funds and Scholarships below. Expendable (non-endowed) scholarships may be established with an amount not less than \$500; all gifts to non-endowed scholarship funds will be assessed an administrative fee (see Foundation Fee Schedule on page 15) at the time of the gift. The following information is necessary for the establishment of a scholarship account, endowed or expendable, within the Grambling State University Foundation.

A) **Name** - The donor has the opportunity to name the scholarship, e.g., the Jack and Joan Williams Memorial Scholarship in Business." A named scholarship is an excellent opportunity to honor or memorialize someone.

B) **Type** - The scholarship is either endowed or expendable. (See above paragraph for explanation)

C) **Area** - The donor may choose to make the scholarship general in nature, or the donor may choose the academic area for the scholarship. For example, the scholarship may benefit a student majoring in engineering, or, more specifically, chemical engineering. Donors are asked not to be too restrictive in this area so that the pool of applicants for the scholarship is not unduly small.

D) **Criteria** - Criteria for making awards of scholarships should be as broad as possible. Below are examples of various criterial that have been used; however, the fewer restrictive criteria the broader the number of potential recipients:

1. Awards will be made to incoming freshman with majors in the College of XXX or the XXX Department or School.
2. Recipient(s) must have demonstrated financial need as determined by the Financial Aid office.
3. Recipient(s) must have earned a cumulative grade point average of at least 3.0.
4. Preference will be given to students from XXX Parish/County of the state of XXX, though any student meeting the criteria is eligible.
5. Other criteria to consider are status as a full or part-time students and whether the scholarship shall be renewable or for one year only.

Approval and Documentation

All proposals for scholarships, endowed and expendable, must be submitted to the Scholarship Committee for review and for finalization. The authority in determining whether the terms and criteria of a scholarship are acceptable shall rest with the Scholarship Committee. The final scholarship agreement is to be created in duplicate and signed by the donor(s) and Vice President of Institutional Advancement. One fully executed copy is for the donor; the other is kept on permanent file in the Foundation office.

Selection

Unless otherwise stated in the scholarship agreement or endowment agreement, scholarships designated to a particular academic area will be awarded by the scholarship committee and undesignated general scholarships will be awarded by the Office of Admissions.

ENDOWMENT FUNDS, SCHOLARSHIPS AND ENDOWED PROFESSORSHIPS

Endowment scholarships require a minimum corpus of \$10,000. Endowed Professorships require a minimum of \$100,000. An endowed scholarship fund specifies that the principal be held intact, invested, and the annual income used for specified purposes at Grambling State University. When an endowment is created, an endowment agreement must be in place and on file in the Office of Institutional Advancement. This agreement shall include the contact information for the donor(s), the specific purpose of the endowment, and the specific purpose of the endowment, and the specific guidelines or criteria for the use of the award.

The Vice President of Advancement should be notified to assist with the establishment of an endowed scholarship and to prepare/provide the required endowment agreement.

Provision for Change in Circumstance

The following or similar provision should be included in all endowment agreements: "In the event that the original purposes stated in the endowment agreement can no longer be carried out due to changing conditions, the Foundation, through its Board of Directors, shall have the power to modify the purposes to the extent necessary to enable the endowment to be used. Any such alternative use shall be for a purpose which most closely coincides with the donor's primary original intent".

Endowed Account Administration

Endowed funds at the Foundation are maintained as separate accounts, but are combined into a pool for investment purposes. All interest, dividends, and investment gains and losses are recorded in the earnings pool. All scholarship awards are paid from the earnings pool, and all endowment fees are charged to the earnings pool.

PENDIX A

Louisiana Revised Statutes Section 17:3390

Private nonprofit corporations which support public higher education institutions; findings; status; private funds

