



Jacksonville State University Foundation Handbook

Introduction

The Jacksonville State University Foundation, Inc. ("Foundation") was established in 1978 as a nonprofit corporation, legally distinct from Jacksonville State University. As an independent, tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (IRC), the Foundation operates as a public charity, not a "private foundation" as defined under IRC Section 509(a). This designation allows contributions from our generous alumni and friends to be fully deductible under IRC Section 170(b) and ensures that donations are used entirely for the purposes that support the University's students, faculty and staff.

To maintain its tax-exempt status, the Foundation's assets must be used exclusively for tax-exempt purposes. Any use of these assets for personal benefit is strictly prohibited, as it would jeopardize the Foundation's status and breach its fiduciary responsibility to donors. As tax laws evolve, this Handbook will be updated to reflect any relevant changes. Please note that this Handbook is for informational purposes and is not intended to provide legal or tax advice. For personal tax matters, donors should consult their own advisors.

The Foundation also manages funds for other 501(c)(3) entities affiliated with the University, such as the International Endowment Foundation. Unless otherwise specified, references in this Handbook, including those related to tax reporting responsibilities, apply to these related entities as well.

We encourage a strong partnership with Fund Managers to ensure that Foundation funds are used to maximize the benefit to Jacksonville State University. If you are considering a purchase that may fall into a gray area, we urge you to consult with Foundation staff before committing any funds. While Fund Managers play a vital role in making informed recommendations, it is ultimately the Foundation's responsibility to ensure that all disbursements comply with tax requirements and align with donor intent.

It is also important to note that the Foundation is **not** exempt from paying sales tax on purchases made in Alabama related to its mission of supporting the University.

Throughout this Handbook, three key principles will recur:

1. Foundation funds must be used exclusively for the benefit of Jacksonville State University
2. Funds must be used in accordance with the intentions of our donors
3. Procedures must be followed to ensure compliance with tax requirements

By adhering to these principles and maintaining thorough documentation, we can ensure that the resources entrusted to us by donors are used effectively. We hope you find the following sections of this Handbook helpful and appreciate your ongoing support.



Contents

Fund Administration.....	4
Fund Types:.....	4
Endowed Funds	4
Non-Endowed Funds	5
Fund Management:.....	7
Fund Managers.....	7
Fund Manager Responsibilities	7
Fund Changes	7
Donor Privacy and Requests for Information.....	7
Gift Acceptance Guidelines.....	8
Definition of a Charitable Contribution	8
Gift Restrictions	8
Types of Gifts:	9
Cash Gifts.....	9
Pledges	9
Securities.....	9
Real Estate	9
Gifts-In-Kind	10
Quid-Pro-Quo Contributions.....	11
Trusts and Annuities	11
Life Insurance	12
Bequests.....	12
Matching Gifts	12
Payroll Deductions.....	12
Gift Acknowledgement.....	13
Chain of Custody	13
Disbursement Guidelines	14
General Disbursement Guidelines	14
Processing Time	16
Rush Requests	16
Transfers to other Foundation Funds	16



Allowable Expenses: 17

- General Operating Expenses 17
- Travel & Lodging 17
- Meals & Beverages 17
- Meetings & Events 18
- Employee & Non-Employee Expenses 19
- Contractual Services 20
- Gifts, Flowers & Tickets 21
- Dues & Fees 21
- Student Expenses 22

Disallowable Expenses 23

Foundation Issued Credit Card 24

Sponsorships, Namesakes and Memorials 25

- Sponsorships: 25
 - Key Sponsorship Agreement Elements 25
 - Acknowledgment vs. Advertising 26
- Naming Opportunities: 26
 - General Guidelines 26
 - Expenditure Guidelines 28
- Memorials: 28
 - Memorial Benches 28
 - Memorial Trees 29

How to Reach Us 29



Fund Administration

Foundation records are maintained in accordance with the principles and practices of “fund accounting”. Each fund account (or “fund”) is a separate accounting entity; however, funds may be grouped together for accounting, investing and reporting purposes.

Foundation gifts that cannot be deposited into an existing fund typically require the establishment of a new fund. The Foundation manages over 800 funds to ensure compliance with donor restrictions and proper use of contributions. Before creating a new fund, consider whether it will be used on an ongoing basis or if it requires separation from an existing fund. The goal is to avoid establishing funds for one-time donations and prevent the co-mingling of assets, which could risk misusing donor contributions.

When a new fund is established, it is assigned a unique fund number. This number is crucial for tracking contributions in the donor software, designating future contributions, and monitoring earnings, contributions, gains or losses, other income, transfers, and expenditures.

The Foundation manages two primary categories of funds: Endowed and Non-Endowed. Various sub-types of funds exist within these categories, each with specific purposes and guidelines. To initiate a new fund, submit a Foundation Fund Form, available on the Foundation website. Detailed instructions for fund creation and management are provided below.

Fund Types:

ENDOWED FUNDS

An endowed fund is a permanent financial asset designed to support specific purposes, such as scholarships, faculty positions, research, or programs. Endowed funds provide long-term support and stability by investing the principal, or "corpus," and using only a portion of the investment income or growth annually. This spending rate is meticulously calculated to ensure the fund's ability to provide ongoing support indefinitely while preserving or growing the principal over time. Although each endowed account maintains a separate identity, all endowment funds are pooled for investment purposes and managed according to policies set by the Foundation's Investment Advisory Committee.

To establish an endowed fund, a minimum contribution of \$25,000 principal is required. If the contribution includes a pledge, it must be fulfilled within five years. The fund is not considered fully established until the total \$25,000 is received. Investment income earned before the fund reaches \$25,000 does not count towards the required minimum. Any exceptions to this policy are shown below. An annual management fee of 1% is applied to all endowed funds.

Spending Calculation

The annual amount available for spending from an endowed fund is determined through a budgeting process that ensures long-term sustainability. To calculate this, the Foundation uses a 12-quarter rolling average of the fund's market value. A spending rate of 4% is applied to this average to determine how much can be used each year. The calculation is performed at the end of each calendar year. The resulting budget supports scholarships for the upcoming Fall and Spring semesters, while the budget for endowed program and departmental funds is available for use throughout the calendar year.



If the market value of the fund falls below the original corpus amount, referred to as being 'underwater,' or if applying the 4% spending rate would cause it to become underwater, we will further evaluate the fund to determine if the award can be made. If the award cannot be made, the fund will not be awarded. In these cases, management fees are also waived to allow the principal to recover, ensuring the long-term preservation of the fund.

Endowed Scholarship Fund

An endowed scholarship is created to provide financial assistance to students in perpetuity. A Philanthropy development officer works with a donor to formalize an agreement that outlines the intent of the funds and the award criteria. Philanthropic Services generates an annual scholarship report for the donor.

Endowed Program Fund

An endowed program fund is created to support specific programs or initiatives within the University on an ongoing basis. These funds can be used for program development, operational support, outreach and marketing and other various uses. These uses and details help ensure that the endowed program fund effectively supports the program's goals and contributes to its long-term success.

Endowed Departmental Fund

An endowed departmental fund is created to support a specific college or department within the University. These funds can be used to provide operational support, support departmental facilities, training, events, or University budget support. These uses help enhance the department's academic and research capabilities, support faculty and students, and contribute to the department's overall growth and impact.

Endowed Professorship and Chairs

An endowed professorship or chair is created to support a distinguished faculty position. This endowment ensures the ongoing support of the faculty member's salary, research activities, and professional development, contributing to the academic excellence and reputation of the University. While most endowed funds require a minimum of \$25,000 to establish, endowed chairs require a minimum of \$500,000 and endowed professorships require a minimum of \$250,000.

