A Guide to

THE KANSAS STATE UNIVERSITY FOUNDATION

- Policies & Procedures
- Sample Forms
- Resources

Effective February 1, 2011
Revisions effective December 1, 2011
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Section 1  Introduction

The Kansas State University Foundation is a non-profit corporation founded in 1944 to encourage, receive, and hold in trust any real and personal property given for the use of Kansas State University and to invest, disburse, and administer all such gifts to provide those services to Kansas State University that are not or cannot be provided through appropriated funds or student fees.

The Kansas State University Foundation has been designated as the official fund raising arm of Kansas State University and received its tax-exempt status under Section 501(c)(3) of the Internal Revenue Code in March 1945.

In 1969, the Kansas Legislature authorized The Kansas State University Foundation to act as the investing agent for any endowment or bequest to Kansas State University. Kansas Statute 76-156a further provides for Kansas State University Foundation to exercise such fiscal management and administrative powers as may be necessary or appropriate for the lawful and efficient management of any endowment or bequest.

The current mission of The Kansas State University Foundation is to secure and prudently manage private gifts in support of Kansas State University and foster a culture that unites philanthropic desires with university priorities.

The Kansas State University Foundation is governed by a volunteer Board of Trustees. The Board of Trustees has elected a Board of Directors and authorized it to act on the trustees’ behalf to provide support for undergraduate and graduate student scholarships, establish faculty chairs and professorships’ provide departmental support, and enhance the campus infrastructure.

In order to carry out the above responsibilities and to ensure the observance of donor restrictions on the use of gifts, The Kansas State University Foundation establishes and maintains separate fund accounts. While the ultimate fiduciary responsibility for these fund accounts rests with The Kansas State University Foundation, each fund account is assigned a disbursing authority from the University College or Department to which the gifts were restricted. The disbursing authority is responsible for the disbursing of funds for the purpose intended by the donors, and works with The Kansas State University Foundation in the proper management of the assets.

Confidentiality of the Kansas State University Foundation Records

The successful partnership between Kansas State University (hereinafter KSU) and The Kansas State University Foundation (hereinafter Foundation) is based on effective service, trust and accountability. The Foundation acknowledges the importance of public scrutiny of its financial affairs. However, the Foundation’s ability to assure donors and prospective donors that their personal or financial information will be held in confidence is essential to fulfilling its primary mission of raising private support for the KSU.

The Foundation and the Alumni Association are jointly responsible for maintaining the database of records. Users of the data need to be aware that the information is confidential and may not be used or released in any format or for any reason other than for the purposes of KSU and more specifically for fundraising/development or alumni relations. Any individual having access to any of the database information including that which appears singly or as part of labels or lists may not release the information to the general public or be used or sold for personal gain.

The Kansas State University Foundation (Rev. 02/2011)
The Alumni Association maintains the biographical module of the database of graduates, friends and donors of KSU. To help ensure timeliness and accuracy of records as well as reduce address correction costs, home address and business information received about or from alumni and friends should be forwarded to the Alumni Association.

The Foundation maintains the contribution history, donor prospect management and scholarship module of the database for graduates, friends, and donors of KSU. The Foundation maintains these modules in an effort to recognize donors for their contributions to KSU, to research and track current and prospective donors, and to steward past donors.

Upon receipt of a reasonable and specific request in writing, the Foundation will provide financial information, such as expenditures from the Foundation funds, documentation regarding completed business transactions, and information about the investment and management of the Foundation assets. The Foundation will furnish this information in a format reasonably responsive, at a reasonable cost to the requesting party. The Foundation will not, however, release any record or information that includes personal or financial information about a donor, alumnus, prospective donor, volunteer or employee.

All fund-raising activities undertaken by KSU staff, faculty, students, volunteers, K-State Athletics and the Alumni Association of KSU are undertaken on behalf of the Foundation. All records associated with such activities relating to personal or financial information about a donor, alumnus, prospective donor, volunteer or employee in the possession of any staff, faculty, students, and volunteers, K-State Athletics or Alumni Association of KSU are records of the Foundation and Alumni Association and are confidential.

For additional information see Policy on Accessing Database Information.

https://colleges.found.ksu.edu/docs/EXTERNAL/POLICIES/KSUFDatabaseAccessPolicy.doc

**State Solicitation Registrations**

The Foundation is registered to solicit charitable contributions with the appropriate governing authorities in all states requiring registration. There are some states that require specific disclosure statements with regards to solicitation activity. For information about our charity registration and disclosure statements, please visit the Foundation website at the following link:

http://www.found.ksu.edu/governance/state_disclosures.html
Section 2  Processing, Depositing and Receipting Assets

The Foundation will deposit, process, and receipt gifts as tax deductible contributions if they are made in accordance with current IRS regulations governing charitable gifts. Gifts received in a campus office must be sent as soon as possible to the Foundation’s Cashier’s office for deposit. To ensure that all assets sent to Foundation for deposit and receipt are recorded properly, the deposit must be accompanied by a completed Contribution Transmittal Form (KSUF-1).

The Foundation cannot accept gifts if they:
- Involve contract deliverables (i.e. grants)
- Fees-for-services
- Proprietary research
- Services within the mission of the Division of Continuing Education (DCE)
- Sales of State Property
- Would jeopardize the Foundation’s tax-exempt status.

Credit Card Security Standards---Effective Date 12/1/2011

The University has adopted policies and procedures to ensure that it meets all requirements for safeguarding credit card information. These policies are available at the following web site; http://www.k-state.edu/policies/ppm/6115.html. The Foundation has also adopted a similar policy and procedure.

It is expected that employees of the University who may handle credit card information that will be transmitted to the Foundation are informed about these procedures. It is the intention of the University and the Foundation to achieve and maintain compliance with the Payment Card Industry (PCI) Data Security Standards (DSS). Most of these requirements consist of safeguarding information in computer environments. However, some of these requirements are for processing and securing non computerized applications. Non-compliance to these standards can result in significant fines.

