



QuickStart Program

University Business Practices

***Foundations Accounting
And Investments***

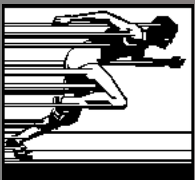
Who Are We?

Foundations Accounting and Investments (FAI)

Finance and Business – Treasurer's Division

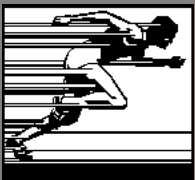
FAI is a central office to sixteen entities under the Treasurer's Division whose customers include: the NC State Investment Fund, Inc. (NCSIF), seven University-affiliated foundations (and one related subsidiary LLC, the NC State Executive Ed LLC), the Alumni Association, the University Endowment Fund, and the NC State Partnership Corporation along with its four active subsidiary LLC's – Centennial Development, LLC, (Lonnie Poole Golf Course), the NC State Upfit, LLC, the LINC (Leaders in Innovation and Non-Woven Commercialization), and the Bell Tower Holdings, LLC, as well as Advancement Services, and all college and departmental offices who receive support from these entities or funds.

WEBSITE: <http://foundationsaccounting.ofb.ncsu.edu/>



What services does FAI provide*?

- **Set up new funds**
- **Deposit gifts and other income receipts**
- **Record all deposits, EFT's, wires, etc.**
- **Manage cash and investments**
- **Assist Foundation Office customers**
- **Other routine accounting services (e.g., bank reconciliations, manual checks)**

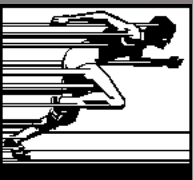


* For the entities FAI serves, including all foundations (except the Textile Foundation), the University Endowment Fund, NC State Investment Fund, and various LLC's

What is a foundation?

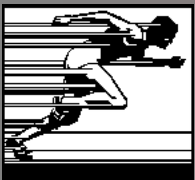
- Separately incorporated, legal entities and IRS classification 501(c)3, set up to support/benefit the University, each with own governing boards
- Fundraising support to NC State University primarily through private and corporate gifts
- Scholarships, fellowships, professorships, and other activities (e.g., research) for which state funding is inadequate or unavailable

➤ **\$54 million** in fiscal year 2014



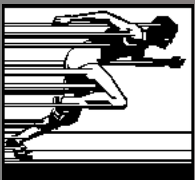
TYPES OF FOUNDATION FUNDS

- Restricted Funds
 - Regular
 - Endowment income
 - Building to endowment (BTE)
- Endowments



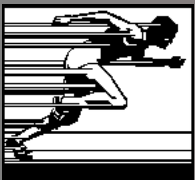
Restricted Funds - Regular

- Restriction is based on donor-specified purpose for which it can be spent
- No restriction on when it is spent (unless specified by the donor); can all be spent at once, or over period of years
- Balances automatically carryover from year-to-year



Endowments

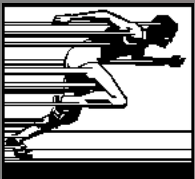
- A gift that is intended to last in perpetuity. Unless allowed by the donor, the corpus (historical gift amount) can ***never*** be spent
- Value grows over time through investment returns
- A portion of earnings is allocated for spending to support the endowment purpose as specified by the donor (e.g., scholarship, fellowship, professorship)
- Endowments provide a steady income stream for support of NC State University.
- Most colleges/units have endowments in a Foundation as well as the University Endowment Fund



Types of Funds Received by the Foundation

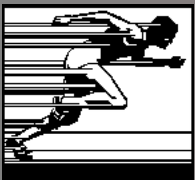
Gifts

Other Income



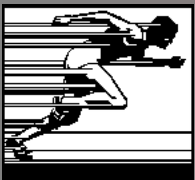
What is a Gift?

- A gift is a voluntary and non-reciprocal donation provided by a non-governmental donor for which no goods or services are expected or provided.
- A gift is a charitable contribution, and has IRS implications (must provide gift receipt).
- Gifts are captured in the donor database system – referred to as ADVANCE.
- Gifts may be restricted to a specific purpose or may be unrestricted in nature



What is other income?

- The foundations sometimes receive non-gift income that is referred to as "Other Income". "Other Income" is not deductible by the payer for tax purposes because it represents payment for some service or product received.
- Other income includes money received from fundraising events (e.g., football game tailgate event) for which there is no charitable deduction
- FAI deposits and records other income received by the foundations
- Other income receipts should be sent directly to FAI for deposit, along with a completed "Other Income Transmittal" form



Foundations Accounting & Investments (FAI)

QUESTIONS?

