ACCOUNTING
POLICIES AND PROCEDURES
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I. Introduction

The purpose of this manual is to describe all accounting policies and procedures currently in use at Missouri Western State University Foundation, Inc. and to ensure that the financial statements conform to generally accepted accounting principles; assets are safeguarded; guidelines of grantors and donors are complied with; and finances are managed with accuracy, efficiency, and transparency.

All MWSU Foundation’s staff with a role in the management of fiscal and accounting operations are expected to comply with the policies and procedures in this manual.

These policies will be reviewed annually and revised as needed by the staff and approved by the Executive Director and Investment Committee of the Board of Directors.
II. Division of Responsibilities

The following is a list of personnel who have fiscal and accounting responsibilities in addition to other duties:

**Board of Directors**
1. Reviews and approves the annual budget
2. Reviews annual and quarterly financial statements and information
3. Officers of the board will be authorized signers on the MWSU Foundation bank accounts
4. Reviews and approves all contracts over $50,000
5. Reviews and approves all non-budgeted expenditures over $10,000
6. Reviews internal controls and accounting policies and procedures
7. Reviews bids, selects and contracts with third party audit firm every three years

**Executive Director**
1. Reviews and approves all financial reports
2. Sees that an appropriate budget is developed annually
3. Reviews and signs all issued checks
4. Reviews and approves all contracts under $50,000
5. Approves inter-account bank transfers
6. Is on-site signatory for all bank accounts
7. Oversees the adherence to all internal controls
8. Reviews and signs all gift acknowledgement letters over $250

**Associate Executive Director/Chief Financial Officer (CFO)**
1. Approves all program expenditures in accordance with donor designations
2. Monitors program budgets
3. Reviews and manages cash flow
4. Reviews and approves all reimbursements and fund requests
5. Processes all inter-account and intra-account bank transfers
6. Reviews all bank statements for any irregularities, and reviews completed monthly bank reconciliations
7. Assists Executive Director with the development of the annual budget
8. Reviews all incoming and outgoing invoices
9. Manages the petty cash fund
10. Monitors and manages all expenses to ensure most effective use of assets
11. Monitors grant reporting and appropriate release of temporarily restricted funds
12. Oversees expense allocations that have been approved by the BOD
13. Reviews, revises, and maintains internal accounting controls and procedures
14. Reviews all cash receipts and posts to the general ledger
15. Reviews all donor acknowledgement letters
16. Prepares all financial reports
17. Reviews and reconciles investment statements monthly
18. Monitors alternative investments and reports to the BOD quarterly
19. Serves as the administrator for both the financial and donor database software
20. Manages annual financial statement audit and 990 tax return
21. Prepares monthly financial dashboard to the Executive Director
Accountant

1. Processes accounts payable and prepares checks for signatures on a weekly basis
2. Processes monthly budget for the Foundation and Athletics (payable to the University)
3. Assists with preparing monthly and year-end financial reports
4. Reconciles all bank accounts
5. Manages all scholarships in accordance with donor designations
6. Prepares donor financial reports that are sent out annually in October (includes account balances and student thank you acknowledgements)
7. Tracking of memberships within donor database

Accounting Services

1. Receives all cash, checks, credit cards, Gift-In-Kind and inputs into the donor database
2. Maintains donor information (name, address, phone number, email, etc.)
3. Responsible for auditing the database on a yearly basis
4. Prepares donor gift acknowledgement letters
5. Manages Pledges Receivable
6. Prepares monthly invoicing
7. Produces weekly development dashboards for the Executive Director
III. Chart of Accounts and General Ledger

Missouri Western State University Foundation, Inc. has designated a Chart of Accounts specific to its operational needs and the needs of its financial statements. The Chart of Accounts is structured so that financial statements can be shown by natural classification (expense type) as well as by functional classification (program vs. fundraising vs. administration). The Associate Executive Director/CFO is responsible for maintaining the Chart of Accounts and revising as necessary.

The general ledger is automated and maintained using the accounting software Blackbaud Financial Edge. All input and balancing is the responsibility of the Associate Executive Director/CFO and Accountant.

The Associate Executive Director/CFO should review the general ledger on a periodic basis for any unusual transactions.
IV. Cash Receipts

Cash receipts generally arise from:

1. Contracts and Grants
2. Direct donor contributions
3. Fundraising activities

The principal steps in the cash receipts process are:

1. The Executive Administrative Associate for University Advancement opens the mail daily and receives all cash receipts that are hand delivered. He/she runs a tape of cash receipts for each bank to match against daily deposits: Foundation (Non Athletic Funds) - US Bank; Foundation (Athletic Funds) - Nodaway Valley Bank. **If cash receipts are received by another department the cash is required to be delivered to the MWSU Foundation within the same business day. If the receipt is received outside of normal business hours (8:00 am – 4:30 pm) receipts are required to be delivered by the next business day.**

2. The Executive Administrative Associate for UA gives the cash receipts to the Database Specialist to update constituent information in Raiser’s Edge. After the database has been updated, cash receipts are given to the Accountant for review and then to the Accounting Clerk for batch data entry. Daily gift batch reports are used to verify deposit amounts and to prepare the daily deposit slip. The gift batch reports are kept in a binder with the attached deposit slip from the bank.

3. A member of the MWSU Police Department delivers the deposits to the banks.

4. The Accounting Clerk gives the gift batches with attached deposit slips to the Accountant to post to the bank reconciliation spreadsheet, then passes them to Database Specialist for review, who passes to the Associate Executive Director/CFO. The Associate Executive Director/CFO reviews the gift batches and posts the gifts from Raiser’s Edge into Financial Edge. After gifts are posted, the Associate Executive Director/CFO gives the batch reports to the Executive Administrative Associate for University Advancement for review which includes checking the deposit to the daily tapes for accuracy. The Accountant prepares the monthly bank reconciliation and the Associate Executive Director/CFO prepares the monthly financial statements.

5. The Executive Director of the Foundation authorizes write-offs for the Foundation (Non Athletic Funds) and the Athletic Business Manager authorizes write-offs for the Athletic Funds. The Associate Executive Director/CFO records the entries into the Raiser’s Edge database.

6. The Accounting Clerk generates all donor acknowledgement (receipt) letters. These letters are signed by the Executive Director, Director of Development or the Development Officer, copied for the files, and mailed within 48 hours.

A. Gift Acceptance Policy – See Addendum Exhibit A
B. MWSU Gift and Naming Policy – See Addendum Exhibit B
V. Inter-Account Bank Transfers

The Associate Executive Director/CFO monitors the balances in the bank accounts to determine when there is a shortage or excess in the checking account and recommends to the Executive Director when a transfer should be made to maximize the potential for earning interest. The Executive Director approves all inter-account bank transfers.
VI. Cash Disbursements

Donors have the ability to restrict the use of their contribution. Each Foundation account has a purpose or restriction. Before submitting a Payment Request Form, please check to make sure the request for payment meets these restrictions.

Cash disbursements are generally made for:

1. Payments to vendors for goods and services
2. Taxes/license fees
3. Staff training and development
4. Memberships and subscriptions
5. Meeting expenses
6. Employee reimbursements
7. Marketing/promotional materials

The deadline for payment submission to MWSU Foundation is 2:00 p.m. Wednesday in order to receive a check by the following Monday after 10 a.m. Each request must have the following items to ensure that it is processed in a timely manner:

1. MWSU Foundation Payment Request Form (can be found on the MWSU Foundation website)
2. Requestor signature and approval signatures from the Dean, Vice President, or authorized person in charge of the Foundation account
3. Invoice or documentation for request
4. W-9 form or W-8ECI (for international vendors) if payment to outside vendor

Checks that are being reimbursed to Missouri Western State University will be automatically deposited into the fund/organization/program number that is provided on the MWSU Foundation payment request form.

Checks to individuals will be released on the following Monday after 10:00 a.m. in MWSU Foundation Office, Spratt 110.