Quasi-Endowed Fund

A quasi-endowed fund is similar to an endowed fund but offers greater flexibility regarding withdrawals. While the principal is invested to generate income, both income and principal can be used as needed to support organizational objectives. Quasi-endowed funds follow the same annual budgeting process as endowed funds, unless additional funds are required for a specific purpose.

To establish a new quasi-endowed fund, follow the same process and requirements as for an endowed fund. Existing funds can be converted into quasi-endowed funds by submitting a "Quasi-Endowed Conversion Request" to Philanthropic Services. This request will be reviewed by the Investment Advisory Committee, and if approved, the funds will be transferred to the Foundation endowment.

NON-ENDOWED FUNDS

A non-endowed fund is intended to provide flexible support for various initiatives and needs within the University. Unlike endowed funds, which are invested to ensure long-term, sustainable support, non-endowed funds are intended for immediate or short-term use. Contributions to non-endowed funds are available for expenditure right away, allowing the University to address its needs and priorities as they arise.

These funds offer the University the flexibility to manage and allocate financial resources effectively, whether for planned projects or unforeseen opportunities. By offering a responsive approach to both ongoing and emerging



needs, non-endowed funds ensure that the institution can adapt to changing priorities and capitalize on new opportunities as they occur.

A minimum contribution of \$500 is required to establish a non-endowed fund. To open a non-endowed fund, please submit a completed Fund Form to Philanthropic Services. The form must detail the purpose of the fund, the source of the funds, and designate a fund manager.

Annual Scholarships

An annual scholarship is a financial award provided on a yearly basis to support students in their educational pursuits. Unlike endowed scholarships, which are funded by a permanent endowment and provide ongoing support, annual scholarships are funded through one-time contributions or contributions received each year. The scholarship amount is typically determined by the scholarship agreement or the available funds for that particular year.

A minimum contribution of \$2,500 is required to establish an annual scholarship. Annual scholarship funding must be received by April 1 to be awarded in the upcoming academic year. Similarly to an endowed scholarship, a Philanthropy development officer works with a donor to obtain an agreement that outlines the intent of the funds and the criteria for the award. Philanthropic Services prepares a scholarship fund report for the donor annually.

An annual scholarship can be established in conjunction with the establishment of an endowed scholarship that is not yet fully funded. In this way, the donor can have a scholarship awarded annually while making pledge payments toward the endowed scholarship fund.

Program Fund

A program fund is created to support specific programs or initiatives within the University. These funds can be used for program development, operational support, outreach and marketing and other various uses. Funds must be used in accordance with the Foundation's disbursement policy, ensuring that all expenditures align with established guidelines and are appropriately managed.

Departmental Fund

A departmental fund is created to support a specific college or department within the University. These funds can be used to provide operational support, training, events, or University budget support. These uses help enhance the department's academic and research capabilities, support faculty and students, and contribute to the department's overall growth and impact. Funds must be used in accordance with the Foundation's disbursement policy, ensuring that all expenditures align with established guidelines and are appropriately managed.

Facility Fund

A facility fund is created to support the construction, renovation, maintenance, or enhancement of University facilities. Unlike endowed funds, which are designed to provide long-term, sustainable support, non-endowed facility funds are intended for immediate or short-term use. Funds must be used in accordance with the Foundation's disbursement policy, ensuring that all expenditures align with established guidelines and are appropriately managed.



Fund Management:

Fund Managers

All funds are assigned a fund manager, who is typically the individual most closely associated with the program or department benefiting from the funds. For instance, a department head would generally be the fund manager for a departmental fund, while a dean might manage a fund designated for a college. Fund managers are generally, but not always, employees of the University.

Fund managers are provided access to our financial software, allowing them to generate reports on fund balances, gifts received, and expenditures. These reports can be accessed at the fund manager's convenience. For detailed instructions on generating reports, please refer to the Fund Manager Reporting training provided.

Fund Manager Responsibilities

Fund managers should stay informed by regularly reviewing the financial information available to them. This includes monitoring fund balances, tracking incoming gifts, and analyzing expenditures to ensure alignment with the donor's intent and the fund's designated purpose. They should also verify the accuracy of financial reports, identify and address any discrepancies or irregularities, and assess how expenditures impact the fund's long-term sustainability. Periodic financial reviews are encouraged to ensure that fund usage complies with Foundation policies and stays within approved budgetary limits.

If any concerns or questions arise during these reviews, fund managers should promptly consult with Philanthropic Services to resolve them and make necessary adjustments. It is essential that expenditure requests align with the donor's intent and directly benefit the University. For any questions regarding allowable expenses, fund managers should reach out to Philanthropic Services before proceeding with expenditures. Further guidance on appropriate fund use and expenditure requests is outlined in the Disbursement Policy.

Fund Changes

To modify an existing fund, submit a Foundation Fund Form specifying the change, such as assigning a new Fund Manager or changing the fund name. Each request will be evaluated to ensure compliance with donor restrictions.

Donor Privacy and Requests for Information

The Foundation is committed to upholding the highest standards of donor privacy and data security. Sensitive information, including details about individual contributions and fund balances, must be managed with the utmost confidentiality. Access to detailed fund data is restricted to authorized individuals to safeguard donor privacy and prevent improper disclosure of sensitive information. The Foundation adheres to strict protocols to safeguard this information, recognizing that maintaining donor trust and respecting their privacy is crucial. Fund managers should not disclose this information to outside sources.

Any requests for fund information must be processed in accordance with these privacy standards, and additional access to fund details can only be granted with proper authorization and documentation. Our information request form can be found on the Foundation site, and each request will be analyzed and approved on a case-by-case basis. If fund information is to be released to another University employee, the fund manager must submit a memo to the Foundation authorizing the access to those individuals.



Gift Acceptance Guidelines

Private support through gifts is crucial for advancing the mission of Jacksonville State University. The Division of Philanthropy is committed to soliciting and accepting contributions that align with both the University's and the Foundation's missions. While flexible support is highly valuable for adapting to evolving needs, it is important that it remains consistent with the donor's general goals.

The Foundation aims to accommodate and accept all charitable contributions from donors. However, there are certain conditions under which the Foundation will decline a gift, including if the gift:

- Violates the terms of this policy
- Violates a federal, state, or other law
- Is overly difficult or expensive to administer
- Creates unacceptable liability or incurs future unanticipated expenses for the University
- Is intended for purposes that do not support the University's mission
- Could damage the reputation of the University
- Threatens the Foundation's tax-exempt status
- Provides goods or services of financial value to the donor in exchange for the gift, unless such value is fully disclosed in accordance with federal and state laws and regulations

Definition of a Charitable Contribution

Charitable contributions are resources given voluntarily without an expectation of receiving anything in return. If a donor receives benefits in exchange for their gift, the value of those benefits must be deducted from the gift for receipting, reporting, and gift crediting in accordance with IRS regulations.

Resources directed by the donor to or for the use or benefit of a specific named individual are considered by the IRS to be private benefits and do not qualify for a charitable contribution deduction. Therefore, the following types of funds will not be recorded as gifts to the Foundation:

1. Financial aid designated for a specific student
2. Compensation, funding, or material goods specified for a named faculty member or staff person by the donor unless insubstantial benefit received per IRS regulations
3. Deposits to an account over which the donor retains control of expenditures

Gift Restrictions

The Foundation is legally obligated to honor the terms and conditions associated with each gift. As such, it is crucial that gift terms are carefully evaluated to ensure they are feasible, do not unduly limit the utility or appeal of the gift, and are in alignment with our policies. University of Philanthropy Gift Officers and designated fund managers are responsible for submitting gifts with unique restrictions to the Foundation for review. It is their duty to ensure that donor intent is effectively met.