Only University authorized and trained employees on confidential material are to have access to donor provided credit card numbers that are received over the telephone or through the mail. Originals or copies of information with credit card information should not be retained in either electronic or paper formats. If the documentation that has the credit card number is required to be retained, the documentation is to be accessible only to employees who are authorized and trained on handling confidential and sensitive information. The documentation is to be secured at all times and stored in a locked and secured area or cabinet with access permitted to only authorized and trained employees.

It is important that credit card information be transferred to the Foundation in a secure manner. If Campus personnel have received credit card information from a donor, this information should be placed in a tamper resistant sealed envelope (e.g. stapled or sealed with packing tape) and hand-delivered to the Foundation cashier’s office. (5th floor of the KSU Foundation building—2323 Anderson Ave., Manhattan, KS). The use of CAMPUS MAIL is NOT considered a secure method.
No credit card information is to be sent through the email process or faxed, including sending from a campus email or fax to the Foundation. **Email and faxing is not secure in any format and is not to be used.**

**What is a Contribution?**
A charitable contribution is a donation or gift to, or for the use of, a qualified organization. It is voluntary and is made without getting, or expecting to get anything of equal value. The Foundation is a qualified tax-exempt entity under Internal Revenue Code Section 501(c)(3). If the donor receives incidental items such as “the goodwill of the department” or small inexpensive things such as a calendar or a program etc. the contribution can still qualify as a 100% contribution. The current IRS guidelines for “token” benefits are $9.50 (for examples see [FAQ-Q5](#)).

**Gifts with benefits - Quid pro quo**
A *quid pro quo* (hereinafter “*benefits received*”) contribution is a payment made partly as a contribution and partly in consideration for goods or services provided to the donor. As a charitable organization, soliciting *benefits received* contributions; the Foundation is responsible for disclosing to the donor the amount of the gift that is considered a charitable contribution. When a donor receives a benefit for their donation they can report a tax deduction for a part of their contribution. An example of a *benefits received* contribution is when a donor pays $100 to attend a charity dinner event. The fair market value of the food and entertainment is $40. This amount is not what the charity pays for the food and entertainment, but rather the fair market value of those items. Accordingly, $60 would be eligible as a tax-deductible gift. Another example is when a donor is promised a specific item in exchange for a gift, e.g., for each $100 contribution the donor will receive a $25 alumni directory; this results in a $75 gift. *Benefits received* amounts must be determined by the department organizing the event. Deposits with a *benefits received* component must have the Benefits Received Form (KSUF-3) attached to the Contribution Transmittal Form (KSUF-1) (For examples see [FAQ-Q5](#) and [FAQ-Q9](#)).

**What are the steps associated with a Gift-In-Kind contribution?**
Gifts of tangible or intangible personal property will be considered for acceptance only if needed by the University to be used in a manner which is related to the University’s mission. If such gifts are accepted, the needs of the University will determine whether the gift is held or sold, or ownership is transferred to the University. When property is transferred from the Foundation to the University, it is subject to all normal restrictions on University property.

The completion of a Gift-In-Kind Donation Form ([KSUF-2](#)) is the means by which the University acknowledges that a GIK meets the needs of the University. Gift-In-Kind Donation Form ([KSUF-2](#)) must be completed for all gifts-in-kind. Please include all correspondence relative to the gift.

The receipt sent to the donor for a non-cash gift will describe the gift (e.g. 20 IBM personal computers, 14 shares of XYZ common stock, livestock), but will not assign value to the non-cash gift. For non-cash gifts (except publicly traded securities) with a value in excess of $5,000, it is necessary for the donor to complete and file an IRS Form 8283 in order to obtain a charitable
contribution income tax deduction. See Section 8.2 Resources for a link to IRS Form 8283 and its instructions. When working with your donor, you may consider providing the forms to them for their convenience. The donor must submit the completed form to the Foundation's Controller for acknowledgement signature.

By agreement and cooperation with University departments, it is the policy of the Foundation that a GIK form will not be processed for a charitable deduction associated with the receipt of an animal (i.e. horse, cow, etc.) that is acutely and critically ill. From time to time, a donor wishes to donate an animal for research purposes or surgical or euthanasia purposes (i.e. in the school of Veterinary Medicine). Prior to the animal becoming critically ill it may have had an insured value or an appraised value that is in excess of $250 dollars (the amount by which the Foundation is required to provide a tax receipt) or in excess of $5,000 (the amount by which a donor must complete IRS Form 8283 and request the Foundation to acknowledge the receipt of the gift). The IRS provides for penalties (up to $10,000) when a person knowingly provides false information regarding appraisals or the acceptance of gifts that will not be used for the purpose for which the organization is exempt.

IRS regulations state that the individuals authorized to sign the Foundation's tax returns are the only authorized signatories for Form 8283. Any Form 8283 sent to campus offices should be forwarded to the Foundation's Controller.

See Section 8 Appendix- Requirements for Transfers of GIK Property with value of more than $5,000 for additional information.

Publicly Traded Securities - If a donor desires to make a gift of publicly traded securities, please contact the Foundation's Investment Accounting Specialist for specific instructions and assistance. Instructions may be found on the Foundation’s website at http://www.found.ksu.edu/waystogive/securities_funds.html.

Real Property - Gifts of real property must be coordinated in advance with the Foundation's Director of Real Estate, who can provide a copy of the detailed procedures for accepting such gifts (see Section 8 Appendix - Requirements for Transfers of Real Property). Additional information is also available on the Foundation’s website at http://www.found.ksu.edu/waystogive/real_estate.html.