If you have any questions regarding procedures or forms, please contact the following numbers:

MWSU Foundation, Accountant 271-5653

The Associate Executive Director/CFO reviews all requests for payment and:
1. Verifies expenditure and amount
2. Verifies that it is in accordance with budget
3. Provides or verifies appropriate allocation information
4. Provides date of payment taking into account cash flow projections
5. Submits to the Accountant for processing
The Accountant processes all payments and:

1. Enters them into the Accounts Payable module
2. Prints checks according to allocation and payment date provided by the Associate Executive Director/CFO
3. Submits checks, with attached backup documentation, to Executive Director for approval and signature. All checks require a second signature from an authorized board member. All expenses for Athletic Funds have been pre-approved by the University President prior to submission. All expenses for the Executive Director of the Foundation are reviewed and approved by the Foundation Treasurer or a designated Board Officer. Detailed accounting reports are provided to the Athletic Department for review weekly and the Foundation Board for review quarterly.
4. Stamps invoice "paid"
5. Files all backup documentation in the appropriate file
6. Runs an accounts payable aging report at the end of each month and submits to the Associate Executive Director/CFO to assure timely payment of all invoices

The Accounting Clerk:

1. Mails checks and appropriate backup documentation
2. If checks are not mailed they are held for the payee in the MWSU Foundation office for pickup. Individuals must show ID and sign for checks when they are picked up.
3. Prints out Cash Disbursements Check Listing (This lists each check along with the payee, date signed and signature.)
VII. Credit Card Policy and Charges

All staff members who are authorized to carry a MWSU Foundation credit card will be held personally responsible in the event that any charge is deemed personal or unauthorized. Unauthorized use of the credit card includes: personal expenditures of any kind; expenditures which have not been properly authorized; meals, entertainment, gifts, or other expenditures which are prohibited by budgets, laws, and regulations.

The receipts for all credit card charges will be given to the Associate Executive Director/CFO within two (2) weeks of the purchase along with proper documentation. The Associate Executive Director/CFO will verify all credit card charges with the monthly statements. A record of all charges will be given to the Accountant with applicable allocation information for posting. A copy of all charges will be attached to the monthly credit card statement when submitted to the Board of Director authorized signor for approval and signature.

The Executive Director’s credit card usage will be provided to the Chair of the Budget Committee on an annual basis for review.

Donor Credit Card Information Policy:
Any donor credit card information that has been provided to the MWSU Foundation is not stored in the donor database. The credit card is received, charged according to the instructions as provided by the donor and then either shred or defaced.
VIII. Accruals

To ensure a timely close of the General Ledger, MWSU Foundation may book accrual entries at the end of each fiscal year.

Accruals to consider:

1. Monthly interest earned on money market accounts, certificates of deposits, etc.

2. Recurring expenses, including employee vacation accrual, prepaid insurance, depreciation, etc.
IX. Bank Account Reconciliations

1. All bank statements are received in the mail and opened by the Executive Administrative Associate for University Advancement who then delivers the bank statements to the Associate Executive Director.

2. The Associate Executive Director forwards the statements to the Accountant for timely reconciliation as follows: a comparison of dates and amounts of deposits as shown in the accounting system and on the statement, a comparison of inter-account transfers, an investigation of any rejected items, a comparison of cleared checks with the accounting record including amount, payee, and sequential check numbers.

3. The Accountant will verify that voided checks, if returned, are appropriately defaced and filed.

4. The Accountant will investigate any checks that are outstanding over one year old.

5. The Accountant will attach the completed bank reconciliation to the applicable bank statement, along with all documentation.

6. The reconciliation report will be reviewed, approved, dated, and initialied by the Associate Executive Director/CFO.
X. Petty Cash Fund

Petty cash funds are maintained by the Foundation. The funds are to be used for miscellaneous or unexpected purchases. The same approval procedures apply as mentioned in the cash disbursement section.

1. The petty cash fund will not exceed $200 and is kept in a locked file cabinet at all times in the Associate Executive Director/CFO's office.
2. The Associate Executive Director/CFO oversees the petty cash fund.
3. All disbursements made from petty cash are acknowledged in writing by the receiving party by using the MWSU Foundation Payment Request Form.
4. All money returned to the petty cash fund is counted and verified by the Associate Executive Director/CFO and another staff member. Receipts for items purchased with petty cash must be included and should include appropriate account allocations as well as supervisor approval.
5. The Associate Executive Director/CFO and the Accountant together will periodically count the petty cash fund for accuracy.
6. No checks will be cashed by the petty cash fund.
XI. Property and Equipment

MWSU Foundation property and equipment includes items such as:

1. Office furniture and equipment
2. Computer hardware
3. Computer software
4. Leasehold improvements

It is the Foundation’s policy to capitalize all items which have a unit cost greater than one thousand dollars ($1,000). Items purchased with a value or cost less than one thousand dollars ($1,000) will be expensed in the period purchased.

The depreciation period for capitalized assets is as follows:

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Depreciation Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer Hardware</td>
<td>36 months</td>
</tr>
<tr>
<td>Office Equipment</td>
<td>60 months</td>
</tr>
<tr>
<td>Office Furniture</td>
<td>60 months</td>
</tr>
<tr>
<td>Computer Software</td>
<td>36 months</td>
</tr>
<tr>
<td>Leasehold Improvements</td>
<td>Length of lease</td>
</tr>
</tbody>
</table>

1. A Fixed Asset Log will be maintained by the Accountant including date of purchase, asset description, purchase/donation information, cost/fair market value, donor/funding source, and life of asset.
2. The Log will be reviewed by the Associate Executive Director/CFO.
3. Annually, a physical inspection and inventory will be taken of all fixed assets and reconciled to the general ledger balances.
4. Depreciation will be recorded at least annually. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. Any impaired assets discovered during the inventory will be written down to their actual value.

Capital Asset – Property of Missouri Western State University

A capital asset is defined as MWSU property that is tangible (physical form) and/or intangible (non-physical form) in nature, has a useful life greater than one year and an acquisition cost equal to or greater than the $1,000 capitalization threshold.

Any capital assets purchased by the MWSU Foundation on behalf of the Missouri Western State University will follow the guidelines below:

1. Purchases under $3,000 may be purchased using a standard Payment Request Form.
2. Purchases between $3,000 and $100,000 require an informal bid. The purchaser must obtain quotes from at least 3 vendors and forward these to the Foundation. In most situations, the lowest bidder will be chosen, if not, a written explanation as to why will be required
   a. Informal bids must include the following information:
      • Detailed item description
3. Purchases over $100,000 require an informal bid and board approval.

4. The Executive Director of the Foundation is authorized to issue emergency offers of purchase, for which the cost is $100,000 or more in instances deemed to be an emergency situation and which need to proceed prior to the next meeting of the board.

5. The requirement for informal bids may be waived by the Executive Director of the Foundation when a determination has been made that there is only a single feasible or sole source for the supplies. A single feasible or sole source exists when:
   - Supplies are proprietary and only available from the manufacturer or a single distributor
   - Additions to a system must be compatible with the original equipment
   - Factory authorized maintenance must be utilized in order to maintain warranty
   - Only one (1) type of computer software exists for a specific application
   - The services of a particular provider are unique, e.g. entertainers, authors, etc.
   - The materials are copyrighted and are only available from the publisher or a single distributor
   - Based on past procurement experience, it is determined that only a single distributor services the region in which the supplies are needed
   - Supplies are available at a discount from a single distributor for a limited period of time

6. Computer hardware or software purchase over $250 must go through the Information Technology Department to ensure campus wide consistency and to take advantage of the best possible pricing available to the University.
XII. Document Retention Policy

By resolution of the Missouri Western State University Foundation, Inc. Board of Directors, on October 28, 2009, the Missouri Western State University Foundation ("the Foundation") adopts the following Document Retention and Destruction Policy ("the Policy").

I. PURPOSE
In accordance with the Sarbanes-Oxley Act, which makes it a crime to alter, cover up, falsify, or destroy any document with the intent of impeding or obstructing any official proceeding, this policy provides for the systematic review, retention and destruction of documents received or created by the Foundation in connection with the transaction of Foundation business. This policy covers all records and documents, regardless of physical form, contains guidelines for how long certain documents should be kept and how records should be destroyed. The policy is designed to ensure compliance with federal and state laws and regulations, to eliminate accidental or innocent destruction of records and to facilitate the Foundation’s operations by promoting efficiency and freeing up valuable storage space.

II. DOCUMENT RETENTION
The Foundation follows the document retention procedures outlined below. Documents that are not listed, but are substantially similar to those listed in the schedule will be retained for the appropriate length of time.