Donors may specify the intended use of their gifts, such as directing funds to specific disciplines, colleges, schools, or programs, but they cannot control how the funds are awarded, spent, or invested. Additionally, donors are prohibited from personally benefiting from or influencing the expenditures of their gifts. The Foundation maintains full discretion over the management and allocation of funds to uphold its mission and policies.



Types of Gifts:

CASH GIFTS

Cash gifts are direct donations of money made to the Foundation, offering immediate financial support for various needs. They can be given via checks, wire transfers, electronic transfers, or credit cards. Cash gifts are flexible and easy to process, allowing for quick allocation to specific programs, departments, or general funds. Donors can make one-time or recurring contributions, providing essential support to advance the University's mission. Complete credit card information must be provided in order for the transaction to be properly processed and recorded. Credit card gifts are most often received electronically through the Foundation's online giving site, give.jsu.edu.

PLEDGES

A pledge is a donor's unconditional promise to give at some time in the future. Pledges can be made through a pledge card or through a scholarship or standalone agreement. Pledge agreements should not exceed five (5) years unless approved in advance by the Vice President of Philanthropy and the Director of Philanthropic Services. A pledge must meet all of the following criteria in order to be recognized in the Foundation's financial records:

- The pledge must include the donor's full name, address and phone number
- The total amount pledged must be stated
- The period over which the donor will make the gift
- The pledge must state the fund name
- Initial pledge payment due date (if first payment is not made with the pledge)
- Schedule of pledge payments (monthly, quarterly, yearly, etc.)
- Donor signature if applicable or communication from the donor describing the intent
- There must be no contingencies or conditions

Changes to a pledge agreement must be approved by the Foundation and must be documented in writing and signed by the donor. No pledges will be made for in-kind gifts, property or planned gifts. Due to legal restrictions, pledges cannot be fulfilled with payments from a Donor Advised Fund, Grants, loans, payments that result in personal benefits, cryptocurrency, foreign currency, or in-kind gifts. Prior gifts given cannot be applied to new pledges.

SECURITIES

Publicly traded securities which have appreciated in value are common charitable gifts as they allow the donor to make a significant tax favored gift. Gifts of securities are valued, for tax purposes, as the average of the highest and lowest quoted selling prices on the transfer date. The date of the contribution of stocks and bonds is the date that the transfer of property takes place. The Foundation will liquidate gifted securities as soon as possible.

REAL ESTATE

The Foundation will consider gifts of real estate, which may include developed property or undeveloped property. The acceptance of all real estate gifts requires the approval of the Vice President of Philanthropy in consultation with the Executive Committee of the Foundation. A physical inspection of the property should be done by the gift officer or a professional inspector, and a written summary of the inspection should be included in the file documenting the consideration of the gift.



The following criteria will determine the acceptance of real estate gifts:

- Is the property useful for the purposes of the Foundation?
- Is the property marketable?
- Are there any restrictions, reservations, easements, or other limitations associated with the property?
- Are there any carrying costs, which may include insurance, property taxes, mortgages, or notes, etc., associated with the property?
- Does the real estate audit reflect that the property is free from environmental damage?

The following information should also be compiled before the acceptance of the gift of real estate:

- An initial environmental review of the property to ensure that the property is free from environmental damage. If the initial inspection reveals a potential problem, the Foundation may retain a qualified inspection firm to conduct an environmental audit. The prospective donor must bear the cost of the initial environmental review and any subsequent environmental audit.
- The copy of the deed conveying the property to the donor.
- A copy of the current property tax bill.
- A preliminary title insurance report.
- A copy of each promissory note, mortgage, deed of trust or other liens on the property.
- A copy of each lease of contract affecting the property.
- If the property is income producing, a copy of the profit and loss statements for the two most recent years.
- A summary of current insurance coverage for the property.

It is the prospective donor's responsibility to bear all costs associated with the above, including the appraisal of the property.

GIFTS-IN-KIND

Gifts-in-kind are physical assets donated to the University for its use or potential liquidation. The Foundation may accept tangible personal property such as works of art, books, scientific equipment, and more. Professional services requiring specialized skills, such as legal, accounting, or advertising services, can also be contributed, though general volunteer services that do not require specialized skills are not included.

Before accepting such gifts, a thorough review is conducted to ensure that the property is either readily marketable or can be effectively used by the University or Foundation. Philanthropic Services reserves the right to accept or decline gifts-in-kind on a case-by-case basis. Approved tangible gifts should be directed to the University through the Foundation, benefiting the appropriate college, department, or program.

Donors may be eligible to claim an income tax charitable deduction for the full fair market value of the donated property, provided it is given to the University for a use related to its educational mission. However, the Foundation cannot offer tax advice, and donors should consult with their financial advisors for guidance on their specific situations. Additionally, the Foundation will not determine the fair market value of in-kind gifts; this value must be provided by the donor and verified through a qualified appraisal or reliable market research. Donors contributing non-cash gifts valued over \$500 are also responsible for filing IRS Form 8283.



QUID-PRO-QUO CONTRIBUTIONS

A quid pro quo contribution occurs when a donor receives a benefit from the Foundation, University unit, or related entity in exchange for their contribution. For example, this situation might arise during a fundraising event, such as a concert, dinner, or other activities, where an admission fee is charged that exceeds the actual value of the benefits provided to attendees. In these cases, the portion of the payment that exceeds the fair market value of the benefit (e.g., meal, entertainment) is considered a tax-deductible contribution.

Quid pro quo contributions can be deposited into a Foundation fund as other income. However, since the cost of the benefit provided to the donor does not always match the non-deductible portion of the payment, it is essential to involve Philanthropic Services staff to accurately determine the tax-deductible portion of the payment, as opposed to the non-deductible portion.

To ensure transparency and maintain good donor relations, the tax-deductible and non-deductible components of the contribution should be clearly disclosed to the prospective donor as part of the gift solicitation materials. Additionally, the Foundation or University unit should specify these components on the Gift/Deposit Transmittal Form so that the Foundation's gift acknowledgment to the donor complies with tax reporting requirements.

TRUSTS AND ANNUITIES

Charitable Remainder Annuity Trust (CRAT)

An irrevocable trust that allows a donor to contribute assets to the trust, providing both a fixed annual income stream to a beneficiary (often the donor or another designated individual) and a charitable gift to a specified organization. The term should not be over 20 years, and the distribution to the beneficiaries must be a sum that is not less than 5% of the initial fair market value of the trust assets.

Charitable Remainder Unitrust (CRUT)

An irrevocable trust where a donor contributes assets, and beneficiaries receive a variable annual income based on a fixed percentage of the trust's value, which is re-evaluated annually. After the trust term ends, term not to exceed twenty years, the remaining assets go to the Foundation. A unitrust must have a specified payout rate, which must be a fixed percentage that is not less than 5% of the value of the trust assets determined annually.

Charitable Gift Annuity

An irrevocable gift annuity where the donor makes a gift of cash or assets to the charity, and in return, the charity agrees to pay the donor a fixed annual income for life. After the donor's lifetime, the remaining assets go to the Foundation. It's a way for donors to receive income while making a meaningful contribution.

The Foundation will maintain comprehensive records for all trust and annuity agreements, including life income payment schedules, investment statements, and tax documents. Donors and their advisors are responsible for preparing the life income gift agreements. The Foundation will establish the trust or annuity account, manage ongoing donor communications, and handle the acknowledgment of gifts. Additionally, the Foundation will send life income checks and tax documents to recipients.

