

## Fiscal Policy – Rule 03-150-208

# Gift Funds

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## 1. Summary

- 1.1. Gifts must be accepted, processed, recorded and acknowledged in a manner that protects the interests of both the university and its donors.
- 1.2. This policy is subject to OSU Board standards, applicable statutes and regulations. The policy also provides guidelines to ensure:
  - gifts enhance the reputation and standing of the university and do not compromise its educational purpose
  - gifts are in amounts appropriate to carry out their specified use
  - donor requirements and restrictions are acceptable
  - all funds received are properly accounted for
  - gifts are accepted and administered in a manner appropriate for a tax-exempt educational institution
  - gifts are promptly and properly acknowledged
- 1.3. All university personnel should be informed and understand this rule.

## 2. General Gift Fund Requirements

- 2.1. Private gifts for the benefit of the university should be paid to the Oregon State University Foundation (OSUF) or the Agricultural Research Foundation (ARF) and managed in accordance with donor intent, per OSU board policy 580-046-0005 [Standards for Recognition of a Foundation](#), unless otherwise identified (e.g. the donor's intent is to make the gift directly to OSU).
- 2.2. Gifts are donations made to OSU or its affiliated foundations on a non-exchange basis for exclusive use by the university in accordance with donor intent.
- 2.3. **Types of Gifts**
  - 2.3.1. Cash and cash equivalents donated as regular gifts.
  - 2.3.2. Tangible in-kind goods or services (GIK). See [03-160-411 Equipment Acquisitions](#) for guidance on processing GIKs.

- 2.3.3.** Endowments are gifts where money is donated with the donor stipulation that the funds are invested and the principal amount (corpus) is not allowed to be spent. OSU's endowments are managed and invested by OSUF or OSU.
- 2.3.4.** Endowment earnings consist of interest and other investment income earned on endowment corpus balances.
- 2.3.5.** Earnings from endowments managed by external outside parties, other than affiliated foundations, are considered regular gifts.
- 2.3.6.** Scholarship awards received for pre-selected students are not gifts to OSU because OSU does not participate in the award decision-making process.

## **2.4. Gift Funds**

- 2.4.1.** Gift funds are established upon request for affiliated foundation donations to OSU or direct gifts to the university and after review of the criteria in section 1.2.
- 2.4.2.** Gift funds must only be spent when cash is available and the expenditure is allowable.
- 2.4.3.** Gift funds are defined at the level of the unit or higher and are not budgeted.
- 2.4.4.** Transactions may use activity codes to further define donations and expenditures.
- 2.4.5.** Fund-raising or donor related activities must be paid directly from the affiliated foundation.

## **3. Required Process**

### **3.1. Gifts to OSUF or the ARF**

- 3.1.1.** Gift deposits made to OSUF or ARF are restricted to donations or proceeds from fund raising activities in which the donor intends that the gift go to one of the foundations.
- 3.1.2.** Gifts intended for either OSUF or ARF must be made payable to the applicable foundation.
  - a) When a donor submits a check or other negotiable paper that is made payable to OSU and the payment or accompanying materials provides clear evidence that the payment is intended as a donation to the Foundation, it will be restrictively endorsed as payable to the Foundation and initialed by a signer on the OSU bank account, then forwarded to the Foundation.

- 3.1.3. Current employees, emeritus faculty or courtesy faculty must send any donations/gifts directly to OSUF or ARF.

### 3.2. Gifts to OSU

- 3.2.1. Gifts received by OSU should be deposited with the Cashiers Office and all supporting documentation, including a copy of the donor letter, the check and the deposit slip, must be forwarded to Financial Accounting and Reporting (FAR) within the Controller's Unit for recording.
  - a) OSU units not located on the main Corvallis campus should deposit gifts received into their local bank and send supporting donor documentation to FAR.
- 3.2.2. FAR will send an acknowledgement letter to the donor for each gift received of \$250 or more, as required by IRS regulations.
- 3.2.3. Special indexes beginning with "M" have been established for each unit for the deposit of gifts.
- 3.2.4. Gifts should not be deposited into an "FS" or "FG" index as those indexes are only for reimbursements from OSUF or ARF.
- 3.2.5. Gifts should not be deposited into Education and General (E&G) funds.
- 3.2.6. Most gifts will be deposited into or expended from OSU Fund Type 36 Gift Funds– Restricted or Fund Type 60 Endowment Funds, depending on donor intentions.
  - a) Gifts made to agency funds are not gifts to OSU and will be deposited into Fund Type 90 or 91 Agency funds.
  - b) OSU Foundation reimbursements to construction projects will be deposited to Fund Type 81 Unexpended Plant Funds.
- 3.2.7. Residual funds from fixed price sponsored agreements are moved to gift funds (Mxxxxx) at the conclusion of the project in accordance with Research Office Policy [19-004 Fixed Price Awards](#) and the associated Fixed Price Awards Guidelines document.
- 3.2.8. Gift Funds can be transferred to special project funds as a legitimate use of the donor's stipulated restrictions.