III. CORPORATE RECORDS

<table>
<thead>
<tr>
<th>Record Description</th>
<th>Retention Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Reports to Secretary of State/Attorney General</td>
<td>Permanent</td>
</tr>
<tr>
<td>Articles of Incorporation</td>
<td>Permanent</td>
</tr>
<tr>
<td>Board Meeting and Board Committee Minutes</td>
<td>Permanent</td>
</tr>
<tr>
<td>Board Policies/Resolutions</td>
<td>Permanent</td>
</tr>
<tr>
<td>By-laws</td>
<td>Permanent</td>
</tr>
<tr>
<td>Construction Documents</td>
<td>Permanent</td>
</tr>
<tr>
<td>Fixed Asset Records</td>
<td>Permanent</td>
</tr>
<tr>
<td>IRS Application for Tax-Exempt Status (Form 1023)</td>
<td>Permanent</td>
</tr>
<tr>
<td>IRS Determination Letter</td>
<td>Permanent</td>
</tr>
<tr>
<td>State Sales Tax Exemption Letter</td>
<td>Permanent</td>
</tr>
<tr>
<td>Contracts (after expiration)</td>
<td>7 years</td>
</tr>
<tr>
<td>Correspondence (general)</td>
<td>3 years</td>
</tr>
</tbody>
</table>

IV. ACCOUNTING TAX RECORDS

<table>
<thead>
<tr>
<th>Record Description</th>
<th>Retention Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Audits and Financial Statements</td>
<td>Permanent</td>
</tr>
<tr>
<td>Depreciation Schedules</td>
<td>Permanent</td>
</tr>
<tr>
<td>General Ledgers</td>
<td>Permanent</td>
</tr>
<tr>
<td>IRS 990 Tax Returns</td>
<td>Permanent</td>
</tr>
<tr>
<td>IRS 1099s</td>
<td>7 years</td>
</tr>
<tr>
<td>Journal Entries</td>
<td>7 years</td>
</tr>
<tr>
<td>Accounts Receivable Records</td>
<td>7 years</td>
</tr>
<tr>
<td>Accounts Payable Records</td>
<td>7 years</td>
</tr>
<tr>
<td>Sales Records (box office, concessions, gift shop)</td>
<td>5 years</td>
</tr>
<tr>
<td>Petty Cash Vouchers</td>
<td>3 years</td>
</tr>
<tr>
<td>Cash Receipts</td>
<td>3 years</td>
</tr>
</tbody>
</table>
Credit Card Receipts 3 years
Budgets 3 years

V. BANK RECORDS
Check Registers Permanent
Bank Deposit Slips 7 years
Bank Statements and Reconciliation 7 years
Electronic Fund Transfer Documents 7 years
Checks (cancelled – see exception below) 7 years
Checks (cancelled for important payments i.e. taxes, purchases of property, special contracts, etc. Checks should be filed with the papers pertaining to the underlying transaction) Permanent

VI. PAYROLL AND TAX RECORDS
Payroll Registers Permanent
State Unemployment Tax Records Permanent
Earnings and Garnishment Records 7 years
Payroll Tax returns 7 years
W-2 Statements 7 years

VII. EMPLOYEE RECORDS
Employment and Termination Agreements Permanent
Retirement and Pension Plan Documents Permanent
Records Relating to Promotion, Demotion or Discharge 7 years after termination
Accident Reports and Worker’s Compensation Records 5 years
Salary Schedules 5 years
Employment Applications 3 years
I-9 Forms 3 years after termination
Time Cards 2 years

VIII. DONOR RECORDS
Acknowledgement Letters 7 years
Contact Notes Permanent

IX. GRANT APPLICATIONS
Grant Applications and Contracts 5 years after completion

X. LEGAL, INSURANCE AND SAFETY RECORDS
Appraisals Permanent
Copyright Registrations Permanent
Environmental Studies Permanent
Insurance Policies Permanent
Real Estate Documents Permanent
Stock and Bond Records Permanent
Trademark Registrations Permanent
Leases 6 years after expiration
OSHA Documents 5 years
General Contracts 3 years after termination
XI. ELECTRONIC DOCUMENTS AND RECORDS

Electronic documents will be retained as if they were paper documents. Therefore, any electronic files, including records of donations made online, that fall into one of the document types on the above schedule will be maintained for the appropriate amount of time. If a user has sufficient reason to keep an email message, the message should be printed in hard copy and kept in the appropriate file or moved to an “archive” computer file folder. Backup and recovery methods will be tested on a quarterly basis with a backup log provided by the MWSU Information Technology department. As another safeguard the MWSU Foundation will back up permanent electronic documents to an external hard drive that will be secured in a fire proof safe located in the Foundation Accounting office.

XII. EMERGENCY PLANNING

The Foundation’s records will be stored in a safe, secure and accessible manner. Documents and financial files that are essential to keeping the Foundation operating in an emergency will be duplicated or backed up at least every week and maintained off site.

XIII. DOCUMENT DESTRUCTION

The Foundation’s Associate Executive Director/CFO is responsible for the ongoing process of identifying its records that have met the required retention period and overseeing their destruction. Destruction of financial and personnel-related documents will be accomplished by shredding.

Document destruction will be suspended immediately, upon any indication of an official investigation or when a lawsuit is filed or appears imminent. Destruction will be reinstated upon conclusion of the investigation.

XIV. COMPLIANCE

Failure on the part of employees to follow this policy can result in possible civil and criminal sanctions against the Foundation and its employees and possible disciplinary action against responsible individuals. The Executive Committee will periodically review these procedures with legal counsel or the Foundation’s certified public accountant to ensure that they are in compliance with new or revised regulations.
XIII. End of Month and Fiscal Year-End Close

1. The Associate Executive Director/CFO will review and sign off on all month- and year-end journal entries. They will be printed and filed for audit trail purposes.

2. At the end of each month and fiscal year end, the Associate Executive Director/CFO will review all balance sheet accounts including verification of the following balances: cash accounts match the bank reconciliations, investment accounts match the investment reconciliations, accounts receivable and payable accounts match outstanding amounts due and owed.

3. Once the final quarterly and fiscal year-end financial statements are run, reviewed, and approved by the Associate Executive Director/CFO and Executive Director, no more entries or adjustments will be made into that quarter or year’s ledgers.

4. At the end of the fiscal year, the outside CPA organization will audit the annual financial statements and prepare the annual Return for Organization Exempt from Income Tax (IRS Form 990). The return will be presented to the Executive Director and the Board Audit Committee, with final approval by the MWSU Foundation Board of Directors. The Associate Executive Director/CFO will then file the return with the Internal Revenue Service by the annual deadline.

5. All other appropriate government filings including those required by the State Tax Board and Attorney General’s office will be completed and filed with the appropriate agency.
XIV. Financial Reports

The Associate Executive Director/CFO along with the Accountant will prepare the quarterly and annual financial reports for submission to the Investment Committee and the Board of Directors for review and approval. The reports will include: statement of financial position, statement of activities, investment statement reconciliation detail, constituent giving of $5,000 or more, and any other requested reports.
XIV. Fiscal Policy Statements

1. All cash accounts (except petty cash) owned by MWSU Foundation will be held in financial institutions which are insured by the FDIC.

2. All capital expenditures which exceed one thousand dollars ($1,000) will be capitalized.

3. Employee or public personal checks will not be cashed through the petty cash fund.

4. No travel cash advances will be made except under special conditions and pre-approved by the Executive Director.

5. Reimbursements will be paid upon complete expense reporting and approval using the official MWSU Foundation Payment Request Form. Reimbursements to the Executive Director will be authorized by one of the Board Officers.

6. Any charitable donation will be recorded and a letter acknowledging the donation will be sent to the donor within 48 hours of the receipt of the donation.

7. The Executive Director and the Board’s Officers are the signatories on MWSU Foundation bank accounts. All disbursements require two signatures by authorized board members.

8. Bank statements and investment statements will be reconciled monthly.

9. Accounting and donor records will be kept in locked file cabinets or storage areas that only parties with financial responsibility within the MWSU Foundation Accounting office will have access to the keys.
XV. MWSU Foundation Allocation Process

Purpose:
The mission of the Missouri Western State University Foundation is to support the university and its goal to inspire a lifelong passion for learning, and to empower a diverse population of students to succeed as citizens in a changing world. The Foundation exists to foster partnerships and vital connections by encouraging gifts and stimulating investments to further the cause of Missouri Western State University.

The Foundation Board seeks proposals that promote serving the students of Missouri Western State University. The Foundation is committed to assisting the University in accomplishing its mission and achieving its goals by promoting an environment for private financial investment.