Before acceptance, the terms of all life income gifts must be reviewed by the Foundation's legal counsel and approved by the Executive Director.



LIFE INSURANCE

A donor may designate the Foundation as the owner and beneficiary of either an existing fully funded insurance policy or a policy for which they continue to pay premiums. If the policy is not fully funded, additional premiums will be contributed to the Foundation, which will then forward these payments to the insurance company.

All life insurance gifts must receive prior approval from the Executive Director of the Foundation. The Foundation accepts gifts of whole life and universal life insurance policies that meet the following criteria:

- The policy insures only the life of the donor and/or the donor's spouse
- If the policy is not fully paid up at the time of the gift, it must:
 - Have a minimum face value of \$50,000.
 - Have a premium payment schedule not exceeding five (5) years, allowing the institution to account for all anticipated payments within a comprehensive campaign
 - Include a separate pledge agreement from the donor to cover any additional premiums as they become due

The Foundation will be irrevocably designated as the owner and beneficiary of all accepted policies. Donors may specify how the death benefit from their policy should be utilized by the Foundation, in alignment with the University's needs. Benefits can be unrestricted, restricted for a specific purpose, or directed toward a new or existing endowment fund.

BEQUESTS

A bequest is a provision in a will or living trust that designates a portion of an individual's estate to be given to the Foundation upon their death. Bequests can take various forms, including a specific dollar amount, a percentage of the estate, or assets such as real estate, stocks, or personal property. Bequests are revocable, meaning they can be altered or revoked by the donor at any time during their lifetime. This form of planned giving allows donors to make a significant contribution while retaining control over their assets during their lifetime.

MATCHING GIFTS

Some corporations and organizations choose to match employees' donations based on pre-established agreements between employees and the organizations. The Foundation will accept and encourages matching gifts, provided they follow the guidelines of the IRS and the company providing the match.

PAYROLL DEDUCTIONS

The Foundation accepts gifts given via payroll deduction from University employees. The employee must complete and submit the Payroll Deduction Form (found on the Foundation site) that indicates the employee's personal information, the amount of the payroll deduction, and the selected fund for the contribution. These gifts are set up on an indefinite basis. Please use the same Payroll Deduction Form to cancel any existing payroll deductions.



Gift Acknowledgement

The Foundation provides written gift acknowledgement letters for each gift. The type of acknowledgement that is prepared is based on the amount received. Any quid pro quo contributions will receive a letter detailing the fair market value of items that was received in return for their gift, per IRS regulations. Additionally, any gifts received for athletic funds receive an acknowledgement prepared from the Athletic Director in addition to the general acknowledgement described below:

1. Gifts between \$100-\$2499: The Foundation prepares an acknowledgement letter on Foundation letterhead to be signed by the Executive Director.
2. Gifts \$2,500 and larger: the Foundation prepares an acknowledgement letter on Presidential letterhead that the President of the University will sign.

Chain of Custody

To ensure the secure and accurate processing of all financial gifts, particularly checks, this section outlines the required procedures for the handling, routing, and documentation of donations. Adherence to this policy safeguards the integrity of our gift acceptance process and ensures compliance with legal and financial standards.

Below will outline the procedures that should be followed when receiving a check to be delivered to the Foundation:

- **Routing of Checks**
 - All gifts received should be routed to the Foundation to ensure proper recording and acknowledgement.
 - When receiving a check, please notify the Foundation immediately to ensure they are aware and anticipating delivery.
- **Timely Delivery**
 - Checks must be delivered to the Foundation within two (2) business days of receipt. This timeframe is critical to ensure timely deposit and financial reporting.
- **Gift Deposit Form**
 - All checks must be accompanied by a completed Gift Deposit Form, found on the Foundation website
 - Please ensure the Gift Deposit Form contains the donor name, description of what the gift is for, and the fund the gift will be deposited.
- **Secure Handling**
 - Checks must be handled with care and kept in a secure location until delivered to the Foundation. This includes using locked drawers or safes when necessary.
 - Under no circumstances should checks be left unattended or unsecured.



Disbursement Guidelines

Jacksonville State University Foundation has a fiduciary responsibility to donors to ensure that funds are utilized in accordance with the terms and conditions of their gifts. All disbursements from Foundation funds must: 1) provide direct benefit to Jacksonville State University; 2) Be directly related to responsibilities of the individual incurring the expense; 3) be properly reported for tax purposes, as appropriate; and 4) be used in compliance within acceptable limitations of the donor.

The Foundation encourages Fund Managers and those seeking disbursements to make the fullest use of state or other resources whenever possible prior to requesting disbursement of Foundation funds.

General Disbursement Guidelines

Payments can be processed to pay a vendor invoice, reimburse an employee or supplement a University budget. **No funds are spent without fund manager authorization.** All requests for disbursement must be initiated with a Foundation Check Request form. This form can be submitted using our digital check request form, or a check request form can be printed and sent to the Foundation. Both links can be found on the Foundation site. Detailed and adequate receipts must be attached to all Check Request. The form *must be completed in its entirety* and should include the information detailed below:

- **Fund:** All check requests must specify the fund where the purchase is being requested to be made from. The Fund Manager is responsible for ensuring that there are sufficient monies to cover the disbursement. Any questions related to the fund can be directed to the Foundation before submitting the request.
- **Purpose:** Provide a *DETAILED* explanation of the purpose for which the goods or services are to be used (i.e., reason for purchase; reason for meals or meeting, event and/or use of athletic suites, including a list of attendees and their affiliation to the University, etc.). The Foundation follows the Accountable Plan rules set forth by the IRS, which can be seen in further detail below.
- **Documentation:** Attach *DETAILED AND ADEQUATE* supporting documentation (i.e., invoices or itemized receipts for all expenses). Balance due statements are not acceptable. The Foundation will reimburse an individual, pay vendors directly, or transfer funds to the University. Please also ensure this information is legible.
- **Sales Tax:** The JSU Foundation is required to pay sales tax on the purchase of goods/products, whereas the University is not. If you submit a Check Request to the Foundation for reimbursement/payment of goods/products, ensure that the invoice includes sales tax. Sales tax is typically not applicable for the payment of services.
- **Signatures:** The Fund Manager and Fund Manager Supervisor must provide signatures on the Check Request form as their certification of the appropriateness of the expenditure request. This is an important financial control feature to help protect the fund from unauthorized and potentially inappropriate uses that are unknown to the Fund Manager. If the Fund Manager is at the Vice President level, the President does not have to sign the check request as the Fund Manager's supervisor, *UNLESS* the check request is for the direct benefit (reimbursement) of the Vice President level fund manager.



Accountable Plan

The term “Accountable Plan” was developed by the IRS to set forth rules and define legitimate expense reimbursements. It requires the submission of adequate documentation to support the reimbursement or payment request. The IRS requires that Foundation payments to or on behalf of the University employees **that do not qualify as Accountable Plan payments be included in the employee’s W-2 wages**. A qualified Accountable Plan requires all expenditures to:

- **Have a bona fide business purpose:** The IRS may view a disbursement as providing a personal benefit if there is any doubt concerning its business purpose. Even though, in some cases, the business purpose may be implied, it must be specifically documented so that a third party would have no question as to its benefit to the institution. Paying or reimbursing for “lavish” or “extravagant” expenses is unacceptable. These terms are used in IRC Sec 162 and are repeatedly used in IRS documentation, usually with a statement that such expenses are non-deductible. The Foundation will determine, at its sole discretion, whether expenses are lavish or extravagant. If an expense is lavish or extravagant, the Foundation may deny payment in its entirety or reduce the amount paid. If you feel there is justification for a reimbursement that might be deemed lavish, please provide your reasoning when submitting the request.
- **Be properly substantiated:** Itemized receipts are required to provide substantiation for all expenses being paid or reimbursed. The Foundation will not reimburse expenses without receipts or documentation. Credit card statements are not adequate supporting documentation. Detailed receipts for credit card purchases are obtainable from the vendor and should always be attached to the Check Request Form.

