

FAI Q&A Session #4
August 21, 2007
Visitors Center Multi-Purpose Room #153
Attendance: _12_

TOPIC: New Fund Request Form

Presenters from FAI were Mike Dickerson (513-4303) and Susan Holton (515-7375).

- Goal of Session: Tips, clarifications and how to avoid problems.
- KEEP IN MIND: Form designed for normal setups, not for exceptions. If you have anything out of the ordinary that needs done, monitored, please do not just assume FAI staff will figure it out. State exceptions, or unusual circumstances explicitly.

#1 Long Fund Title:

- Don't begin title with "The" (e.g., The Mike Dickerson Accounting Scholarship Fund). The fund will not be set up in ADVANCE or accounting system with "The" and will not appear on audit report OFI with "The".
- Long Fund Title entered on ADVANCE appears on donor receipt letter. If title is longer than 80 characters, title on donor receipt will be truncated. Unfortunately, within ADVANCE it does not notify when you exceed the 80-character limit, thus we need your assistance in making sure.

#3 Organization: NCSU = NCSU Foundation (not the University). EF = NC State University Endowment Fund

#4 Type of Fund:

- If a new fund being set up will be endowed immediately (rather than having to build to minimum requirement), check both Endowment principal and Endowment income so both funds are set up at same time.
- An agreement, or MOU (memorandum of understanding) must be provided to set up an endowment, even if only an unsigned draft.
- An agreement is not required to set up a BTE. (Building To minimum required Endowment level.) However, it is very helpful to include an agreement, or draft agreement if one is available.

#5 Short Fund Title for Link: Necessary in situations where 2 or more projects need to be associated with, or linked to, a single restricted fund or an endowment income fund.

#6 Exemption to income allocation policy: For restricted funds only. For all foundations, the board-approved income allocation policy does not allow restricted funds to keep interest earnings, with the exception of BTE's (which automatically retain their interest). Commonly requested exemptions are restricted funds set up to accumulate monies for the construction of a new building. Process would flow more smoothly if Treasurer's approval is obtained in advance and attached to new fund request form.

#7 Fund balance to be reached before endowing: Always complete for BTE's. Don't make us look for it in MOU, especially if an MOU has not been provided. ☺ Amount should always be at least the University minimum amount, and should agree with minimum amount specified in endowment MOU. In unique situations where donor desires for spending to begin before the required minimum is reached, state this explicitly on the form or on an attached note.

#8 Accounting Program Code – Determines reporting category on audit report OFI, in accordance with established definitions for each. Does not always correlate to ADVANCE system purpose code.

#9 Purpose of Fund – Be sure to provide brief summary of purpose. For endowments, be sure to attach MOU. You can find example of standard endowment paragraphs on the Advancement Services website: http://www.fis.ncsu.edu/Advancement_Services/miscellaneous/endow.dot Be sure to use legal name of entity in which endowment is being created in your MOU. Template example references the Endowment Fund and Endowment BOT, which are not applicable to endowments being set up in a foundation.

#10 ADVANCE system purpose code – Defined by University Advancement and determines reporting categories on fund-raising reports.

#11-#14 – Assists Natasha Byrd and Robin Banker with stewardship reporting and donor relations.

11a – REMINDER that payee on gift check must agree with entity in which the new fund is being set up. If not, written documentation from the donor authorizing the gift to be deposited differently is required.

#15 Responsible Persons – When possible, titles appear in accounting system rather than individual names – therefore, please include the title if appropriate. Organization code, however, is the KEY to being able to process expenditures via A/P against the new fund. Need all contact data for accounting system.

#16 Development Officer Signature – Must be signed. FAI cannot process without signature. When new fund is for a grant, signature indicates that development officer has verified procedures have been followed and NO ACTION on part of University is required. (website for 1994 memo-Gifts, Grants, Contracts): http://www.fis.ncsu.edu/foundations_accounting/governance/documents/gifts-grants-contracts.pdf

ROUTING - New Fund Request forms and supporting documents must first go to University Advancement (Advancement Services) for review, approval and ADVANCE system coding. University Advancement (Advancement Services) will route to FAI. If you deliver New Fund Request forms to FAI first, you will only delay the set up process. (Sections #17 and #19 must be completed before FAI can complete #18 and #20)

COMPLETION:

- When the new fund has been set up in both systems, an email with both the ADVANCE and accounting system numbers is sent to a designated

development office staff member, the college business officer, and Advancement Services.

- After the systems info has been reviewed and determined to be accurate, an FAI representative signs the New Fund Request form and it is returned to the Development Officer. An email is also sent with the ADVANCE # and accounting system #.

During the meeting it was asked if FAI could look into making the New Fund Request Form able to be filled in electronically. FAI is currently looking into this and hope to have a solution in the fairly near future.