Foundations Accounting & Investments (FAI)

QuickStart Program
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Who We Are

• Central office under Finance Division
• Report to Associate Vice Chancellor for Finance and University Treasurer
• [https://foundationsaccounting.ofa.ncsu.edu/](https://foundationsaccounting.ofa.ncsu.edu/)

We serve 19 separate legal entities, including:

• NC State Investment Fund, Inc. (NCSIF)
• Seven University-affiliated foundations, including one subsidiary – the NC State Executive Education, LLC
• Alumni Association
• University Endowment Fund
• NC State Partnership Corp, along with its eight subsidiary LLC’s

We also serve:

• Advancement Services
• All college and departmental offices who receive support from these entities or funds
FAI Services

- Set up new funds
- Deposit and handle accounting for gifts and other income receipts
- Manage cash and investments
- Assist Foundation Business Office customers
- Other routine accounting services (e.g., bank reconciliations, manual checks)
What is a Foundation?

• Separately incorporated legal entities with 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

• $78.5 million of support to the University in FY19
Types of Foundation Funds

• Restricted Funds
  – Regular
  – Endowment income
  – Building to endowment (BTE)

• Endowments
Restricted Funds

- 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 Foundations

Gifts

Other Income
What is a gift?

• **Voluntary** and non-reciprocal donation provided by a non-governmental donor for which **no goods or services are expected or provided**.

• Charitable contribution with IRS implications (must provide gift receipt).

• Captured in ADVANCE (donor database system).

• May be restricted to a specific purpose or unrestricted in nature.
What is Other Income?

• Non-gift income.

• Not tax deductible by the payer because it represents payment for some service or product received.

• 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: send directly to FAI for deposit, along with a completed “Other Income Transmittal” form on our website.

https://foundationsaccounting.ofa.ncsu.edu/services/other-income/
FAI Training Resources

FAI has a number of training materials available on our website, found at the following location:

https://foundationsaccounting.ofa.ncsu.edu/development-officers-toolbox/training/

For business office staff, departmental bookkeepers, and others who end up working with ‘Foundation’ (Ledger 6) funds, we recommend:

https://projects.ncsu.edu/project/fdns-acct/training/IntroFAITraining_Sep2018.pdf

For new development/fundraising staff, we recommend:

https://projects.ncsu.edu/project/fdns-acct/training/New_DOTraining.pdf
Questions?

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