

Foundations Accounting & Investments (FAI)

QuickStart Program



Foundations Accounting & Investments (FAI)

Who We Are

- Central office under Finance Division
- Report to Associate Vice Chancellor for Finance and University Treasurer
- <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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