Process:
The Foundation Board has approved the following application process for allocations:

1. Proposals for funding should demonstrate relationship to the Western strategic plan and/or campus priorities, and a statement as to the intended impact of the activity;

2. Proposals must utilize a standard format, and be written clearly and concisely;

3. Proposals must be submitted in a timely manner following established application process and deadlines;

4. Proposals must include statements of support and approval from the respective chairperson or supervisor, dean or director, and the appropriate vice president. A peer review process may be conducted as part of the review process for these approvals;

5. Proposals will be reviewed by the University Allocations Advisory Committee, which is charged with the responsibility of researching the university's requirements. The University Allocations Advisory Committee consists of the Vice President for University Advancement, who also serves as Executive Director of the Missouri Western State University Foundation; the Vice President for Academic and Student Affairs; and the President of the University;

6. Accountability reports will be required at the completion of the program, in order to facilitate the Foundation's review/assessment of the impact of the activity. The accountability reports must be submitted no later than April 1 of the year in which funding was received (example: funding received in academic year 2013–2014 requires an accountability report not later than April 1, 2014). This could affect the committee’s willingness to approve future funding. The reports should include a review of the activity, outcomes achieved, and an assessment of the impact of the activity in furthering campus priorities;

7. The Missouri Western State University Foundation Board will provide notice of proposals receiving funding to the campus/community.
Application Deadlines/Notification Process:
Decisions regarding requests for allocations are made at the May Foundation Board meeting. A timeline for applications will be established and publicized to the campus/community. Notification of the Foundation Board’s decision regarding will be made via email within 10 business days following the approval for allocations.
Proposals should be sent to:

Jerry Pickman  
Vice President for University Advancement and  
Executive Director, MWSU Foundation  
Missouri Western State University Foundation  
4525 Downs Drive, Spratt 111  
St. Joseph, MO 64507
XVI. Student Excellence

Purpose:
The mission of the Missouri Western State University Foundation is to support the university and its goal to inspire a lifelong passion for learning, and to empower a diverse population of students to succeed as citizens in a changing world. The Student Excellence Fund (SEF) is a source of financial assistance provided for Western's students, through the Missouri Western State University Foundation. The SEF provides an opportunity for students to participate in activities that complement classroom learning which may be inaccessible due to financial limitations. This fund is used for activities such as conferences and seminars, research, presentation of papers and participation in state and national competitions and tournaments. Allocations from the SEF are based upon availability of funds, with the maximum award per student per academic year limited to $700.

Eligibility:
- Applicants must be currently enrolled as students at Missouri Western State University.
- Activities must have a direct relationship to current academic studies and serve as an enhancement of the academic experience.
- Eligible expenditures include travel and hotel accommodations in a conference city, registration fees, and other expenses specifically related to the approved activity. Meal charges will not be reimbursed.
- Students who have not had an award during the current year will be given priority over students who have had an award during the current year (July – June 30).

Application Process:
The following application process must be followed for all requests for allocations:

1. Students must present a request in writing which shall include:
   - Name, address, telephone number, and e-mail address
   - Declared major
   - A detailed description of the activity, including dates/time/location of event, and an explanation of the relationship to current academic studies
   - An itemized budget of expenditures (travel expenses, lodging, registration fees, etc) with the specific amount requested
   - Meal expenses are **not** reimbursed
   - A listing of funding from any other sources
   - A letter of recommendation from a faculty member, with approval from the respective chairperson

2. Proposals will be reviewed by a Committee charged with the responsibility of evaluating the requests. When evaluating proposals for attendance at conferences and meetings, the following priorities will be used: A) making a presentation; B) being an active participant other than making a presentation; C) being an officer of the organization; D) attending without active participation; E) participating in a class for credit that includes travel.
3. Students will be required to provide a brief summary report after the completion of the activity in order to facilitate the Foundation’s assessment of the impact/benefit of the support provided. The accountability reports must be submitted within a month of returning from the conference.

**Application Deadlines/Notification Process:**
Decisions regarding requests for allocations generally are made in October for the fall semester, and in February for the spring semester. For October consideration, applications should be submitted no later than posted deadline. For February consideration, applications should be submitted no later than posted deadline. Applications may be submitted after those dates if the activities were not anticipated in time for the deadlines. Notification of the decisions regarding funding requests will be made in writing within 10 business days following the fall or spring deadlines or within 10 business days after submission of a proposal submitted after those deadlines.

**Reimbursement Process:**
- Expenses are paid on a reimbursement basis only. This is to ensure that the student uses the funds appropriately.
- Mileage – Reimbursement will be at the appropriate mileage rate that is set by the University each year. Mileage is to be computed over the most commonly traveled (i.e. shortest route) route. A map will be required for reimbursement.
- Original detailed receipts, Travel Reimbursement Form, accountability report, and thank you must be turned in to the Foundation Office located in Spratt Hall 110 within a month of returning from your conference.
- Once the receipts are reviewed, a check will be issued to the student.
- Checks may be picked up in Spratt 110 or mailed (upon request).

**Proposals should be sent to:**
Missouri Western State University Foundation
4525 Downs Drive – Spratt 110
St. Joseph, MO 64507
XVII. Scholarships

Scholarship Guidelines

**Named Endowed Scholarship:**
- A permanent and perpetual scholarship fund.
- Established with a gift or gifts totaling at least $10,000.
- Donors are given a period of two years from the date of the first donation to fulfill the $10,000 requirement.
- Endowed funds are invested to produce income. The amount distributed annually is limited to a percentage of the sum of the endowed principal, accumulated interest and dividend earnings and realized/unrealized capital gains/losses.
- Disbursements from the endowed fund will be made annually in accordance with the Foundation’s policies governing the management and administration of endowed funds. These policies are reviewed annually and are subject to change. Current policies limit distributions to four (4) percent of the fund’s balance (sum of the endowed principal, accumulated interest and dividend earnings and realized/unrealized capital gains/losses). The Foundation assesses an administrative fee of one (1) percent of the fund’s balance. These distributions are based on the stated percentages applied to the rolling average balance in the account at the close of preferably the past three calendar years. The Board of Directors will adjust these percentages and/or other practices and policies as is deemed prudent due to economic factors. The fund will be invested for a minimum of twelve months prior to any distributions being made in order for the fund to accumulate earnings.
- If the $10,000 requirement is not met by the end of the two-year period, the scholarship funds received are allocated to the Western Advantage Scholarship Fund.
- In the instance a bequest or trust is gifted to the Foundation with no endowment stipulation by the donor in the amount of $10,000 or greater for the purposes of scholarship the fund. The MWSU Foundation will quasi-endow the gift to keep the principal of such gift in perpetuity.

**Named Annual Scholarship:**
- A temporary, restricted fund (not permanent).
- Established with a written pledge of a minimum of $1,000 per year for at least four years.
- One hundred percent of the principal is awarded to a recipient or recipients over a specific period of time.
- Any earnings on the fund are placed in the MWSU Foundation’s general fund.
MWSU Foundation Scholarship Yearly Process

February
- Students complete applications for scholarships via the online scholarship system found on the MWSU Financial Aid website. All student applications must be completed by March 1st.
- During the month of February the Accountant creates a spreadsheet to calculate the amount that is able to be awarded for the endowed scholarships based upon the MWSU Endowed Scholarship policy. This spreadsheet records the last 3 year’s December 31 balances of each endowment. An average is taken of these 3 balances and then multiplied by the distribution percentage (currently 4%).
- This distribution is the amount available to award for next school year for each scholarship.
- The Associate Executive Director/CFO reviews and approves the spreadsheet.

March
- The Accountant creates memos to notify each scholarship committee of the amounts available to award. These memos list each scholarship, the amount to award, and the criteria for each scholarship.
- The Associate Executive Director/CFO reviews and approves the memos.
- The memos are then sent to each committee chair. A copy of each memo is sent to the Associate Director of Financial Aid.

April
- Each scholarship committee notifies the Foundation of the recipients chosen for each scholarship. This notification is done on paper or through email.
- The Accountant reviews each scholarship and recipient to make sure they meet criteria set by donor.
- Once criteria have been verified, the Accountant posts the recipients to the scholarship awarding system.
- The Financial Aid department reviews this system and posts the recipient’s awards to their MWSU account.
- Financial Aid sends letters to recipients.

May thru September
- The Accountant continues to contact committees who have not sent recipients in order to award each scholarship.
- The Accountant reviews each scholarship and recipient to make sure they meet criteria set by donor.
- Once criteria have been verified, the Accountant posts the recipients to the scholarship awarding system.
- The Accountant sends an email to Financial Aid that a scholarship has been posted and Financial Aid posts the recipient’s awards to their MWSU account.

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October

- The Accountant creates annual donor letters for each scholarship. These letters are sent to the contact on file for each scholarship. The annual activity letter contains the June 30 current year balances, the amount awarded and the name of each recipient of the scholarship.
- The Associate Executive Director/CFO reviews and approves the letters. The letters are then sent to the contact along with thank you letters received from recipients of the scholarships.
- Financial Aid updates the billing database for the fall semester.
- The Accountant reviews each amount billed for each scholarship. Once each amount is verified, the Accountant creates a payable for the total billing.
- The payable is then sent through the Foundation cash disbursements process.
- Monthly the Accountant reviews the billing database, verifies any amounts billed, and issues payment.