- A. The legislature finds that private support enhances the programs, facilities, and research and educational opportunities offered by public institutions of higher education in Louisiana. Therefore, each higher education management board and institution is hereby encouraged to promote the activities of alumni associations, foundations and other nonprofit organizations that raise private funds for the support of public institutions of higher education. Further, it is recognized that private, nonprofit organizations under the direction and control for those institutions.
- B. A nonprofit corporation, whose principal purpose is to support one or more programs, facilities or research or educational opportunities offered by public institutions of higher education, including but not limited to any nonprofit corporation whose primary purpose is to finance the design, construction, renovation or equipping of facilities to be leased to such public institutions of higher learning, shall be a private entity that shall not be deemed to be a public or quasi-public corporation or an administrative unit, public servant, employee or agent of any institution of higher education for any purpose whatsoever if it meets all of the following criteria:
- 1) The majority of the voting members of the corporation's board of directors are not members or employees of higher education management board.
 - 2) The corporation is under the management and control of a board of directors elected by the members or shareholders of the corporation.
 - 3) The corporation reimburses, either directly or through in-kind services, the cost of housing, personnel, which personnel shall remain public servants for all purposes, and other support furnished to the corporation by any institution of higher education, if any such support is furnished.
- C. The receipt, investment or expenditure of public funds shall not affect the private status of any corporation meeting the criteria set forth in Subsection B of this Section; however, books and records of any such corporation, to the extent that such books and records directly pertain to the receipt, investment, or expenditure of public funds, shall be subject to R.S. 44:1 et seq. No other books and records of any such corporation shall be subject to R.S. 44:1 et seq.
- D. (1) Alumni associations, alumni foundations and other private, nonprofit alumni organizations that raise private funds for the support of public institutions of higher education, and nonprofit corporations whose primary purpose is to finance the design, construction, renovation or equipping of facilities to be leased to such public institutions of higher education, shall have a financial accounting system established pursuant to customary and current accepted accounting standards. Except as provided in Paragraph (3) of this Subsection, the financial affairs of the organizations shall be audited annually

in accordance with generally accepted auditing standards by an independent professional auditor who shall furnish to the legislative auditor copies of his annual audit.

- (2) With regard to an audit received by the legislative auditor from any nonprofit corporation, the primary purpose of which is to design, construct, renovate or equip a facility to be leased to a public institution of higher learning which is under the management of the Board of Supervisors of Community and Technical Colleges, the legislative auditor pursuant to and in the manner provided in R.S. 24:513. Upon such recommendation, the Legislative Audit Advisory Council may direct that such an audit be conducted.
- (3)(a) Any alumni association, alumni foundation or other private, nonprofit alumni organization that raises private funds for the support of a public institution of higher education which receives seventy-five thousand dollars or less in funds in a fiscal year shall not be required to have an audit. However, the organization shall execute a certification indicating that it received seventy-five thousand dollars or less in funds in the fiscal year and shall prepare a sworn financial statement.
 - (b) The sworn financial statement required by this Paragraph shall be prepared in accordance with generally accepted accounting principles and include the disclosures required by state and federal regulations. The sworn financial statement shall include a recital that it presents fairly, in all material respects, the financial condition and results of operations of the organization; that the organization has maintained a system of internal control structure sufficient to safeguard assets and comply with laws and regulations; and that the organization has complied with all laws and regulations or shall acknowledge exceptions thereto.
 - (c) Copies of the certification and sworn financial statement shall be furnished to the legislative auditor.
- E. (1) Any institution of higher education may permit a private, nonprofit corporation to purchase tickets to any event sponsored by the institution not to exceed 12 percent of the tickets available for the event.
 - (2) In addition to any tickets purchased pursuant to the authorization in Paragraph (1) of this Subsection and only with the prior approval of the appropriate higher education management board, any institution of higher education may permit a private, nonprofit corporation to purchase tickets to any athletic event sponsored by the institution when the event is held in a facility owned by the institution and the tickets provides access to seats or seating areas located in an addition to the facility which is constructed by the corporation.
 - (3) If the corporation pays the full price of admission for which such tickets are sold to other members of the public, then any funds received by the corporation from the resale of the tickets shall not be public funds for any purpose.
- F. Notwithstanding any other provision of this Section or of other law to the contrary, any request for payments of over one thousand dollars for any single transaction to, or on behalf of , or to reimburse the expense of a public employee of a public higher education institution or a public

employee or officer of a management board of a public higher education institution by a nonprofit organization shall be approved in writing by the appropriate public higher education management board in accordance with written policies and procedures. All requests, approvals and documents provided to a higher education institution or management board in connection with such requests or approvals shall be retained by the public higher education institution or public higher education management board and shall be subject to inspection, examination, copying, and reproduction in accordance with the provisions of R.S. 44:1 et seq.

Acts 1992, No. 1055, ss 1; Acts 1998, 1st Ex. Sess., No. 125, ss 1, eff. May 5, 1998; Acts 2004, No. 533, ss 1, eff. June 25, 2004; Acts 2004, 710, ss 1; Acts 2008, No. 505, ss 1, eff. June 25, 2008.