### 3.3. Direct Payments from OSUF and ARF to third parties

- 3.3.1. Direct Payments are defined as checks written by OSUF or ARF directly to the vendor without going through the OSU financial system.

**3.3.2.** OSUF direct payment requests are processed through the [OSUF Direct Payment System](#).

**3.3.3.** To process a direct payment from ARF, units must send a request to ARF with supporting documentation that complies with the donor's intent, including restrictions.

### **3.4. Reimbursements from OSUF and ARF to OSU**

**3.4.1.** OSUF reimbursement requests are processed through the [OSUF FS Index Reimbursement](#) system.

**3.4.2.** To process reimbursements from ARF, units must send a request for the amount spent with supporting documentation that complies with the donor's intent, including restrictions.

**3.4.3.** Restricted OSUF and ARF funds must not be overdrawn at the fiscal year-end. Requests to the foundation(s) to reimburse funds are required to be processed as soon as possible after the expenditures are made.

### **3.5. Gift Fees**

**3.5.1.** OSU will assess a fee on all cash and [cash equivalent](#) gifts received by OSU at the same rate charged by OSUF as their Gift Acceptance Surcharge. The current fee rate is five percent (5%).

**3.5.2.** The initial gifts to endowment corpus funds will be charged the gift fee.

**3.5.3.** Gifts, regardless of restrictive use, will be charged the gift fee. Gift fees will be collected from the fund to which the donation has been added to support university operations.

- a) On those rare occasions when a donor has requested that no indirect fees are to be paid from the gift, the unit may choose to pay the gift fee out of their unrestricted funds.

**3.5.4.** The gift fee is not applicable to the following:

- a) Investment income posted on gift funds.
- b) Residual funds from fixed price sponsored agreements that were moved to gift funds at the conclusion of the project.
- c) Earnings from Endowments managed by OSU and OSUF.
  - Earnings received by OSU from endowments managed by external third parties are subject to the gift fee.

### 3.6. Gift Fund Chart Elements

- 3.6.1. Any OSU Foundation (OSUF) source – FSxxxx
- 3.6.2. Endowment earnings from OSUF with State match (008xxx) – 438xxx
- 3.6.3. Endowment earnings from OSUF with no State match – FExxxx
- 3.6.4. Gifts from Agricultural Research Foundation (ARF) – FGxxxx
- 3.6.5. Gifts to OSU from any outside source for restricted expenditures – M2xxxx
- 3.6.6. Gifts to OSU for library book purchases – M3xxxx
- 3.6.7. Gifts to OSU for scholarships and endowment earnings for scholarships – M4xxxx

## 4. Related Information

- 4.1. University Policy [03-100 Fiscal Policy Program Authority](#)
- 4.2. Please refer to all other policies, standards, fiscal rules and related guidelines that may be applicable, including but not limited to the following:
  - 4.2.1. Fiscal Policy-Rule [03-150-301 OSU Foundation](#)
  - 4.2.2. Fiscal Policy-Rule [03-150-302 Agricultural Research Foundation](#)
  - 4.2.3. Fiscal Policy-Rule [03-160-302 Endowments](#)
  - 4.2.4. Fiscal Policy-Rule [03-160-411 Equipment Acquisitions](#)
  - 4.2.5. [Gift or Grant Indicators Document](#)
  - 4.2.6. [OSU Board Standards for Recognition of a Foundation](#)
- 4.3. Please check with your supervisor for unit-level procedures related to this rule.
- 4.4. Following are forms and other resources related to this policy:
  - 4.4.1. None
- 4.5. [Fiscal Policy Program Definitions of Terminology](#)
- 4.6. [Fiscal Policy Program Frequently Asked Questions](#) (FAQs)

## 5. History

- 5.1. Original Issue Date: 08/2003 (GCG 210 Gift Funds) & 01/2003 (FIS 102-05 Gift, Grant and Contract Income & FIS 202 Endowment Earnings)
- 5.2. Previous Versions: 06/2020 (full revision & consolidation of old FIS policies) & 03/2016 (FIS 102-05 Gift, Grant and Contract Income & FIS 202 Endowment Earnings) & 08/2003 (GCG 210 Gift Funds)
- 5.3. Next Scheduled Review Date: TBD

## 6. Contacts

- 6.1. Policy Steward: Director of Financial Accounting & Analysis ([contact info](#))
- 6.2. Program: Fiscal Policy Officer ([contact – for program inquiries only](#))