**Tax Receipting and Written Disclosure Statements**

A receipt/acknowledgement is sent to each donor upon receiving a gift. The receipt reflects the amount or type of the gift and the value of any benefits received by the donor. Special acknowledgements are sent to donors and families or honorees for memorial and tribute gifts. Receipts are not sent for non-gift items, such as expense refunds.

IRS rules require that a donor, in order to obtain a charitable contribution deduction for federal income taxes, must substantiate any charitable contribution of $250 or more with a receipt from the Foundation (a canceled check is specifically not sufficient). The receipt must provide the amount of the payment, the value of any benefits received (goods or services) by the donor from the University, and the resulting amount of the gift. In addition, the IRS requires the receipt to state affirmatively if the donor has not received any benefits received. The Foundation’s receipts reflect these requirements.
IRS rules further require that the donor be provided with a written disclosure statement when the donor has made a contribution that is more than $75 which includes benefits received. The required written disclosure statement must:

- Inform the donor that the amount of the contribution that is deductible for federal income tax purposes is limited to the excess of money (and the fair market value of property other than money) contributed by the donor over the value of goods or services provided by the organization
- Provide a donor with a good-faith estimate of the fair market value of the goods or services

The organization must furnish a written disclosure statement in connection with either the solicitation or the receipt of the benefits received. It is the Foundation’s policy to provide disclosure both at solicitation and on the receipt. A penalty is imposed on charities that do not meet the written disclosure requirement. The penalty is $10 per contribution, not to exceed $5,000 per fundraising event or mailing. An organization may avoid the penalty if it can show that failure to meet the requirements was due to reasonable cause. In order for the Foundation to comply with these disclosure rules, it must receive the appropriate information from the department. Form KSUF-3 "Benefits Received Form (quid pro quo)" must be completed and forwarded to the Foundation with the deposit.

The Foundation is currently providing Tax Receipts in the following ways:

- For all donors for whom we have an e-mail address, an electronic tax receipt is provided for all donations regardless of the amount UNLESS they have indicated to us that they would rather receive a paper receipt.
- Donors may request to receive a paper receipt for every gift regardless of the amount of the gift. If you are aware of a donor that wishes to receive a paper receipt, please refer them to the donor relations department of the Foundation.
- If we do not have an e-mail address, a Tax Receipt is mailed for all donations of $250 or more.
- GIK tax receipts are printed and mailed regardless of the amount of the gift. No valuation is provided on the tax receipt.
- At calendar year-end, a donor can receive a summary of their donations via logging into their Wildcat Connection account or can request a paper copy of the summary.

In order to comply with these requirements, we will need you to provide adequate information to meet the IRS rules. The following sections will explain our transmittal requirements in order to gather the necessary information. As is the Foundation's practice and policy, we will rely on your statements in preparing receipts. Please be advised that there are IRS imposed penalties for providing false written substantiation to a donor.

**How do I transmit Contributions to the Foundation?**

Because Contribution deposits require additional steps in order to properly provide a Tax Receipt to the donor, the Foundation requires that Contributions and Non- Contribution Deposits be transmitted separately. See information on Non- Contribution Deposits in next section. Deposits should be grouped in the following way:

- Cash and checks for the same fund in a separate batch
- American Express credit cards for the same fund in a separate batch (credit card numbers beginning with 3xxx)
• Master Card/Visa credit cards for the same fund in a separate batch (credit card numbers beginning with 4xxx or 5xxx)
• Discover credit cards for the same fund in a separate batch (credit card numbers beginning with 6xxx)

Please limit the number of items in a batch to 35 items or less.

To standardize the information gathering process, the Foundation has created form KSUF-1 Contribution Transmittal Form. This form MUST accompany all contribution deposits transmitted from a campus department. Because this form can be printed on plain white paper, it will eliminate the need to use expensive departmental letterhead in the transmittal process.

**Completing the Contribution Transmittal Form (KSUF-1)**

KSUF-1 Contribution Transmittal Form is available on the Foundation website for download use. A paper copy is also included in SECTION 7 SAMPLE FORMS of this manual. A separate form should be submitted for each of the following situations:

• Segregate deposits to different FUNDS. In the event a donor has written one check to be allocated to several different funds, please submit that check separately.
• Segregate deposits which are pure contributions from contributions with a benefits received
• Gift-in-Kind contributions must also be accompanied by KSUF-2 Gift-In-Kind Form
• Benefits received contributions must also be accompanied by KSUF-3 Benefits Received Form
• Segregate deposits of Checks/Cash
• Segregate deposits of American Express Credit Cards
• Segregate deposits of Discover Credit Cards
• Segregate deposits of Mastercard/VISA

If a solicitation/mailer card was utilized, please provide the document.

If you are providing a detail listing of checks/credit cards, etc., please organize the supporting information (i.e. the checks) in the same order as your listing.

Please provide an adding machine tape or excel summary that shows a summation of the checks/credit cards that will agree with the total provided on the Contribution Deposit Form.

**COPIES OF CHECKS are not required for our purposes. We will IMAGE all documents as a part of our deposit process.**

Cash donations can only be tax receipted if the donor’s name, address and the amount of cash are listed on an attachment.

**Completing the Benefits Received Form (KSUF-3 Benefits Received Form)**

As discussed earlier, when a donor receives benefits as a result of their donation, their tax deductible contribution is reduced. The following is an example of the type of information that will be required on the benefits received form:

<table>
<thead>
<tr>
<th>Donor Name</th>
<th>Check total</th>
<th>Benefits Received</th>
<th>Description of Benefits</th>
</tr>
</thead>
</table>

The Kansas State University Foundation (Rev. 02/2011)
<table>
<thead>
<tr>
<th>Name</th>
<th>Amount</th>
<th>Additional Amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>John Smith</td>
<td>$100.00</td>
<td>$35.00</td>
<td>1 Dinner Ticket</td>
</tr>
<tr>
<td>Jill Allen</td>
<td>$200.00</td>
<td>$70.00</td>
<td>2 Dinner Tickets</td>
</tr>
</tbody>
</table>

In this example the dinner is valued at $35.00 a piece.