March

- Financial Aid updates the billing database for the spring semester.
- The Accountant reviews each amount billed for each scholarship. Once each amount is verified, the Accountant creates a payable for the total billing.
- The payable is then sent thru the Foundation cash disbursements process.
- Monthly the Accountant reviews the billing database, verifies any amounts billed, and issues payment.
Addendum – Exhibit A

Missouri Western State University Foundation, Inc.
GIFT ACCEPTANCE POLICY

I. INTRODUCTION AND PURPOSE

The Missouri Western State University Foundation, Inc. is designed by its Articles of Incorporation as the official agency to receive gifts from donors on behalf of Missouri Western State University. This relationship is officially recognized in Article IV, Section F of the Missouri Western State University Policy Guide.

The mission of the Missouri Western State University Foundation is to receive, invest, maintain and administer contributed resources; and otherwise act to further the mission and goals of Missouri Western State University by directing acquired resources to serve the University and its students.

The Foundation may not accept gifts or engage in the solicitation of gifts that may jeopardize its nonprofit or tax-exempt status as provided in Section 501(C)(3) of the 1954 Internal Revenue Code.

The purpose of this policy is to:

- Provide general guidance on gift acceptance and the restrictions on gifts that the Foundation can accept.
- Ensure that efficient administrative, legal, and accounting practices and procedures are followed.
- Ensure consistent, equitable relations with donors
- Ensure due diligence prior to making a decision with respect to a gift which:
  - might expose the Foundation to an uncertain and potentially significant liability
  - is precedent-setting or involves sensitive issues
  - may have come from illegal activities, or
  - because of its unusual nature, presents questions as to whether it is within the role and scope of the Foundation and its mission.
II. THE POLICY

The following policy is hereby adopted for the Missouri Western State University Foundation, Inc.:

A. Types of Acceptable Gifts

The following types of gifts are accepted by the Foundation:

- Cash
- Tangible personal property
- Securities
- Real estate
- Remainder interests in property
- LLC Ownership Interests
- Oil, gas and mineral interests
- Bargain sales
- Life insurance policies
- Charitable remainder trusts
- Charitable lead trusts
- Donor Advised Funds
- Retirement plan beneficiary designations
- Bequests
- Other Property

Restrictions on Gifts

The Foundation will accept unrestricted gifts, and gifts for specific programs and purposes, provided that such gifts are not inconsistent with its stated mission, purposes, and priorities. The Foundation will not accept gifts that are too restrictive in purpose. Gifts that are too restrictive are those that violate the terms of the corporate charter, gifts that are too difficult to administer, or gifts that are for purposes outside the mission of the Foundation. All final decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the gift acceptance committee of the Foundation.

The following criteria govern the acceptance of the gift types listed above. In the case of gifts of real estate or when the complexity of a gift deems it necessary, the Executive Director of the Foundation will commission a Gift Acceptance Committee to review and make recommendations concerning the acceptability of the gift.

Cash—Cash is acceptable in the form of currency, money orders, checks or electronic transfer (either through a wire transfer to the Foundation’s bank account or by a verified credit card transaction). The gift date for gifts of cash mailed to the Foundation will be in accordance with IRS regulations. Checks are made payable to the “MWSU Foundation.”
Tangible personal property—Tangible personal property is property (corporeal movable property) other than real property (immovable property), which is often defined as property that can be touched. If the Foundation intends to sell a gift immediately rather than use it, the donor will be informed that IRS rules may limit the amount of the charitable deduction to the donor’s cost basis, and the donor will be advised to seek professional financial counsel on the tax consequences of such a donation. Only the Foundation’s Board of Directors can approve an agreement to hold property for a specified period of time.

Appraisals, at the donor’s expense, are required for all gifts for which the donor estimates the fair market value to be $5,000 or more. Extraordinary gifts of tangible personal property will be referred to the Gift Acceptance Committee for review and recommendation following factors in reviewing such gifts for acceptance:

- Does the property further the mission and purposes of the Foundation?
- Is the property marketable, or can it be used by the university in furtherance of the university’s purposes and mission?
- Are there any restrictions on the use, display or sale of the property?
- Are there any carrying costs, possible adverse legal consequences, or potential liabilities associated with ownership of the property?

Securities—The Foundation accepts both publicly-traded securities and closely-held securities under the conditions described below:

Publicly-traded securities—These are securities regularly traded on a public stock exchange. It is preferred that donors electronically transfer marketable securities directly to one of the Foundation’s local brokerage accounts. Transfers made directly to the brokerage account can be liquidated almost immediately and with little additional paperwork required from donors. Alternatively, marketable securities may be delivered physically to the Foundation office with the donor’s/transferor’s stock power attached. Those securities which are determined to be restricted by applicable securities laws will be reviewed by the Associate Executive Director/CFO and General Counsel of the Foundation. If the restrictions are deemed to be unreasonable or excessive, acceptance will be referred to the Foundation’s Board of Directors. The value of the gift will be calculated using the mean share price between the high and low selling prices quoted on the day the stock is transferred to the Foundation.

Closely-held securities—Acceptance of closely-held securities, which include not only debt and equity positions in non-publicly traded companies but also interests in limited partnerships and limited liability companies, or other ownership funds, must be approved by the Foundation’s Board of Directors, with the following factors to be considered: any restrictions on the security that would prevent its conversion to cash, the marketability of the security, and the potential for other undesirable consequences for the Foundation.

Gifts of stock in closely-held corporations are accepted only where investigation reveals no significant potential for liability for the Foundation in receiving the gift, and with the likelihood of a sale or redemption within a reasonable time.
If potential problems arise on initial review of the security, further review and recommendation by an outside professional and/or commissioned Gift Acceptance Committee may be sought before making a final decision on acceptance of the gift. The Executive Director of the MWSU Foundation shall make the final determination on the acceptance of closely held securities when necessary. Every effort will be made to sell non-marketable securities as quickly as possible.

Real estate—Gifts of real estate include developed property and undeveloped property, as well as gifts subject to a prior life interest or usufruct. Prior to acceptance of real estate, the Foundation shall require, at the donor’s expense, an independent appraisal of the property’s fair market value, as well as a Phase I environmental study to ensure that the property has no environmental damage or other environmental issues that would expose the Foundation to liability. In the event that the initial inspection reveals a potential problem, the Foundation shall retain a qualified inspection firm to conduct an environmental audit. The cost of the environmental audit shall generally be an expense of the donor.

Factors to be considered in acceptance of the property shall include: usefulness of the property for the purposes of the Foundation/University; marketability of the property, relative to its condition; any restrictions, reservations, easements, or other limitations associated with the property; carrying costs, such as insurance, property taxes (taking into account that the Foundation is not eligible for any homestead exemption), mortgages, or notes, associated with the property; the results of the environmental study report, and any potential liability for cleanup or restoration of the property that may be imposed under current law to a transferee.

Remainder interests in property, or Retained Life Estate Gift (RLE)—The Foundation will accept a remainder interest in a personal residence, farm, or vacation property subject to the provisions regarding the acceptance of real estate outlined previously in this policy document. The donor or other named beneficiary may continue to occupy the real property for the duration of the stated life or the term of the usufruct. Expenses for maintenance, real estate taxes, insurance, and any property indebtedness are to be paid by the donor or life beneficiary. At the death of the donor or life beneficiary, as applicable, the Foundation may use the property or convert it to cash. All procedures for evaluating proposed gifts of real property, outlined elsewhere in this document, apply to proposed RLEs as well. Donors are strongly encouraged to have all documents related to a proposed RLE reviewed by their own attorneys.

LLC Ownership Interests—The Foundation may accept a member interest in an LLC within stipulated guidelines and specific approval by the Foundation's board of directors. An LLC member interest that produces passive income to the Foundation is preferred to one that produces active trade or business income that will be subject to Unrelated Business Income Tax. However, the board of directors may elect to accept either type of LLC gift. The type of business conducted by the LLC must not conflict with the purposes of the Foundation or Missouri Western State University. The Foundation will require that the donor provide a copy of the LLC's Operating Agreement, financial statements, appraisal of the LLC, and a list of the other members. The Foundation's board of directors will review these documents prior to making a decision about accepting the gift. In particular, the board of directors will consider the level of debt held by the LLC; if the Foundation could be subject to a capital call; the nature of the income to be received; who are the other
members; compatibility of the business with the purposes of the Foundation and Missouri Western State University; the exit process; and the appraised value of the LLC, including the value of the member interest and the minority discount if it applies.