Reconstruction of records may be allowed if originals have been lost through circumstances beyond the person’s control, such as fire, flood, etc. If reconstruction is not possible, a signed memo must accompany the request certifying, **“The receipt cannot be provided, no personal items are being reimbursed, and the reimbursement has not been submitted for payment to any other source.”**

Lost receipts on purchases with cash can result in delay or rejection. To ensure timely reimbursement, use a card instead of cash. There is still documentation of the purchase, even with lost receipts.

- **Be accounted for on a timely basis:** The Foundation will not pay or reimburse expenditures if they are not submitted within 60 days in accordance with IRS guidelines. Expenses from a closed fiscal year will also not be paid.

The Foundation *will not* pay the check request if any of the three elements of an Accountable Plan are missing. The importance of properly documenting the business purpose of the expenditure as proof of its propriety cannot be overstated.



Processing Time

All check requests will be processed within 5-7 business days of receipt. For same week processing, the deadline for submission to the Foundation is Tuesdays at 12 pm. Checks and direct deposits are processed on Thursdays each week. If the Check Request is incomplete, more detail is needed or is missing supporting documentation, the information will be requested from the sender. Complete Check Requests with proper supporting documentation received at the Foundation office will ensure timely processing and prevent any unnecessary delays.

Rush Requests

Requests for rush payments interrupt the processes and internal control procedures established by the Foundation. Payment requests must be planned in advance and presented to the Foundation within the allowable time frame for normal processing. Any rush payment request must also have justification for the immediate payment. Please keep in mind that payments require Foundation staff to obtain additional approvals or signatures that may prevent expedited payment of rush requests. The Foundation will monitor departments with habitual rush requests that are due to lack of planning.

Check Request Submission

All requests for payment, including invoices, reimbursements, and other payment requests, must be submitted using the Foundation's designated Check Request form. This is available on the Foundation website through dynamic forms or pdf.

Check Request Approval

All check requests are required to be approved by the Fund Manager and Fund Manager Supervisor BEFORE being delivered to the Foundation. If the Fund Manager is at the VP level, their Supervisor (the President) does *not* have to sign as Fund Manager Supervisor **UNLESS** it is a reimbursement to the Fund Manager.

Check Requests are approved every Wednesday by the Foundation Director, Vice President of Philanthropy and Treasurer. Approval levels are established based on the dollar amount of the check request:

- Up to \$500: Must be approved by the Fund Manager and Fund Manager Supervisor, plus Director of Philanthropic Services
- Over \$500: Must be approved by the Fund Manager and Fund Manager Supervisor, plus Director of Philanthropic Services, Treasurer and VP of University Advancement

Transfers to other Foundation Funds

If you need to transfer funds from one Foundation fund to another Foundation fund, please complete and submit a Funds Transfer Form, which can be found on the Foundation's website. Please reach out to the Foundation first to ensure that the transfer does not violate any donor restrictions.



Allowable Expenses:

GENERAL OPERATING EXPENSES

This refers to the general payments for goods and services that are necessary for the day-to-day functioning of a department or program. These expenses can include, but are not limited to, office supplies and equipment, maintenance and repairs, marketing and advertising, utilities, etc.

A current W-9 must be on file for all vendors. Please send a copy of the vendor W-9 along with the check request, or separately to the Foundation. Payment will not be issued without a vendor W-9 on file.

TRAVEL & LODGING

Travel for University employees is to be processed through the University following the University's normal policies and procedures. Exceptions to this may be approved by the Vice President of University Philanthropy or the Executive Director of the Foundation. Transfer of funds from the Foundation to the University budget account that is incurring the travel expense is appropriate. A check request will need to be completed to transfer funds to the appropriate University FOAP and payment will be processed through the University payroll system. The Foundation does not provide cash advances.

Foundation funds will not be used to pay for lavish or extravagant travel expenses, first-class travel, or trips or conferences aboard luxury cruise ships.

Spouses & Other Family Members

The Foundation can only pay the expenses of those who have a valid business purpose for traveling. Costs for persons with no valid business relationship for traveling will not be reimbursed from Foundation funds.

MEALS & BEVERAGES

Use of Foundation funds for meals and receptions is permitted when such expenditures are clearly related to advancing the interests of the University, e.g., entertaining potential donors, candidates for employment, guests to the University, food or refreshments for meetings of University committees, boards, councils, or department meetings with a business purpose.

The elements required to provide the legitimacy of entertainment expenditures are:

- 1) The amount of each separate expenditure
- 2) The date of the activity
- 3) The place and description of the entertainment, such as dinner or theater, if not apparent from the name of the establishment
- 4) The business purpose of an expense, which must directly relate to the responsibilities of the person incurring the expense (a short description such as, "Discussed XYZ research project, conducted departmental staff meeting, had dinner to cultivate a donor," etc. is acceptable)
- 5) The name and title of other persons in attendance to support how the benefit required in number 4 above will be derived



6) Supporting documentation, such as itemized receipts

The Foundation will refuse payment for any meal or other entertainment expense for which the business purpose has not been sufficiently documented. In addition, the Foundation can refuse payment for any meal that is considered lavish or extravagant. If business and non-business individuals are entertained at the same event, the Foundation will only reimburse for business persons at the event. Alcohol is reimbursable by the Foundation.

Individual Meals

The Foundation will reimburse individual meals while traveling for University business up to \$34 for any trip during normal business hours or less than overnight and \$75 per day for overnight stays. The Foundation will reimburse a maximum of 20% gratuity.

If the Check Request is for expenses related to a meal, be sure to fully complete the meal section of the Foundation Check Request.

Spouses

Generally, meals for a spouse will not be reimbursed unless there is a legitimate business purpose for his/her presence (i.e., entertaining a donor or distinguished guest whose spouse accompanies him/her or when the presence of the employee's spouse is considered helpful to a legitimate University effort). It is generally not appropriate, however, for spouses to join in business meals or other entertainment activities when the other attendees of the function are all University employees.

MEETINGS & EVENTS

Staff Meetings, Luncheons, Etc.

Foundation funds may be used to pay expenses for bona fide staff meetings, luncheons, retirement parties for employees with significant years of service, etc., assuming they fall within allowable guidelines. Typically, staff meetings are routine, have a consistent group of attendees, are "working" meetings with a set agenda, and take place in a setting conducive to doing business. The amount per person should follow the requirements for Meals and not be lavish or extravagant.

Retreats & Team Building

Retreats and team-building activities are costs incurred to support the objectives of enhancing team cohesion, improving communication, fostering collaboration, and achieving organizational goals. These expenses should align with the organization's mission, be reasonable in nature, and directly contribute to the success of the retreat or team-building activity. Reimbursement will not be made for the expenses of spouses or other attendees without a legitimate business purpose.

Conferences & Professional Development

To be reimbursed by Foundation funds, these expenses must be directly related to enhancing the skills and knowledge of employees, contributing to their professional growth, and aligning with the organization's mission and goals. All expenses should be reasonable, necessary, and well-documented to ensure compliance with organizational policies and any applicable external regulations. All travel related to any conference should be submitted according to the Travel guidelines set forth in this policy. No personal expenses will be reimbursed.