In the event that the benefits received amount exceeds the amount of the donor’s check then the donor has not made a tax-deductible contribution. The funds should be transmitted to us as a non-contribution deposit on the KSUF-4 Non-Contribution Form (See further discussion). An example of this would be if a donor paid $300.00 for a golf package at an auction that was valued at $500.00.

See Section 8.5 Frequently Asked Question 9 for additional information and examples.

**Special discussion regarding proceeds received as a result of an AUCTION**

If a donor pays more than the fair market value for an item purchased at a Silent or Live Auction, you may be able to provide them with a Tax Receipt for a benefits received contribution. However, in order for this to occur, the donor MUST be informed of the fair market value of the item prior to his participation in the auction. That is, he/she must know and intend to make a contribution in excess of the fair market value. Notification via a catalog which lists the items for auction and their fair market value is sufficient. Any payment received for an item that is listed as PRICELESS, will result no tax-deductible contribution.

When transmitting the information to the Foundation for an Auction, a copy of the auction catalog should be provided as documentation of the fair market value. All other information as discussed above in the “completing the benefits received form” should also be provided with the KSFU-3 Benefits Received Form.

**Special discussion regarding proceeds received as a result of RAFFLE**

The State of Kansas has specific rules that must be adhered to in order for a raffle to not violate the state’s gambling laws. The Foundation cannot accept funds that have been received as a result of an illegal gambling event. Kansas Statue 21-4302 is the applicable law governing gambling. You can access it at the following link:

http://www.kslegislature.org/legsrv-statutes/getStatuteInfo.do

For additional information please contact the Foundation Compliance Officer.

**How are contributions processed?**

When the Foundation receives form KSUF-1 Contribution Transmittal Form along with all appropriate back up information (i.e. checks, credit card information KSUF-2, or KSUF-3 as needed), the cashier can process this information for deposit to Foundation bank accounts and for acknowledgement to the donor of the gift received. Batch information is processed using the ImageNow software. The checks and cash are deposited to the Foundation’s bank, and credit cards are processed using our bank credit card software. The gift processors then enter the information into the ONE database for recordkeeping and for Tax Receipt preparation.

If a check comes in without a mailer or comes over from a department without a mailer or if there is information about an address change, the Foundation transmits the images to Alumni Center.
personnel so that the donor record can be verified and corrected. Alumni personnel provide the correct donor ID numbers so that the contribution can be credited to correct donor. When the Alumni Center has reviewed the images they transmit the images back to our gift processing staff and at this time the gift is entered on our system and a tax receipt is generated. We normally allow one to three days for these to be processed during non-peak times.

**How do I transmit non-contribution deposits to the Foundation?**

Non-contribution deposits reflect income received for which the payer does not receive a charitable tax deduction. They are not recorded on donor giving records and do not generate Tax Receipts. Examples of non-contributions include:

- Reimbursement for supplies or telephone calls
- Fundraising Events (where there is no contribution component)
- Sales of merchandise such as t-shirts, calendars, cookbooks, etc.
- Ticket sales for events such as alumni picnics, galas, tailgating events, etc., for which the payer receives some benefit such as a meal or football ticket.
- Items purchased at an auction when the fair market value of the item is more than the amount received
- Monies collected for a retirement gift or award

Non-contribution deposits should be transmitted to the Foundation with form [KSUF-4 Non-Contribution Form](#). Because of new reporting requirements for IRS Form 990 (the annual tax information return for the Foundation), we need additional account coding for non-contribution deposits. The following categories are provided on the form and should be utilized:
<table>
<thead>
<tr>
<th>Acct #</th>
<th>Acct Description</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>3202</td>
<td>Income</td>
<td>Miscellaneous Non-fundraising dinners or banquets, rebates, services, commissions, entry fees, licensing fees, prize and awards, class reunions, insurance cash surrender values</td>
</tr>
<tr>
<td>3206</td>
<td>Fundraising Events</td>
<td>Dinners/dances, concerts, carnivals, sporting events, auctions, clinics, camps, etc.</td>
</tr>
<tr>
<td>3207</td>
<td>Club Membership Dues</td>
<td>Funds received for joining a club, when benefits received approximate the value paid for joining</td>
</tr>
<tr>
<td>3208</td>
<td>Reimbursements</td>
<td>Funds collected to reimburse expenses incurred. Provide documentation to show that expenses were (or will be) paid from Foundation funds.</td>
</tr>
<tr>
<td>3209</td>
<td>Sales</td>
<td>Sale of inventory items purchased or produced for purpose of re-sale (i.e. t-shirts, calendars, etc.). If items were purchased with state funds or produced using STATE funded facilities and staff, the income must be deposited to STATE accounts.</td>
</tr>
<tr>
<td>3210</td>
<td>Rental</td>
<td>Funds received for rental of Non-State owned space, equipment, etc.</td>
</tr>
</tbody>
</table>

Deposits should be grouped in the following way:

- Cash and checks for the same fund in a separate batch
- American Express credit cards for the same fund in a separate batch (credit card numbers beginning with 3xxx)
- Master Card/Visa credit cards for the same fund in a separate batch (credit card numbers beginning with 4xxx or 5xxx)
- Discover credit cards for the same fund in a separate batch (credit card numbers beginning with 6xxx)

The fund number should be written in the memo section of each check.

The Foundation is currently imaging all departmental deposits and backup so it is not necessary for you to send us copies of checks you are depositing with us.
Section 3  Disbursement Policy

If accounts payable requests are submitted without proper documentation the Foundation will return the request. The Foundation reserves the right to refuse reimbursement for expenditures that are older than 180 days.