*Oil, gas and mineral interests*—The Foundation may accept oil and gas property interests. Factors to be considered in review of the proposed donation include: any extended liabilities or other considerations that make receipt of the gift inappropriate, whether the proposed gift is a working interest (an expense bearing interest, for which acceptance would require approval of the Foundation’s Board of Directors), and any current or potential exposure to environmental liability or cleanup or restoration obligations under relevant law.

*Bargain sales*—The Foundation will enter into a bargain sale arrangement only when the bargain sale furthers the mission and purposes of the Foundation. A bargain sale is a sale of property for less than its fair market value. All bargain sales must be reviewed and approved by the Foundation’s Board of Directors. Factors used in determining the appropriateness of the transaction include: the results of an independent appraisal, obtained at the donor’s expense, substantiating the value of the property, whether the Foundation will assume any debt with the property, the marketability of the property for sale within 12 months of receipt, and carrying costs associated with the property during the holding period prior to sale.

*Life insurance policies*—Foundation can receive two types of life insurance gifts:

1. The Foundation can be named beneficiary of a life insurance policy and does not own the policy. Such designations will be recorded as gifts at the time the designation becomes irrevocable. The value of the gift to be recorded shall be the present value of the beneficiary amount expected to be received.

2. The Foundation can be named both irrevocable beneficiary and owner of an insurance policy. The gift shall be valued at its interpolated terminal reserve value on the date of receipt. Should the donor contribute future premium payments, the Foundation will include the entire amount of the additional premium payment as a gift in the year the payment is made. If the donor elects not to continue to make gifts to cover premium payments on the life insurance policy, the Foundation’s Board of Directors shall decide whether to continue to pay the premiums, convert the policy to paid-up insurance, or surrender the policy for its current cash value. No insurance products and no insurance companies or agents are endorsed by the Foundation for use in funding gifts to the Foundation. The Foundation does not furnish donor’s names to third parties for the purpose of marketing life insurance to donors or for any other purpose.

*Charitable Remainder Trusts*—The Foundation accepts designation as a remainder beneficiary of charitable remainder trusts. A Charitable Remainder Trust (CRT) is an irrevocable trust created during the life of the donor or through the donor’s will or trust (a testamentary CRT). The CRT must provide that a specified amount (not less than 5%) of the trust’s value is paid to one or more beneficiaries on an annual or more frequent basis. At least one beneficiary must be non-charitable. The Foundation may serve as trustee for CRTs for which the Foundation is the sole charitable remainder beneficiary and the principle amount of the CRT is at least $100,000.
There are two alternatives for CRTs. One is a unitrust (CRUT), which pays a fixed percentage of trust assets (not less than 5%) determined annually. The other is an annuity trust (CRAT), which pays a fixed annuity and requires that an amount not less than 5% of the initial fair market value of trust assets be paid at least annually to the named income beneficiary or beneficiaries.

Charitable Remainder Unitrust (CRUT)—The primary feature of a CRUT is that it can be for life or a specified term of years, after which the trust assets pass to the Foundation. Only assets of the trust may be used to satisfy the commitment to the donor; assets of the Foundation are not involved. Under current tax law, the charitable remainder of a unitrust must equal more than 10% of the unitrust’s fair market value when it is funded in order to qualify as a CRUT. Donors may make subsequent additions to the unitrust during their lifetime or by bequest upon their death. The CRUTs acceptable to the Foundation are the basic form of a unitrust, termed a “straight unitrust.” A straight unitrust provides for payment to the donor and/or beneficiary quarterly an amount equal to a set percentage of the fair market value of the assets of the trust, valued annually. The percentage is determined by the donor at the time the trust is created, is stated in the trust, and is irrevocable. If annual income and capital gain do not equal the committed percentage, principal is used to make up the difference. If there is an excess, it is added to the principal.

Charitable Remainder Annuity Trust (CRAT)—This type of trust shares many common features with the unitrust, the primary difference being the manner used to calculate the payment to the income beneficiary. The unitrust provides for a payout that varies with each annual valuation; however, the annuity trust provides for fixed payments based upon the fair market value on the date the trust is established. Another difference is that additional contributions can not be made to an annuity trust. With a CRAT, the donor irrevocably transfers assets to the trust, and the trustee pays the donor, or the specified beneficiaries, a fixed dollar amount annually for life or for a predetermined term not to exceed twenty (20) years. This payout must equal at least five percent (5%) of the fair market value of the assets placed in the trust when it is created. Income in excess of the annual payment is added to the principal. If the income in any one year is less than the annual payment, the difference comes from principal.

Charitable Lead Trusts—The Foundation may accept designation as the income beneficiary of a charitable lead trust. A charitable lead trust is a form of split-interest gift. A lead trust is similar to a charitable remainder trust, although the qualified charity receives the income interest with the remainder interest passing to the donor or some other designated beneficiary. Because of the complexity of split-interest deduction rules, the Foundation will advise prospective donors in writing to rely upon the donor’s legal, financial and tax advisors in determining whether to pursue the gift of a charitable lead trust to the Foundation. In general, the Foundation will not accept appointment as trustee of a charitable lead trust. Exceptions can only be granted by the Foundation’s Board of Directors, after a thorough review of the circumstances.
Donor Advised Funds—A donor advised fund (DAF) is a giving vehicle offered by (a) many investment and mutual fund companies, such as the Fidelity Charitable Gift fund, (b) a number of community foundations, and (c) others such some larger colleges and universities. Individuals may use a DAF in lieu of a personal foundation. The individual determines the timing and size of contributions to a DAF based on tax benefits, and then leaves philanthropic priorities to be considered as a separate question at a future date. While the individual may be allowed to make investment suggestions from an approved list of options, any investment gains to the DAF will be attributed to the DAF rather than the donor.

For tax purposes, a DAF is treated like a public charity, so an individual who uses a DAF as a giving vehicle receives a charitable tax deduction at the time that personal assets are transferred to the DAF. The funds are then controlled by the DAF, not by the individual. This means that an individual who gives through a DAF cannot make a legally binding commitment on behalf of the DAF. However, an individual donor who gives to a DAF may recommend that a DAF make a specific contribution to a specific qualified charity, and DAFs will almost always comply with the donor’s recommendation. That said, many DAFs will not make multi-year pledges, and DAFs are careful not to make payments on the individual’s personal pledges. It is important for all members of the development community to understand and follow appropriate procedures in order to protect the tax status of the Foundation’s individual supporters and DAF donors.

When closing a gift, a development officer should ask the donor how he expects to make the payments. If the donor does not plan to use a DAF as a giving vehicle, then the gift should be processed as a personal pledge. If the donor knows he will ask a DAF to contribute the funds, then the donor is not actually making a personal pledge to the Foundation; rather, he is expressing his intention to ask for funds from a DAF. The DAF will ultimately decide whether or not to make the gift. Pledges will not be recorded when payment is to be received from a DAF as any linkage between a personal pledge and a payment satisfying that pledge exposes the donor to unintended tax consequences.

Since the DAF is the legal donor, a gift from a DAF is recorded as a hard credit to the DAF and a tax receipt/thank you letter is sent to the DAF. The recommending donor receives soft credit and a personal thank you letter (not tax receipt) from the MWSU Foundation.

Retirement plan beneficiary designations—Donors to the Foundation will be encouraged to name the “Missouri Western State University Foundation, Inc.” as a beneficiary of their retirement plans, including Individual Retirement Accounts (IRAs) and qualified pension and profit-sharing plans. Donors may wish to make their spouse the primary beneficiary, in which case the Foundation may be designated as secondary or contingent beneficiary. Such designations will be recorded as gifts to the Foundation at such time that they become irrevocable. When the receipt of funds is not due until a future date, the present value of the expected cash inflow of beneficiary funds is recorded as a gift at the time the designation becomes irrevocable. Gifts from retirement plans may be established by sending a new beneficiary designation to the donor’s plan administrator.
Bequests—A bequest is a gift of cash, property, or other asset made in a donor’s will or living trust. Bequests may provide for a specific dollar amount in cash, specific securities, specific articles of tangible property, or a percentage of the residual of the estate. Donors to the Foundation will be encouraged to make bequests to the Foundation in their wills and trusts. The donors and supporters will be advised to name the legal entity of the “Missouri Western State University Foundation, Inc.” specifically in their wills and in order to clearly indicate the intent of their bequest for the Foundation. Bequests may be given as unrestricted gifts or gifts restricted to a purpose or program designated by the donor. Donors may also establish, by bequest, a testamentary charitable remainder trust or unitrust. The bequest can be arranged so as to provide a life income for a designated beneficiary or beneficiaries. If such a gift is made by will, the principal will pass to the Foundation only after the death of the life income beneficiary or beneficiaries. Donors are encouraged to inform the Foundation in advance to discuss such plans in order to make sure their charitable objectives can be carried out.

