

## Potsdam College Foundation, Inc. Gift Expenditure Guidelines

### Overview

The Potsdam College Foundation, Inc. (Foundation) qualifies for its tax exempt status because it operates for the benefit of a college operated by a governmental unit. As such, expenditures of charitable donations must relate to its tax-exempt purpose.

The purposes of the Potsdam College Foundation, Inc., as stated in its Certificate of Incorporation are:

To encourage, accept and hold gifts made to it in the form of money, stocks, bonds, lands and any other type of property, either real or personal, and to manage such property and collect the income there from and **disburse any of the same only for the purpose of advancing the welfare and development of the State University of New York at Potsdam, and to aid the said College in educating the men and women who enroll there.**

The Foundation recognizes the importance of private gifts in providing SUNY Potsdam colleges and departments the flexibility needed to achieve their goals and objectives. The Foundation also recognizes that different colleges and departments will have varying needs and priorities for the use of the private gift income as they continue to develop and maintain quality programs. These guidelines are designed to provide those College units receiving private gifts the maximum amount of latitude to address these differing goals and objectives while at the same time maintaining the Foundation's fiduciary responsibility inherent in acceptance of donor funds.

**Therefore, under Internal Revenue Service (IRS) regulations [IRC § 4942(g)], expenditures of gifts donated to the Potsdam College Foundation must be for the enhancement or benefit of the Foundation and College, consistent with the College goals and programs, and may not benefit an individual or organization outside our stated mission. In addition, in donating to a specific program/activity our donors expect that their contributions will be used for the support and development of that particular program/activity. Therefore, all donor intent will be strictly adhered to when considering the expenditure of funds.**

All requests for expenditures of Foundation funds should utilize the established Check Request Process, with the accompanying applicable forms, facilitated for the Foundation by PACES. (visit [www.potsdam.edu/giving/pcf/index](http://www.potsdam.edu/giving/pcf/index) and go to "Requesting Checks and Depositing Funds").

### Allowable expenses

Following are examples of expenditures that are considered as serving the primary purpose of furthering College goals and programs. This list is provided as a guideline only and is not meant to list every possible expenditure that may be appropriate. For all expenditures, particularly those from unrestricted accounts, supervisors or authorized account holders should consider whether or not an expenditure would be considered reasonable/prudent/proper by a donor who has made a gift to support the greatest needs and opportunities of the program or College in general.

### **Examples of allowable expenses:**

- Any expense for which a gift has been purposely given by a donor and has been accepted by the College to meet that expressed purpose (scholarships, internships, student experiences, program support, costs associated with visiting scholars/artists, purchase of specific items, expenses for specific activities, etc.).
- Purchases of equipment, curriculum materials, classroom supplies and other items required to meet academic and/or programmatic needs.
- Meals or refreshments associated with student and staff training, retreats, or “working” meals (breakfast/lunch/dinner) where the primary purpose of the gathering is to conduct official business of the College or a particular program of the College. This includes meals or refreshments associated with hosting visitors to campus such as invited alumni, professional colleagues, lecturers, artists, etc.
- Flowers for the death of a College employee or immediate family member; flowers for an employee upon retirement from the College.
- Convenience items for a department only if that item is directly tied to the department’s mission and is to clearly support or advance the purposes of the department or its activities. (Ex. The Counseling Center may purchase water for the students it serves; the Admissions Office may purchase coffee for visiting students and families.)

### **Non-allowable expenses**

Following are examples of expenditures that are not considered as serving the primary purpose of furthering College goals and programs and will not be approved. This list is provided as a guideline only and is not meant to list every possible expenditure that may not be appropriate. For all expenditures, particularly those from unrestricted accounts, supervisors or authorized account holders should consider whether or not an expenditure would be considered reasonable/prudent/proper by a donor who has made a gift to support the greatest needs and opportunities of the program or College in general.

### **Examples of non-allowable expenses:**

- Cash gifts to individuals, both College employees and non-employees.
- Purchase of gifts, flowers and other gratuities for College employees (ex. birthdays, anniversaries, appreciation/job well done, farewell, etc.).
- Contributions to other organizations, including non-College related non-profit charitable organizations, not associated with the performance of services to or for a College program.
- Convenience items for a department that are not directly tied to the department’s mission/activities (ex. departmental water, coffee, snacks, etc. for the primary benefit of the department’s employees).

### **Review of Expenditures for Appropriateness**

All expenditures of Foundation Funds will be verified by the Foundation office for appropriateness before checks are distributed to their requestors. The Executive Director of the Foundation will have the final say regarding any questions/disputes regarding the appropriateness of an expenditure.