The following sets forth the responsibility and authority of the President, Vice Presidents, Deans, and Directors to administer funds of the Foundation and the guidelines for making disbursements.

Authority and Responsibilities

1. The KSU President, Vice Presidents or Deans of Colleges are solely responsible for disbursements from funds which they control.
2. The President, Vice Presidents or Deans of Colleges may delegate authority which allows Department Heads or designated others to submit requests for disbursement. KSUF-7 Signature Authority Form must be submitted to notify the Foundation of these approved persons. Should changes to the approved persons be needed, a new KSUF-7 Signature Authority Form must be submitted.
3. Payments to the President, Vice Presidents, Deans of Colleges or Department Heads, or payments which benefit them, must be approved by a supervisor or an appropriate higher authority.
4. Colleges may develop additional control policies.

General Disbursement Policies - Applicable to all Funds

1. All funds shall be administered with due regard to conditions attached to the gift and governing statutes and rules, in accordance with what is reasonable and equitable, and lastly, in the manner in which persons of ordinary prudence would act in the management of the property of another. Please be advised that, in accordance with Foundation policy, all disbursements are subject to public disclosure upon receipt by the Foundation of an appropriate written request.

2. There are four basic criteria which determine the legitimate use of Foundation funds.
   a. The use must be reasonable and benefit KSU.
   b. The use must fall within the donor's intent for the gift.
   c. The use must not jeopardize the Foundation's tax-exempt status.
   d. The use must comply with all applicable statutes and regulations.

3. All disbursements must have written justification suitable for auditing purposes.

4. The following guidelines govern disbursements.
   a. The Fund Administrator and the Dean, Director or Vice President are charged with the responsibility of ensuring that the use of funds is reasonable and benefits KSU, falls within the donor's intent for the gift, will not jeopardize the Foundation's tax-exempt status, and complies with all applicable statutes and regulations.
b. The Foundation is exempt from Kansas sales tax for direct payments to vendors. When making purchases, provide the vendor with the Foundation's sales tax exemption certificate. A Kansas Sales Tax Exemption Certificate needs to be prepared specifically for a vendor. To obtain a Kansas Sales Tax Exemption Certificate, please send an e-mail request to the Accounts Payable Specialist.

c. The Fund Administrator is responsible for ensuring that there are sufficient monies to cover disbursements. Check requests from funds with insufficient available balances will be held until additional deposits have been made in an amount sufficient to cover the check request. See Section 6 of this manual for information regarding access to the Foundation Information Network (FIN). Updated fund balance information is available via FIN weekly and available through the FIN internet site every Saturday.

Basic Guidelines

Substantiation rules under IRS code section 274 require every disbursement request must provide documentation justifying the business purpose of the expense. All disbursement requests are required to contain the following information:

- Who
- What
- Where
- When
- Why (how does this benefit K-State)
- Foundation Fund number from which the disbursement is to be paid.

To facilitate providing the proper documentation, the Foundation has developed **KSUF-5 Disbursement Request Form** and **KSUF-6 Travel/Entertainment or Other Expenses Form**. One of these forms **must** accompany all disbursement requests. A **separate** form must be used for each payee.

The Foundation will follow the University’s policy of requiring an **original** receipt for all expenditures. *(NOTE: This is a change in policy).* In the occasional event that an invoice is lost, a reimbursement will be allowed if the amount is less than $50.00 and a detail description of the item purchased is provided.

**A Frequently Asked Questions section is provided in Section 8.5.** This section provides additional information and examples. Please review questions 1-4 in addition to the following discussions.
University Travel

Transportation Expenses
The Foundation can reimburse KSU employees if they are required to travel outside their main place of business and the travel purpose benefits KSU. **Foundation policy does not allow payment of per diem.** When authorizing employee travel, the KSU Policy and Procedures Manual states that the most economical or advantageous mode of travel made by the most direct route is reimbursable. It further states that the most economical mode of airline travel is generally tourist or economy class. Specific justification must be furnished with the travel claim forms submitted for reimbursement of airfare when these classes are not used. If these classes are not available, a verifying statement from the travel agency or airline must be furnished with the travel claim form. The Foundation will follow the University’s policy with regards to **First Class Air travel.** All travel and entertainment expenses must comply with IRS regulations and state the KSU business purpose for reimbursement.

The Foundation will only reimburse for most economical mode of transportation made by the most direct route. In most instances this is economy or tourist airline travel or the use of a rental car instead of use of a personal vehicle. For example if a round trip airline ticket is $450.00 and the individual traveling opts to drive and their calculated mileage reimbursement would be $650.00, the Foundation will only reimburse the $450.00. When other modes of transportation are used the Foundation requires a statement of what the airfare would have been along with the reimbursement request so that we can verify the reimbursement amount.

When using a personal car for transportation, the Foundation will reimburse at the current IRS mileage reimbursement rate if this is the most economical. You should provide adequate documentation of the mileage driven for the trip. This can include a mileage log showing beginning and ending odometer readings, a copy of a Map Quest document that shows the mileage between your Campus office and the location traveled to, or similar documentation.

Per IRS Guidelines travel between an employee’s domicile and their official Campus office is not a reimbursable travel expense. The Foundation will not reimburse for travel between the employee’s domicile and their official Campus office.

**EXAMPLE 1** The Dean has a business meeting in Kansas City, MO. He/she has decided to drive his/her own car. The round trip mileage from the campus office and the destination is 262 miles. The current IRS mileage reimbursement rate is 50 cents per mile. The current daily rental car rate is $50.00. Even though the IRS would allow a reimbursement at the mileage rate which equals $131.00 (262 miles x .50), the Foundation will only reimburse $50 plus gasoline, because this is more economical.