Other property—Property not otherwise described above, whether real or personal, of any type (including copyrights, trademarks, royalties, servitudes, easements or other incorporeal rights) may be accepted only after review and approval by the Foundation’s Board of Directors.

B. Use of Legal Counsel

The Foundation shall seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. Such matters include, but are not limited to, the following:

- Closely held stock transfers that are subject to restrictions, buy-sell agreements or other arrangements that limit the marketability of the securities.
- Arrangements and documents pertaining to such arrangements where the Foundation is named as Trustee.
- Gifts involving bargain sales or documents requiring the Foundation to take or refrain from taking some action or assume an obligation.
- Transactions with potential conflicts of interest that may invoke IRS or other legal sanctions.
- Other instances in which use of counsel is deemed appropriate by the Foundation Board.

C. Gift Evaluation and Appraisal

It is the donor’s responsibility to substantiate any amount claimed as an itemized deduction for federal tax purposes. It will also be the responsibility of the donor to secure an appraisal when appropriate and engage the advice of independent legal and financial counsel for all gifts made to the Foundation. Cost of appraisals for tax purposes are to be borne by the donor of the gift unless decided otherwise by the Foundation Executive Director.

D. Gift Recording

The MWSU Foundation will follow the national standards for gift recording as published by the Council for the Advancement and Support of Education (CASE) and accounting standards in accordance with the Generally Accepted Accounting Principles (GAAP).
E. Gift Receipt & Acknowledgment

The MWSU Foundation will acknowledge the receipt of all gifts in writing and in a manner that satisfies the substantiation requirements as set forth in Internal Revenue Code Section 170(f) for the deduction of charitable gifts by individual donors.

Acknowledgement letters for all gifts are prepared and mailed within 48 hours of receiving the gift. In the case of memorial gifts, a letter mentioning the name of the donor is sent to the family of the deceased. A similar procedure is followed for gifts honoring a living person.

The Foundation’s Accounting Office will be responsible for maintaining an inventory of cash and non-cash gifts received and will coordinate the writing of official letters of acknowledgment on behalf of the Foundation.

F. Donor Relations

The interests of prospective donors shall be a primary consideration with respect to any gift to the Foundation. Pressure techniques are not acceptable, and no program, agreement, trust or contract shall be presented which would knowingly benefit the MWSU Foundation or MWSU at the expense of the donors' best interests and charitable motivations. All prospective donors will be advised to consult their own legal or financial counsel regarding the tax implications of a gift in matters related to estate planning.

All information obtained from or about donors or prospects shall be held in strictest confidence by the Foundation. The Foundation will respect donor wishes in regard to the publication of information or other forms of recognition.

D. Miscellaneous Provisions

The Foundation’s Accounting Office will be responsible for filing the required IRS Form 8282 upon the sale or disposition of any property sold or otherwise disposed of within three years of receipt by the Foundation when the charitable deduction value of the item is greater than $5,000. The Foundation must file this form within 125 days of the date of sale or disposition of the asset. At no time shall the Foundation accept a gift with a three year holding period stipulation.

The Foundation is obligated to use gifts in a manner consistent with the stated intentions of the donor. Because the Foundation must comply with donor restrictions, only gifts that are consistent with federal and state laws and do not contradict the Foundation's mission may be accepted.

Under IRS regulations, the valuation of any gift-in-kind is the responsibility of the donor and/or authorized appraiser. The MWSU Foundation is prohibited by IRS rules from providing a value on any property to a donor for tax purposes. The Foundation may assign a value for gift recording purposes only.
The Foundation’s Accounting Office will perform the necessary accounting entries. When necessary, the University’s Accounting Office will enter items into the University’s property records based upon copies of receipts provided by the Foundation’s accounting office, and will be responsible for applying appropriate inventory identification tags and numbers on each item in the department where the items are being stored or used.

Gifts in memory of or in honor of an individual may be made in any amount to the current unrestricted fund or existing restricted or endowed fund. The name of the person honored and the names of donors are recorded by the Foundation. Acknowledgment is sent to each donor and the names of donors are sent to an appropriate member of the family unless the donors request that this not be done.

III. REVIEW

The Directors of the MWSU Foundation, Inc. adopt this statement of gift acceptance policy.

This policy will be reviewed periodically by the Board of Directors for the information and guidance of members of the Board of Directors, and that any new member shall be advised of the policy upon entering on the duties of the office.
Addendum – Exhibit B
Missouri Western State University
GIFT/NAMING POLICY

GIFT POLICY
INTRODUCTION
The Missouri Western State University Foundation, Inc., is designated by its Articles of
Incorporation as the official agency to receive gifts from donors on behalf of Missouri Western
State University. It is the proper legal vehicle through which private philanthropy can be received.

The University’s Development Office within the Division of University Advancement is charged
with identifying, cultivating, soliciting, and maintaining relationships with individuals,
corporations, and foundations to support the mission of Missouri Western State University. The
Director of Development reports to the University’s Vice President for University Advancement
who also serves as the Executive Director of the Missouri Western State University Foundation.
Because of this dual role, the Vice President for University Advancement can represent the
Foundation regarding matters related to receiving and maintaining gifts.

DEFINITION
A gift is defined as a voluntary transfer of cash and kind, from individuals, industry, foundations
and other sources to the MWSU Foundation for either unrestricted or restricted utilization in
support of the mission of MWSU. Gifts are made without getting, or expecting to get, anything of
value in return (outside of appropriate recognition). Gifts may be monetary (cash, checks, credit
cards) or non-monetary (e.g. securities, real property, or personal property).

Grants that are awarded to the University on a cost reimbursement basis and/or are received from
public, government agencies are not included in the definition of a gift and are managed by the
Department of Grants and Sponsored Programs. (see Appendix Q)

SOLICITING GIFTS
Individuals who wish to negotiate for gifts with persons or agencies external to the University
should immediately coordinate their efforts through the Director of Development and/or the Vice
President for University Advancement prior to the beginning of the solicitation process. Copies of
correspondence or summaries of important conferences with prospective donors should be sent to
the Director of Development, who can identify overlapping efforts; provide certain insights,
services, solicitation strategies, etc.; and maintain a history of the relationship in the Foundation’s
centralized donor database. The Foundation’s Executive Director can act for the Missouri Western
State University Foundation, Inc. The Chairperson or Director of the involved department also
must be kept informed during all stages of the negotiations.

ACCEPTING GIFTS
The Foundation is obligated to use gifts in a manner consistent with the stated intentions of the
donor. Because the Foundation must comply with donor restrictions, only gifts that are consistent
with federal and state laws and do not contradict the Foundation’s mission may be accepted.
The appropriateness and acceptability of a gift to the Foundation must be determined before any
commitments can be made on behalf of the University.
If the potential gift is cash, bonds, real estate, or property for general use, approval must be received from the Vice President for University Advancement. The Vice President for University Advancement will determine whether it is necessary to seek the approval of the President, who in turn will determine whether it is necessary to seek approval from the Board of Governors. Evaluations and recommendations from appropriate University personnel will be obtained prior to bringing the matter before the President and/or Board of Governors.

If the potential gift is for academic purposes, approval to accept the gift must also be received from the Chair of the Department, the Dean of the College, and the Provost. The Provost will determine whether it is necessary to seek the approval of the President.

Any gift that requires a pledge of University or Foundation resources (money, shipping costs, display costs, waivers of fees, hiring personnel, etc.) must be approved by the appropriate administrative offices within the University, the Vice President for University Advancement, and possibly the Board of Governors. The Board of Governors must approve acceptance of any property that requires maintenance.

The MWSU Foundation and the University’s Development Office should be notified of all gifts accepted so that donor records can be maintained and an appropriate letter of acknowledgment may be written to the individual or organization making the gift.

EVALUATING GIFTS
When gifts are accepted, the department or agency involved will provide the Vice President for University Advancement and the Director of Development with an accurate inventory of the items received and an estimate of the dollar value of each item. It is the donor’s responsibility to substantiate any amount claimed as an itemized deduction for federal tax purposes. It is also the responsibility of the donor to secure an appraisal when appropriate and engage the advice of independent legal and financial counsel for all gifts made to the Foundation. Cost of appraisals for tax purposes are to be borne by the donor of the gift unless decided otherwise by the Vice President for University Advancement.