Other Events

Foundation funds can be used for other departmental or program events such as hosted conferences, workshops, band days, student events, etc., as long as they follow Foundation fund guidelines. These types of expenses will typically fall under general operating expenses.

EMPLOYEE & NON-EMPLOYEE EXPENSES

Reimbursements to Employees

If the payment is a reimbursement for a legitimate business expense, it is not included in taxable wages. This will be reimbursed to the employee through direct deposit (ACH) from the Foundation. Complete the Direct Deposit form found on the Foundation's website and submit it to the Foundation with the Check Request. If it is a personal expense, an employee benefit, or an expense that is not allowed by Foundation policies, it is considered to be taxable income, and the Foundation must report that amount to payroll to be included on the employee's W-2. If the Foundation pays a reimbursement for any expense that is subsequently fully or partially refunded, the employee is required to notify the Foundation and remit any refunds or credits back to the Foundation.

Employee Salaries

The Foundation cannot make a direct payment for compensation to any University employee (or student worker). It is permissible to use Foundation funds to supplement University budgets for faculty or staff positions if this use is within Foundation fund guidelines, the use is approved by the appropriate Foundation Fund Manager, and appropriate University staff members approve the employee position. A check request will need to be completed to transfer funds to the appropriate University FOAP, and payment will be processed through the University and included on the employee's Form W-2.

Faculty & Staff Awards, Bonuses, etc.

Payments made to University and Foundation employees, such as bonuses, awards, or for services in excess of their usual duties, must be included on the employee's Form W-2. All such payments must therefore be made through the University's payroll system. A check request will need to be completed to transfer funds to the appropriate University FOAP, and payment will be processed through the University and included on the employee's Form W-2.

Fringe Benefit Payments

Fringe benefits are payments or benefits provided by employers to their employees as compensation in addition to regular salaries and wages. As a rule, fringe benefits may be taxable unless specifically excluded by tax law. Fringe benefits paid by the Foundation that are not exempt from tax laws must be included in the employee's taxable wages. If a reimbursement to an employee is not for a bona fide business expense or is not in accordance with Foundation policies, the payment will be considered a taxable fringe benefit and will be reported to payroll to be included in the employee's taxable wages. Please see IRS Publication 15-B for more details on fringe benefits.

Auto Leases

Foundation funds may be used to cover auto lease payments for staff members, subject to the approval of the Vice President of Philanthropy and the University. As these payments are classified as a fringe benefit according to IRS regulations, they will be processed through the University's payroll system and included in the individual's monthly salary.



New Employee Expenses

The Foundation may reimburse a new University employee for moving expenses according to IRS guidelines. It is preferred that the reimbursement be paid through the University by transferring Foundation funds to supplement the University budget. Moving expenses are considered taxable fringe benefits and must therefore be reported to payroll to be included in the employee's taxable wages. The Foundation will also pay for or reimburse any expenses incurred during the interview process, as long as the use follows the Foundation fund guidelines.

Mobile Phone Allowances

The decision and approval to reimburse business-related cell phone monthly plan costs are based on the employee's position/role and are at the discretion of each College/Department. Family plans and shared data costs must be calculated in proportionate to the employee. To receive a mobile phone allowance, at least 50% of the phone expense must have been incurred for business purposes. If it is not used for at least 50% for business purposes, it is considered a taxable fringe benefit and will be included on the employee's W-2. The Foundation will reimburse up to \$75 per month per employee unless otherwise agreed upon and approved by the Vice President of Philanthropy.

CONTRACTUAL SERVICES

Independent Contractor or Employee

The complex and ever-changing Internal Revenue Code and IRS regulations cause the distinction between employee status and independent contractor status to be difficult to determine and often subjective in nature. If the person **does** meet the requirements of an Independent Contractor, then submit their invoice for payment and the Foundation will pay the individual directly. Typically, if the vendor is an individual or a small business (not a corporation) providing a SERVICE, it will be considered an independent contractor, and a W-9 will be required before payment is made. The Foundation will issue a 1099 to the contractor at the end of the year if total payments were above the IRS threshold.

If the person **does not** meet the requirements of an Independent Contractor, then they would be considered an employee. If the expense is a bona fide business expense, the expense will be reimbursed and will not be taxable to the individual. If the expense is not deemed to be a bona fide business expense or is not allowed by the Foundation policies, it will be reimbursed and reported to payroll as a taxable employee benefit to be included in taxable wages on the employee's W-2.

Retired Employees, Volunteers & Adjunct Faculty

As with other types of expenditures, payments to or for the benefit of retired or emeritus employees must have a documented business purpose that benefits the University. The fact that these persons are no longer on the active payroll need not exclude supporting their activities as long as the activities directly benefit the University and are sufficiently documented. These payments will be considered taxable income and reported on Form 1099 at year end.



GIFTS, FLOWERS & TICKETS

De Minimis Fringe Benefits

The IRS defines this as benefits that are considered small or insignificant valued, infrequent benefits where accounting for them would be unreasonable or impractical. Some examples would be occasional snacks or beverages, non-cash holiday or birthday gifts, occasional personal use of office equipment, or other low-value items. Foundation funds can be used for these purposes as long as they follow the Foundation fund guidelines.

Retirement Gifts or Length of Service Gifts

Foundation funds may be used for retirement gifts or gifts honoring an employee with significant years of service up to \$300 and must be approved in advance. Please include the individual's name, reason for the gift and years of service with the Check Request. Gifts should only be tangible gifts. No gift cards, gift certificates or cash equivalents.

Donor Gifts

Donor appreciation gifts, where the donor was not expecting a gift, or occasional unplanned cultivation gifts such as flowers, apparel or other items should not exceed \$300 per calendar year.

Sympathy or Memorial Flowers

Foundation funds may be used to cover sympathy or memorial flowers. Foundation will reimburse up to \$250 of the cost.

Tickets

Requests to purchase or reimburse for athletic or fine arts tickets must identify the name and relationship of the ticket recipient, and the business purpose served by providing a complimentary ticket. Colleges or departments can use Foundation funds to purchase suite tickets as long as the purpose follows the Foundation fund guidelines.

DUES & FEES

Professional Associations

The Foundation will pay membership dues for professional associations and civic organizations such as the Chamber of Commerce, Rotary, Kiwanis, etc., provided there is a connection between the membership and member responsibilities to the University. Please check with the University before setting up new memberships to ensure there is not an already active membership or arrangement.

Club Dues & Memberships

Payments for country club dues will be approved on an as needed basis. Payments for civic organizations and country club memberships are considered taxable fringe benefits and must be reported to payroll to be included in the employee's taxable wages.

Professional Dues & Subscriptions

Foundation funds may be used to pay for professional dues/certifications as well as subscriptions to industry publications. Both instances require proper check request approval and must provide a specific business purpose and are not to be part of a subscription already in-use by the department/office.



STUDENT EXPENSES

The IRS requires the provider of any student payments to follow tax reporting and/or withholding rules based on the *reason for the payment*, regardless of the terminology used to describe it. Foundation payments to or for students can generally be categorized into one of the following two *tax* categories:

- 1) Scholarships or other payments that are designed to assist in retaining students at the University and with no other benefit expected by the University (e.g., no employee relationship)
- 2) Awards and other payments that are designated to recognize a past academic achievement, are not based on any employment relationship to the University, and do not tie future studies of the recipient to the University.