**EXAMPLE 2** The Dean has a business meeting at the Denver, CO airport. For personal reasons he/she has decided to drive from Manhattan to Denver. The round trip mileage is 990 miles. The airfare from Kansas City to Denver is $222. The cost of a rental car for travel to and from the airport is $100. The Foundation will reimburse $322 for the trip as this is less than mileage reimbursement which is $495 (990 miles x 50 cents).
Lodging

Lodging expenses are reimbursable when performance of job duties requires the employee to be away from home overnight.

Itemized receipts are **required for** all lodging charges.

When lodging is shared with a Spouse/partner, family member, friend etc. who does not have a business purpose for the travel, the Foundation can only reimburse for the single rate for the room. The Foundation requires documentation of the single room rate be submitted with the request.

Charges for movies, spas, exercise facilities or other items of similar nature are personal expenses and not reimbursable.

Meals and Entertainment

It is the policy of the Foundation to reimburse meals based on **actual expenses. The Foundation does not pay per diem.** An employee may ask for reimbursement for a meal expense if they are hosting or entertaining non-KSU employees in a business capacity or have job duties that require the employee to be away from home overnight.

For business travel that results in an extended day that exceeds twelve working hours, one meal of the employee's choice can be reimbursed.

For example:

- If you leave for KC at 8:00 a.m. and have business meetings from 10:00 a.m.-12:00 p.m. and from 1:00-2:00 and then return to Manhattan by 4:00, the cost of your lunch, which you eat on your own, is NOT reimbursable.
  - If you are traveling with a co-worker the cost of lunch for the two of you is not reimbursable.
- If your business meeting includes hosting them for a business luncheon, this is a reimbursable expenditure as long as all appropriate documentation is provided.
  - If a co-worker is included in the business meetings and is included in the business meal, their expenses are also reimbursable.

When hosting in a business capacity, requests must clearly show the **business purpose** for the entertainment and how the expenditure benefits KSU. In addition we require the **date, name, title and company** (if applicable) of person(s) entertained.

Colleagues, from the same department, who have a meal together which does not include extended day travel does not qualify for reimbursement. An exception to this rule is if Colleagues from the same department are entertaining a prospective employee or donor. The business purpose for each colleague should be provided in the documentation. The occasional and infrequent department wide staff meeting or retreat will be reimbursed. A listing of all department personnel in attendance and a copy of the agenda should be included with the reimbursement documentation.

Spouse/partners of official hosts shall not receive payment for meals not scheduled with an official function.
Snacks and beverages unless they are part of the meal, or when they substitute as a meal, are personal expenses.

Tips must not exceed 20%. See Section 8.5 Frequently Asked Questions Q4 for additional discussion.

**Reimbursement of meals for KSU Employees**

In the normal course of a business day, employees are responsible for their own meals. So as stated above, the general rule is that “Colleagues, from the same department, who have a meal together which does not include extended day travel does not qualify for reimbursement.” The Internal Revenue Service has issued a substantial amount of guidance on meals and entertainment. However, there are instances where IRS rules would allow a reimbursement but either University or Foundation policy does not. Because the Foundation faces increased scrutiny from donors, potential donors, IRS and charity watch dog groups to be more transparent, it is imperative that reimbursed expenditures be supported by documentation that shows the existence of business purpose and that the expenditure clearly supports the KSU and Foundation mission.

The IRS provides several factors to determine business purpose:

- The expense must be “ordinary and necessary”.
  - Ordinary expenses are those that are generally accepted and common in the industry in which you operate.
  - Necessary expenses are defined as helpful and appropriate for your business.
- The expense must pass either the “directly-related” or “associated” test.
  - Directly-related test requires that you meet the following three conditions:
    - The main purpose was business;
    - You engaged in business and;
    - You had “more than a general expectation of getting income or some other specific business benefit at some future point”.
  - The associated test requires you to show:
    - The expense was “associated with the active conduct of your business” and;
    - The meal or entertainment was “directly before or after substantial business discussion”. The expense is considered associated with your business if you can show clear business purpose, such as the creation of new revenue.

Rarely, will colleagues going out to lunch be able to overcome these criteria.

So, are there times when it is acceptable for colleagues to go out to lunch? The answer is a tentative, yes. The IRS provides several exceptions to the rules above for employee meals which we have listed below:

- **De Minimis Meals**
  - Coffee, doughnuts and soft drinks provided to employees
  - Occasional meals to allow an employee to work overtime
  - Occasional parties or picnics for employees and their guests
- **Meals on your Business Premises**
  - These meals must be located on your premises and “furnished for your convenience”.
- **Meals while travelling away from home**
  - Please note that it is our policy to reimburse one meal only after the work day has exceeded 12 hours.
For examples of this topic please see Section 8.5 Frequently Asked Question Q11.

**Spouse/Partners**
The Foundation cannot reimburse any spouse/partner expenses for travel and/or meals unless the spouse/partner’s presence is necessary at the function and it benefits KSU. All non essential spouse/partner expenses are considered to be personal expenses. See Section 8.5 Frequently Asked Question Q1 for additional discussion and examples.

**Memberships**
The Foundation will not pay for lifetime memberships in professional organizations.

**Credit card statements as documentation**
A credit card statement which summarizes your monthly charges is NOT an adequate receipt for documentation purposes. You must provide the detail credit card receipt that is given to you by a business. For example, the detail meal receipt in addition to the credit card slip is required for adequate documentation.

**Gifts to Non-employees**
Non employees of KSU may be given gifts in the form of cash, gift certificates or merchandise as a token of appreciation. If the item is a gift that was not in exchange for a donation or other services, there is no tax consequence to the recipient. Because gifts in excess of $25 are not deductible, it is the general policy of the Foundation that business gifts should not exceed $25. Gifts in excess of $25 should occur rarely, and should have approval of the Dean of the department.

