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. Oregon State University strives to ensure that gifts enhance the reputation and standing of the university and do not compromise its educational purpose; that gifts are in amounts appropriate to carry out their specified use; that donor requirements and restrictions are acceptable; that all funds received are credited to the correct account and promptly deposited; that gifts are accepted and administered in a manner appropriate for a tax-exempt educational institution; and that 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. All private gifts for the benefit of the university are to 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 PRO 207: Gift 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, not endowments.

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. 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. Are defined at the level of the department or higher.

2.4.3. May use activity codes to further define donations and expenditures.

2.4.4. Are not budgeted.

2.4.5. Are spent only when cash is available and the expenditure is allowable. Fund-raising or donor related activities must be paid directly from the affiliated foundation.

3. **Process & Responsibilities**

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. 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 OSUF and initialed by a signer on the OSU bank account, then forwarded to the Foundation.

3.1.3. Current employees or emeritus 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 deposit slip, must be forwarded to Financial Accounting & Analysis (FA&A) for recording. OSU units not located on the main Corvallis campus should deposit gifts received into their local bank and send supporting donor documentation to FA&A.
3.2.2. FA&A 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 department for the deposit of gifts.

3.2.4. Gifts cannot be deposited into an “FS” or “FG” index as those indexes are only for reimbursements from OSUF or ARF.

3.2.5. Gifts will be deposited into or expended from OSU Fund Type 36 Gift Funds—Restricted.

3.2.6. Residual funds from fixed price sponsored agreements should be moved to gift funds (Mxxxxx) at the conclusion of the project.

3.2.7. Gifts cannot be deposited into Education & General (E&G) funds.

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

3.5.3. The gift fee is not applicable to the following:
   a) Interest earnings 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 fiscal rules that may be applicable, including but not limited to the following policies currently located in the OSU Fiscal Policy Manual:

4.2.1. 03-150-301 OSU Foundation
4.2.2. **03-150-302 Agricultural Research Foundation**

4.3. Please check with your unit/college 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. Last Version: 08/2003 (GCG 210 Gift Funds) & 03/2016 (FIS 102-05 Gift, Grant and Contract Income & FIS 202 Endowment Earnings)

5.3. Last Review Date: 06/2020

5.4. Next Scheduled Review Date: 06/2023

6. **Contacts**

6.1. Policy Steward: Director of Financial Accounting & Analysis

6.2. Program: Fiscal Policy Officer, Financial Accounting & Analysis

6.3. Link to full list of **Fiscal Policy Program Contacts**