ACKNOWLEDGING GIFTS
The Foundation’s Accounting Office will be responsible for maintaining an inventory of cash and non-cash gifts received and will coordinate the writing of official letters of acknowledgment on behalf of the Foundation.

ACCOUNTING FOR GIFTS
The Foundation’s Accounting Office will accomplish the necessary accounting entries. When necessary, the University’s Accounting Office will enter items into the University’s property records based upon copies of receipts provided by the Foundation’s Accounting Office, and will be responsible for applying appropriate inventory identification tags and numbers on each item in the department where the items are being stored or used.

MAINTAINING TAX-EXEMPT STATUS
The Missouri Western State University Foundation, Inc., may not accept gifts or engage in the solicitation of gifts that may jeopardize its nonprofit or tax-exempt status as provided in Section 501 (C) (3) of the 1954 Internal Revenue Code.
NAMING POLICY

BACKGROUND
The naming of University activities or property is a well-established custom at Missouri Western State University. This policy establishes uniform and consistent guidelines for the granting of named recognition pertaining to:
• buildings or substantial parts of buildings (wings, rooms, laboratories) or other locations on campus such as roadways
• special research, teaching, recreational, service or other facilities
• programs of research, teaching
• departments, faculties, schools
• lectureships and special lecture series
• fellowships and scholarships
• endowed chairs and professorships
• library collections of books or other materials
• collections of works of art
• such other entities as the University may from time to time see fit to name in order to recognize service or philanthropic donations

CONSIDERATIONS
A. Gift/Donor Considerations: Naming proposals should be consistent with University and MWSU Foundation policies and will reflect not only the donor’s appropriate financial support, but also the donor’s commitment to the mission, vision and values of the University. Gift-related naming of buildings or facilities requires a donation which makes a significant contribution to the cost of the building or facility. Further guidelines related to the solicitation and acceptance of gifts can be found in the University’s Gift Policy.

B. Non-Gift/Non-Donor Considerations: University Elements may also be named in honor of an individual or group, without consideration of a gift when a significant contribution of good deeds or exemplary service has been made to the University or to the State of Missouri and who are of recognized accomplishment and character.

GENERAL GUIDELINES
• Ultimate authority to accept or decline any proposal to name at Missouri Western State University rests with the Board of Governors.
• Ultimate authority to discontinue the designated name of a building, room, or area, or to transfer the name to another building, room, or area at Missouri Western State University rests with the Board of Governors.
• Notwithstanding any other provision of this policy, no naming will be approved or (once approved) continued that will call into serious question the public respect of the University.
• All due attention shall be given to both the long-term and short-term appropriateness of a naming.
• No name will be approved that will imply the University's endorsement of a partisan political or ideological position or of a commercial product. This does not preclude a naming with the name of an individual who has at one time held public office or with the name of an individual or a company that manufactures or distributes commercial products.
• When permanent named recognition has been extended for a gift received, it will be honored in perpetuity. In the event of changed circumstances, e.g. a facility no longer exists, the University reserves the right to determine the form which such permanence may take. The Board of Governors reserves the right to rescind any existing naming where continued association with the named individual(s) or group calls into serious question the public respect of the University.
• From time to time, it may be appropriate to offer named recognition for a limited period of time. In this case, the University is obligated to honor the name for that period of time, subject to renewal of the opportunity.
• The University may choose to extend recognition through a naming (e.g., a named building) after a donor/donors provided that the donor will provide all or a major part of the cost of funding the facility or activity. "Major" is deemed to mean either a significant part of the cost, or a contribution which is regarded as central to the completion of the facility or activity, and represents a substantial part of its value.
• Provisions in this policy that refer to naming for a benefactor also in general apply to naming for a third party at the wish of a benefactor.
• Only in exceptional circumstances will facilities or activities be named to honor outstanding service of members of faculty or staff while the honoree remains in the full time employment of the University. Members of faculty and staff making philanthropic donations remain eligible for naming recognition.
• The University reserves the right to decide on the physical displays which may accompany named recognition. The texts of plaques shall be forwarded to the Vice President for University Advancement for review and approval.
• To avoid any appearance of commercial influence or conflict of interest, additional due diligence should be taken before recommending the naming of a major program or area, building, open space, or roadway that involves the name of a corporation or a corporate foundation. The naming for an individual associated with a corporation should be handled as any naming for an individual.

APPROVAL PROCESS
• Individuals contemplating a naming opportunity to recognize outstanding service are to consult with the Vice President for University Advancement.
• If the Vice President for University Advancement is satisfied that the proposal falls within the policy guidelines, or is sufficiently unique to justify special consideration, the Vice President shall submit a request in writing to the President, outlining the reasons for the proposal to include the nature of the gifting and/or meritorious activity; and other conditions, concerns, or impacts of the naming.
• The Vice President and the President shall consider any objections that are received and decide whether a formal motion should go forward to the Board of Governors.
• The same procedure as outlined above shall be followed when there is a recommendation to discontinue the designated name of a building, room, or area, or to transfer the name to another building, room, or area.

NEGOTIATING NAMED RECOGNITION FOR PHILANTHROPIC GIFTS
• It is the responsibility of individuals negotiating on behalf of the University to consult with the Vice President for University Advancement when gifts involve a proposal to name.
• It is the responsibility of individuals negotiating on behalf of the University to advise potential benefactors that the acceptance of any philanthropic donation which involves a proposal to name is conditional upon final approval of the naming by the Board of Governors.
• The Vice President for University Advancement is responsible for securing approval from the Board of Governors for schedules of general naming opportunities and the minimum level of philanthropic donation required for each (e.g., endowed chair).
Addendum – Exhibit C

Missouri Western State University

SPouse TRAVEL POLICY

I. PURPOSE

The purpose of the Policy is to ensure compliance with federal and state laws and regulations governing travel reimbursement for spouses of employees of the Foundation or Missouri Western State University ("the University").

II. POLICY

It is the policy of the Foundation that it does not reimburse for spousal travel except for the spouse of the University’s President, under the following circumstances, and for other University employees only on critical occasions with pre-approval by the President and the Executive Director of the Foundation.

1. The spouse of the University President is expected to attend certain functions related to the ongoing mission and purpose of the University. The Foundation shall reimburse travel expenses for the spouse of an employee provided such travel serves a bona fide business purpose of the Foundation or University as defined by the Internal Revenue Service in Publication 463.

2. Generally, protocol or tradition dictates when spousal participation is required at Foundation or University functions; such as, alumni gatherings, fund-raising or ceremonial activities, major athletic events and community events or other meetings of organizations in which the university is involved.

3. To be a bona fide business purpose, the spouse must perform substantive business related functions essential (not just beneficial) to the employee conducting a specific Foundation or University business purpose.

4. If a spouse has no significant role in the business related function attendance does not constitute a bona fide business purpose; therefore, spousal expenses incurred in this instance shall not be reimbursed under this policy.

Written documentation shall be provided by the employee in order to justify that the travel is for a bona fide business purpose prior to any expenses being incurred. Upon review of the written request, the decision to grant reimbursement or compensation to the employee for bona fide spousal travel is made by the Executive Director of the Foundation and the University President when applicable.

When the payment of spousal travel expenses results in taxable compensation to the employee, the amount of such compensation equals the increase in travel costs as a result of the spouse's presence. For example, includable compensation attributable to a hotel room is only the difference between single and double occupancy rates, not half of the total cost. All receipts must be submitted to the Foundation.
III. APPLICABILITY

This policy applies to the spouse of Foundation and University employees for allowable expenses as determined by the Internal Revenue Service.

IV. NON-REIMBURSABLE EXPENSES

Instances whereby a spouse’s attendance does not constitute a bona fide business purpose, a spouse’s travel expenses will be the personal responsibility of the employee.

In instances where spousal presence is desirable, but that such attendance does not serve a bona fide business purpose to the Foundation or University; the Foundation may approve the travel. In such cases the reimbursement of the spouse’s travel will be provided; however, under IRS code such reimbursement shall be included in the employee’s taxable wages as a taxable "fringe benefit."

In any other cases, a spouse’s travel will be the personal responsibility of the employee.
By resolution of the Missouri Western State University Foundation, Inc. Board of Directors, on May 6, 2015, the Missouri Western State University Foundation ("the Foundation") adopts the Accounting Policies and Procedures Manual.

Jason Horn
Chairman of the Board of Directors
Missouri Western State University Foundation

Jerry Pickman
Executive Director
Missouri Western State University Foundation