If a non employee wins a prize associated with a fundraising event it is considered taxable income by the IRS and is reportable by the recipient. Therefore it is necessary to provide the name, address and SSN for anyone receiving a prize. IRS Form W-9 is useful in obtaining the information needed. See Section 8.2 Resources for link to Form W-9. The Foundation is required by law to provide a Form 1099 to any person who receives payments accumulating to $600 or more in a calendar year.

See Section 8.5 Frequently Asked Questions 6 and 8 for additional explanation and examples.

**Payments to employees (including gifts/gift certificates)**
The Foundation is unable to process any cash awards (including gift cards or certificates) or additional compensation to classified personnel. Classified employees are governed by the State of Kansas and cannot be additionally compensated. Unclassified employees are governed by the Board of Regents and can be paid additional monies. However, all cash payments to KSU Unclassified personnel will be relayed to KSU Human Resources and the amount will be included on the employee’s next paycheck as taxable wages. If you have any questions contact the Director of KSU Human Resources.
The IRS allows for de minimis fringe benefits to be provided to employees without taxation. A De minimis fringe benefit must be provided only occasionally. An essential element to a de minimis fringe benefit is that it is occasional or unusual in its frequency.

De minimis fringe benefits are such items as:

- Occasional snacks, coffee, doughnuts, etc.
- Occasional tickets for theater or sporting events
- Holiday gifts, other than cash, with a low fair market value.
- Occasional meal money or transportation expense for working overtime
- Occasional parties or picnics for employees and their guests.

Cash is **never** an excludable benefit and must always be included in taxable income.

Gift cards or certificates that are redeemable for general merchandise or have a cash equivalent value are **not** a de minimis benefit and are taxable. A certificate that allows an employee to receive a specific item of personal property can be excludable if all of the other rules are met.

For example:

- Visa gift card for $5.00 is always taxable
- Gift Card for $5.00 to XYZ restaurant is always taxable
- Gift Certificate for a free appetizer at XYZ restaurant is **not** taxable
- 2 Tickets to a Theater performance is **not** taxable

See [Section 8.5 Frequently Asked Question 7](#) for additional explanation and examples

### Payments to Foreign Entities----Effective Date 12/1/2011

The Foundation will process checks to foreign vendors for purchases of products, licenses or reimbursements. In instances where services were performed on a Kansas State University Campus (in the United States) by a non-US citizen, the Foundation will write a check to Kansas State University. Payment to a foreign individual will need to be processed through the University’s Division of Financial Services personnel since they are better equipped to handle foreign reporting requirements. Examples of services include, but are not limited to, honorariums given to speakers or instances where representatives from foreign companies come to campus to install equipment or train employees.

### Payroll Reimbursement Documentation----Effective Date 12/1/2011

There are numerous Foundation accounts that have been established by donors to provide funding in support of salaries for a specific College or department. For example, donors have provided endowed “chairs” for a dean, professor or department head. There are other situations where the donor has provided that funds should be used to hire graduate assistants or provide for other types of salary supplements. In order to ensure that funds are being used in the manner that the donor intended, it is important that the Foundation have appropriate documentation in its files showing that salaries have actually been paid to a person who meets the restrictions as established by the donor. For this reason transfers of funds in advance of the expenditure will **no longer** be permitted.
In order to receive a reimbursement for salary expenditures, KSUF-5 or KSUF-6 should be utilized for this request. The PeopleSoft HR payroll payments by account report should be provided to support the expenditure. It is preferred that requests for reimbursements be made at the end of each semester, however, reimbursement requests may be made more often if this better meets the needs of the department for funding purposes. The reimbursement will be made payable to Kansas State University.

**Retirement and Achievement Gifts and Awards**

Internal Revenue Code Section 274(j) specifies that gifts, honoraria and tangible personal property may be given to an employee for various reasons, such as, length of service (retirement) or safety achievement. Non-taxable awards may be provided to employees if certain rules are followed. These awards must be:

- Tangible personal property
- Cannot be disguised wages
- Must be awarded as part of a meaningful presentation
- Cannot be cash, cash equivalent (gift card or certificate), vacation, meals, lodging, theater or sports tickets, or securities.

Other limitations on these awards include:

- The recipient must be employed for five years to be eligible for such an award and the employee must not have received a similar award in any of the prior four years.
- If a qualified plan is in place, tangible personal property with a value up to $1,600 is permitted
- Without a qualified plan, a gift of tangible personal property may not exceed $400.

Foundation funds may be used for these types of awards, but the University’s policies with regards to qualification for an award must be followed. See [http://www.k-state.edu/policies/ppm/4812.html](http://www.k-state.edu/policies/ppm/4812.html)

**Scholarship and Award Payments for Students**

All payments for scholarships and awards are processed through the Office Student Financial Aid.

**Season Ticket Purchases and Usage**

On an annual basis, various departments of the University purchase season tickets for admissions to Football, Men’s and Women’s Basketball games, McCain performances and other similar types of events, for the primary use of entertaining donors, prospective donors, business partners, visiting professors, etc. Monies for purchasing these tickets come from Foundation accounts which provide for the discretionary use of donor funds.

When University employees are expected to attend an event to perform duties that are consistent with their job description (i.e. donor relations, cultivation, prospect identification, visiting distinguished professors, or other business activities) this will constitute a “business purpose” as defined by the IRS and there will be no income tax consequences to the employee. If the invited guest to the event includes a primary business person and their spouse/partner or guest, then it will be appropriate for...
the University employee to include their spouse/partner or guest without any taxable income consequences.

On occasion, there are unused tickets available. In those cases, it is at the discretion of the head of the department that purchased the tickets to determine when employees may be offered the opportunity to use the tickets (for non-business reasons) for attendance at the upcoming event.

The IRS provides an exception to taxation when employees receive de minimis fringe benefits (Internal Revenue Code Regulation 1.132-6(e)(1)). These rules provide a specific exclusion for the “Occasional (infrequent), not routine” benefit of theater or sporting event tickets. The law does not specify a dollar threshold for benefits to qualify as de minimis.