The IRS has provided some guidance to assist in differentiating a scholarship from an academic award. The general rule is that a scholarship is prospective in its objective to keep the student enrolled, while a prize or award is primarily related to past activities of the recipient. If a payment that advances a student's academic program has elements of both past activities and prospective activities, it is presumed to be a scholarship unless facts of the specific situation dictate that the payment is clearly a student award or compensation for services.

Scholarships, Awards and Employment-Related Compensation

To qualify as a scholarship payment, the student must be enrolled at the University at the time the payment is made. Foundation scholarships for tuition, books, or fees are provided at the beginning of each semester. Foundation scholarships, whether Endowed Scholarships or Annual Scholarships, are administered through the University's Financial Aid Office. The Financial Aid Office submits a Check Request for the scholarship amounts from the applicable Foundation funds.

According to IRC Sec. 117(c), the definition of a qualifying scholarship **excludes** payments by the Foundation (even if for tuition, fees, and books) if the payment requires teaching, research or other services to be performed by the student as a condition for receiving the payment. These employment-related tuition payments are compensation and must be reported on the recipient's W-2. If the student has an employment relationship with the University, payments (other than legitimate scholarships) must be administered through payroll.

Award payments recognizing academic achievement are paid directly by the Foundation to the student and are considered taxable payments and reportable on IRS 1099 Forms.

Tax Considerations

Under IRC Section 117, scholarships for tuition, books, and fees are not taxable. Any scholarship amounts in excess of tuition, books and fees (such as for room and board) are taxable. Any payment for services that benefit the University, regardless of whether it is called a scholarship, is considered employment compensation and must be included on the employee's Form W-2.



Disallowable Expenses:

This list is not intended to be all-inclusive, only to provide examples of the most frequently rejected expense reimbursements/payments. If you are not clear as to the appropriateness of an expense, please contact the Foundation office before incurring the expense or service.

- ⊗ Expenses that do not comply with the restrictions of the requested funding source
- ⊗ Expenses incurred in a prior calendar year once the year has been closed
- ⊗ Personal expenses (i.e. meals, room, travel for a spouse or family, or when not for a bona fide business purpose)
- ⊗ Payments for flowers or gifts related to employee's weddings or anniversaries, as this is considered personal (flowers for sympathy are allowed but not to exceed \$300)
- ⊗ Purchase and/or maintenance of equipment located at a home or other off-site location
- ⊗ Political contributions including the purchase of tickets to attend a fund raiser
- ⊗ Questionable items (i.e., those not in compliance with policies established by the Foundation, or those that may give the perception of misuse of charitable funds)
- ⊗ Airline club dues
- ⊗ First-class airline tickets or business-class airline tickets for domestic travel and seat upgrades for air travel for which there is a cost
- ⊗ Rental car club membership fees
- ⊗ Loans to University employees or students
- ⊗ Payment of fines, traffic violations, parking citations, or penalties
- ⊗ Other fees or fines due to negligence
- ⊗ Reimbursement for parking at the employee's main place of work
- ⊗ Donations to other charitable organizations (sponsorship requests must be approved by the Executive Director or VP of University Advancement)
- ⊗ Lavish or extravagant costs for meals or other entertainment expenses
- ⊗ Payments to non-resident aliens
- ⊗ Non-work/business related expenses
- ⊗ Costs of commuting to/from work/home
- ⊗ ATM or cash advance fees
- ⊗ Expenses for family, child, pet, home and property care while on a trip
- ⊗ Lost or stolen items
- ⊗ Travel expenses for spouse, children or companions

Purchase of Capitalized Equipment with Foundation Funds

The Foundation will not purchase capital assets on behalf of the University. Capitalized assets are defined as movable, non-consumable property that has a life expectancy of one year or more and has a unit value of \$5,000 or more. Any capitalized asset purchases must be made through the University following established University guidelines. The transfer of Foundation funds to the appropriate University budget for the cost of the assets being purchased is allowable. Please send a Check Request payable to the University and specify the FOAP to transfer the funds.

Fixed Asset cost thresholds are shown below:

- Buildings: \$100,000
- Improvements: \$75,000
- Equipment: \$5,000



- a. This includes furniture, office equipment, computer hardware/software, cameras, automobiles, athletic equipment, grounds equipment and musical instruments.

If there are any questions regarding this policy, please contact the Foundation before making the purchase to obtain further guidance or clarification.

Personal Gifts

Foundation funds should not be used to purchase personal gifts or flowers, such as those for Administrative Assistant's Day, Boss's Day, a new baby, wedding, etc. These items provide a personal benefit to the recipient. As such, the expenditures are not for a business purpose, as defined by IRS regulations.

Gift Cards and Gift Certificates

Gift cards and certificates given as prizes or awards are considered a cash-equivalent by the IRS and are thus *prohibited* as gifts in lieu of gift baskets or other de minimis benefits.

Cash Gifts

Cash gifts are *strictly prohibited*.

Foundation Issued Credit Card

The Foundation provides credit cards for certain University positions as determined by the Vice President of Philanthropy and Executive Director of the Foundation. It is important to provide any and all documentation pertaining to expenses incurred using these Foundation-issued credit cards. The credit card should not be used for personal expenses.

All purchases using a Foundation credit card should follow all Disbursement Guidelines. A Foundation check request should be used to document all Foundation-issued credit card transactions including:

- Bona fide business purpose
- List of attendees, if applicable, for each expense
- Clear explanation of any changes that may affect the current or future credit card statement
- Original detailed receipts for each transaction

The Check Request should be easy to follow and have prior approval when submitted. If the Check Request is incomplete or does not comply with Foundation requirements, it will be returned. Please see the full Foundation Credit Card Policy for further information.



Sponsorships, Namesakes and Memorials

Sponsorships:

Sponsorships play a vital role in supporting the mission of the University, offering valuable opportunities to enhance programs, events, and initiatives. However, the integrity and reputation of our institution must remain at the forefront when entering into sponsorship agreements. Our commitment is to foster sponsorship relationships that reflect and uphold the mission and image of the Foundation and University. By following these guidelines, we ensure that sponsorships are managed transparently, ethically, and in a manner that protects the interests of all parties involved.

Sponsor Alignment

When acknowledging a sponsor, the Foundation and University must ensure that the sponsor's mission and image align with our own. We are not obligated to accept sponsorships from entities whose mission or image conflicts with that of the Foundation or University.

Upon receiving a sponsorship agreement, the receiving department should immediately send a copy to the Foundation for review and record-keeping. The Foundation will then classify and record the sponsorship details as a gift or pledge. In collaboration with the receiving department, the Foundation will evaluate sponsorship benefits to determine if they qualify under IRS guidelines. Payments must be delivered to the Foundation within two (2) business days. Regular audits will ensure compliance with IRS regulations, and the Foundation can establish a dedicated fund for sponsorship payments if needed.

Key Sponsorship Agreement Elements

When drafting sponsorship agreements, it is crucial to outline clear and detailed terms that protect both the Foundation and University, as well as the sponsor. The Foundation has a right to decline sponsorship payments if any of these items are missing or cannot be provided. These agreements should include:

- **Acknowledgment Forms:** Clearly specify how the sponsor will be acknowledged, whether through verbal mentions at events, logo placements on materials, website listings, or social media shout-outs. This ensures that all parties agree on the visibility and format of the recognition, avoiding any misunderstandings about how the sponsor's support will be publicly acknowledged.
- **Return Benefits:** Detail any benefits that the sponsor will receive in return for their support, such as event tickets, promotional materials, or exclusive rights within certain categories. It's important to define the value of these benefits and ensure they comply with IRS guidelines to maintain the sponsorship's qualified status.
- **Approval Rights:** The agreement should grant the University the right to approve any content related to the sponsorship, including the sponsor's name, logo, or promotional materials. This ensures alignment with the University's values and prevents any potential conflicts. If the sponsorship includes digital recognition, such as a logo on the University's website, the agreement must specify where any hyperlinks will direct users. Links should lead to the sponsor's homepage or general information page, avoiding specific sales or promotional content to maintain compliance with IRS guidelines and protect the tax-exempt status of the sponsorship.



