

Radford University Foundation Guidance on Uses of Foundation Funds

The RU Foundation is a tax-exempt non-profit organization. As a non-profit organization recognized by the Internal Revenue Service, the Foundation has certain fiduciary responsibilities related to gifts it receives and manages on behalf of the University. Foundation funds are:

- To supplement appropriated resources to support the University's mission and objectives.
- To be used prudently with the greatest possible effectiveness in pursuit of teaching, research, and service efforts.
- To be disbursed in accordance with donor restrictions, for the benefit of Radford University, complying with all application statutes and regulations of the Commonwealth of Virginia, and not inure to the benefit of any individual.

To ensure the Foundation operates within this framework, certain transactions will be restricted or prohibited. **The following list is NOT all-inclusive.**

1. University Activity Revenues: Revenues generated by university activities must be deposited directly with RU's Cashier's Office. These revenues cannot be deposited with the RU Foundation.
2. Using Foundation Funds to Avoid State Procurement Policies and Processes: Foundation funds cannot be used to pay for allowable state expenses in order to circumvent the state's procurement policies and procedures.
3. Student Loans: Requests for student loans must be processed through RU's Financial Aid Office.
4. Student Awards: Awards are initiated through the RU Foundation Award Letter and processed by RU's Financial Aid Office.
5. Cash Payments: **Direct** payments to RU faculty, staff or students employed by the University are not allowed. See Foundation Fiscal Policies & Procedures for more detailed information (www.radford.edu/Foundation/forms/polprocman.pdf).

Students not employed by the University are eligible to receive direct cash payments from the Foundation for services rendered.

6. Sponsored Projects: Externally funded Sponsored Projects (governmental and privately funded) must be submitted, awarded, and processed through the Office of Sponsored Programs and Grants Management.

Private philanthropic gifts and donations are administered through the Foundation.

7. Gifts and Awards to University Personnel: Gifts of cash (including checks), to university personnel are prohibited, unless they are for university approved employee service awards. The value of some awards is not considered taxable income to the individual; however, the Foundation will forward information regarding any award to RU's Tax Compliance Officer for income tax consideration. Questions concerning taxability of gifts and awards to RU personnel should be directed to RU's Tax Compliance Officer at extension #7020.
8. Payment to Foreign Nationals: The Internal Revenue Services guidelines and rulings made by RU's Tax Compliance Officer for cash payments, gratuities, and/or honorariums to foreign nationals will be strictly adhered to. Questions concerning taxability for cash payments, gratuities, and/or honorariums to foreign nationals should be directed to RU's Tax Compliance Officer at extension #7020.
9. Charitable Donations: Donations to other charity organizations are prohibited. The President may permit the University to participate in sponsorships or events if it is important to the educational mission and/or visibility of the institution.
10. Personal Expenses: Generally, no reimbursements are allowed for expenditures of a personal or spousal nature. The IRS guidelines of "reasonable and necessary business expenses" are utilized in all cases for determination of appropriate disbursements. This includes cell phones and related charges.
11. Reimbursement for Expenses: When the University has reimbursed an employee for a portion of expenses for items such as travel or business meals, the balance may be requested from Foundation funds with prior approval. The expenditures must be reasonable and customary to the business purposes the expenditure is trying to accomplish.
12. Conference and Workshops Revenue: Fees and income from conferences conducted by university departments, programs, or centers must be deposited into University accounts. Any expenditures or purchases from these funds must be made and/or procured through the University's purchasing system.
13. Payment of Virginia State Sales Tax: Effective September 2006 the Foundation was granted exemption status for payment of Virginia Retail Sales and Use Tax for purchase of tangible personal property. If a vendor requires a copy of the Retail Sales and Use Tax Certificate of Exemption, it is available online. **Employees or employee family members may NOT use this exemption certificate to purchase goods for personal use.**

For a complete listing of the Foundation's policies and procedures, please refer to the **Radford University Foundation, Inc. Fiscal Policies and Procedure Manual** (<http://www.radford.edu/Foundation/forms/polprocman.pdf>). All applicable forms can be obtained on the University's online forms webpage at <http://www.radford.edu/formsonline.html#foundforms>

Questions concerning guidelines can be directed to the Manager of Advancement Operations at ext. 6714.