Qualified Sponsorship Payments

Qualified payments include acknowledgments without promotion, brand visibility without promotional language, exclusive sponsorship rights without product promotion, no endorsements or testimonials, non-exclusive acknowledgment, and adherence to the 2% Safe Harbor rule for minimal benefits to the sponsor.

Non-Qualified Sponsorship Payments

Non-qualified payments include exclusive provider arrangements, contingent payments based on exposure, payments tied to conventions or trade shows, and advertisements in periodicals.

Acknowledgment vs. Advertising

Acknowledgment involves simple recognition, such as verbal mentions, logo placement, printed materials, website recognition, social media posts, press releases, and plaques or certificates. Advertising, on the other hand, includes promotional language, calls to action, product endorsements, pricing details, excessive branding, exclusive promotional benefits, and quantifiable promotional value. It is essential to maintain a clear distinction between acknowledgment and advertising to meet IRS regulations and avoid taxes on unrelated business income.

Third-Party Solicitation Guidelines

Only authorized groups or vendors may solicit sponsorships on behalf of the University, and they must disclose their relationship with the University to potential sponsors. These parties are required to adhere to Foundation and University policies, report on their activities regularly, and are accountable for any misconduct, which may result in contract termination. Payment terms and incentives should be clearly defined, with performance metrics established to measure effectiveness. Periodic compliance checks and performance reviews should be conducted to ensure adherence to guidelines, with termination conditions outlined in contracts.

Naming Opportunities:

Naming opportunities represent a unique and enduring way for donors to leave a lasting legacy while making a significant impact on the University. By naming buildings, facilities, programs, or other areas on campus, donors not only contribute to the growth and success of our institution but also align their name with the mission and values that define us. Through thoughtful and deliberate consideration, naming opportunities are granted to celebrate those who have made transformative contributions, ensuring their impact is recognized and remembered for generations to come. Please see the full policies for more detailed information.

General Guidelines

Creating a namesake requires current gifts of cash or readily marketable assets payable within five (5) pledge years. Pledges that include assets not readily convertible into cash or documented planned gifts are exceptions that must be approved by the University President, the Vice President for Philanthropy and Executive Director of the Foundation.

Donors can create lasting legacies through a variety of naming opportunities. These naming opportunities not only honor the generosity of our donors but also contribute to the ongoing excellence and development of our academic and physical environments:



- **Namesake Colleges:** A minimum gift of \$15,000,000 is required to establish a namesake college, permanently associating the donor's name with a significant academic entity within the University.
- **Namesake Departments:** For naming a department, a minimum contribution of \$1,000,000 is necessary, allowing donors to directly support and be recognized within a specific field of study.
- **Namesake Spaces:** Naming a space within the University, such as classrooms, laboratories, or common areas, requires a gift amount that varies depending on the significance and location of the space, typically ranging from \$50,000 to \$1,000,000.
- **Namesake Faculty Chair:** An endowed namesake faculty chair is a distinguished, permanent academic position aimed at supporting and advancing the work of a renowned faculty member in a specific field. This endowment helps fund the faculty member's salary, research, and professional development. The minimum contribution required to establish such a chair is \$500,000.
- **Namesake Professorship:** An endowed professorship generates expendable distributions intended to support a designated faculty member, providing financial backing to enhance their teaching and research capabilities. Establishing an endowed professorship requires a minimum contribution of \$250,000.

Donor contributions must have reached 51% of the total gift before it is reserved for that donor. Once the donor contribution has reached 75% of the total gift, the name of the appropriate department will be officially changed, updated on all printed materials, and thereafter formally referred to as the namesake. Prior gifts given cannot be applied to newly created namesake agreements.

All funds received for a naming opportunity will be split between the University, the appropriate college and the program as follows:

- **Namesake Colleges:** 20% is restricted for University use, 80% is restricted to the Dean's discretionary fund
- **Namesake Departments:** 10% is restricted to the Dean's discretionary fund, 90% is restricted to the namesake department fund
- **Namesake Spaces:** 60% is restricted for University use, 30% is restricted to the Dean's discretionary fund, 10% is restricted to a deferred maintenance fund for any future needs
- **Namesake Chair & Professorship:** This will follow the basic endowed spending rate guidelines discussed previously in this Handbook. 25% of the budget will be used for a salary stipend. 75% of the budget will be used to support the professors' professional activities



Expenditure Guidelines

Financial resources received for a namesake can be used in the following ways:

- **Scholarship Support:** Financial need for students requiring additional financial support
- **Research or Project Funding Support:** Faculty and/or student research initiatives, projects, or experiential learning opportunities within the departments
- **Community Engagement:** To enhance community involvement or engagement within the program's field of study
- **Student Leadership Potential:** Awarded to student development (conference fees, travel, etc.) for students demonstrating leadership potential within the program
- **Faculty Professional Development:** Financial support for faculty seeking professional development opportunities, such as conferences and workshops related to the program
- **Program Enhancement:** Financial support to enhance the program itself, such as updating equipment, facilities, or curriculum
- **Impact and Sustainability:** Financial support for projects or initiatives with a measurable impact and long-term sustainability within the program
- **Salaries and Stipends:** Financial support to cover salary costs or provide additional stipends, contributing to professional development and academic excellence.
- **Other General Support:** Research and teaching support materials (e.g., print materials, biological specimens, computer software, art supplies, etc.), department supplies, miscellaneous services and materials, graduate assistant stipends, licenses/permits (non-personal), honoraria, fees for invited speakers and/or scholars-in-residence supporting scholarly interests of the chairholder

Upon formal creation of the namesake, the Dean or department chair gains access to the spending funds associated with the namesake as well as all documentation related to donor restrictions. The Dean, Provost, VP of Academic Affairs and department chairs are responsible for ensuring usage of the funds are in compliance with donor stipulations provided in the agreement, as well as University policy.

Memorials:

Donors may request the placement of a memorial tree or bench on campus. While specific locations can be requested, the Campus Beautification Committee will recommend the appropriate placement. The University retains the authority to relocate any benches, trees, or tributes as necessary.

Memorial Benches

Installed in a University-selected style, benches are placed on a concrete Foundation by Capital Planning & Facilities. The University will purchase all materials, and naming plaques will be installed at the discretion of Capital Planning & Facilities.



Memorial Trees

Trees are planted based on the discretion of Capital Planning & Facilities. If a memorial tree dies, the University may choose to replace it.

All requests for memorial benches or trees are reviewed by the President and require approval from the Board of Trustees following a recommendation from the Campus Beautification Committee.

Thank you for your dedication and commitment to our mission. By adhering to the guidelines set forth in this Handbook, you play a crucial role in advancing our shared goals and ensuring the responsible management of resources. We appreciate your efforts in supporting Jacksonville State University and making a meaningful impact through your work. For any questions or further assistance, please reach out to the Foundation team.

How to Reach Us

Office Hours

8:00 a.m. – 4:30 p.m.
Monday – Friday

Mailing Address

JSU Foundation
700 Pelham Road N
Jacksonville, AL 36265

Telephone

256-782-5306

Email

jsufnd@jsu.edu

Website

www.jsu.edu/foundation
www.give.jsu.edu/fundraising