If an employee receives ticket benefits, more than occasionally, the value of the tickets must be included in their W-2 income and taxed at the employee’s required tax rate.

The University will use the following guidelines to determine whether the usage of tickets will require taxation:

<table>
<thead>
<tr>
<th>Event Type</th>
<th>No Tax</th>
<th>Taxed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Football ticket</td>
<td>2 or less game tickets</td>
<td>More than 2 game tickets</td>
</tr>
<tr>
<td>Men’s Basketball ticket -</td>
<td>4 or less game tickets</td>
<td>More than 4 game tickets</td>
</tr>
<tr>
<td>Women’s Basketball ticket –</td>
<td>4 or less game tickets</td>
<td>More than 4 game tickets</td>
</tr>
<tr>
<td>McCain Performance</td>
<td>4 or less event tickets</td>
<td>More than 4 event tickets</td>
</tr>
<tr>
<td>Other</td>
<td>4 or less event tickets</td>
<td>More than 4 event tickets</td>
</tr>
</tbody>
</table>

In the event that an employee should be taxed on tickets received, the face value of a single ticket will be used.

An attendance roster must be provided to the Foundation as documentation for the expenditure for the season tickets. These rosters will be associated with the original expenditure for the season tickets. Rosters should be provided within one week of the date of the event.

THESE TICKETS CANNOT BE USED FOR RESALE, BARTER OR EXCHANGE FOR GOODS OR SERVICES RESULTING IN PERSONAL BENEFIT. NON-COMPLIANCE WITH THIS POLICY MAY RESULT IN DISCIPLINARY ACTION AND/OR EMPLOYMENT TERMINATION.

Tuition payments for employees taking professional development courses at K-State

If a KSU employee is taking a professional development course through a KSU department you must submit a check request with backup to the Foundation and have the check made payable to your restricted fee account. The payment to the KSU department for the tuition should be made via an Inter-Fund voucher.

Non-Reimbursable Expenditures

- Airline Club Memberships
- Contributions or gifts paid to political parties or candidates
- Credit Card Annual Fees
- Hands-free devices for cell phone (unless the cell phone is departmental property and can be checked out for use by any persons who check out the cell phone).
- Hotel mini bar fees
- Incremental costs of double over single occupancy rates when a spouse/partner/guest has not been authorized for travel
- Interest charges on personal credit card
- Parking tickets and traffic violations
- Personal entertainment or recreation items (e.g. magazines, books, theater/movie/sporting event tickets, hotel in-room movies)
- Personal expenses (e.g. laundry, phone calls, toiletries, snacks, etc.)
- Personal expenses incurred during business travel (e.g. child care, pet care, lawn care, snow removal, etc.)
- Theft of personal items which occurs during a business trip (e.g. luggage, gps, netbook, laptop, pda, cellular phone, etc.)
Accommodation loans

The Foundation provides non-interest bearing payroll loans to KSU employees if there has been an error in the payroll process and an employee fails to receive a regularly scheduled payroll check for work already completed. The loan amount requested cannot exceed 65% of the employee’s gross pay for the pay period.

This policy is not intended to be used for advances of payroll for future pay periods and applies only to eligible KSU employees defined as faculty and staff. Accommodation loans will not be approved for students as they have the option of obtaining a loan through the Emergency Loan Program at the Office of Student Financial Assistance. Accommodation loans must be utilized by KSU in lieu of loaning money to employees through Foundation funds such as “discretionary accounts.”

A letter must be received requesting the accommodation loan and must include the employee’s name, social security number, gross amount of the paycheck and the pay period that is being missed. Information requested on each form must be provided in its entirety and the request must be signed by the employee’s Department Head.

Employees receiving accommodation loans will sign a promissory note with a Power of Attorney clause. The loan balance is due at the University’s next regularly scheduled payroll payment date. If the balance is not paid in full by the due date, the Power of Attorney clause authorizes the Kansas State University Division of Human Resources to deduct the amount from the employee's next University payroll check(s) and to send the deducted amount to the KSU Foundation until payment is made in full. In addition, interest will accrue at 14% from the date issued until repaid in full.

Departments should contact the KSU Human Resources Payroll Office for information on supplemental payrolls before submitting a request for an accommodation loan as it may not be beneficial to submit an accommodation loan request if the payroll check is expected within the next week.

Checks may be picked up and signed for by the borrower at the Cashier’s Office, 5th Floor, KSU Foundation Center after 3:00 p.m. on the day they are available. Loan checks will not be mailed.
Travel loans

The Foundation provides non-interest bearing sixty (60) day travel loans to faculty and staff of KSU who are traveling on behalf of the University. Loans are made based on an approved KSU Out-of-State Travel Voucher form signed by the appropriate officials including the traveler.

The loan may be approved for the total amount listed on the travel request form, or any part thereof. **We cannot loan an individual amounts that are being directly paid by KSU.** For example if the Airfare is already paid for that will need to be subtracted from the loan request. Airfare or rail transportation should be paid by the University through the KSU Controller's Office rather than with a Foundation travel loan if possible. A twenty-four hour processing time is required for issuing the loan check after the approved travel voucher is received by the Foundation. A service charge of $1 per $100 loaned will be assessed. A travel loan request must be submitted before the designated travel dates. Foundation travel loans must be utilized by KSU for University travel in lieu of loaning money to employees through Foundation funds such as “discretionary accounts.”

Employees receiving travel loans will sign a promissory note with a Power of Attorney clause. The loan balance is due sixty (60) days after issuance. The employee will have five working days from the date of reimbursement to repay the KSU Foundation. After five working days, interest will accrue retroactively from the issuance date at an annual percentage rate of 14%. If the balance is not paid in full within the five working days, the Power of Attorney clause authorizes the Kansas State University Division of Human Resource Office to deduct the amount from the employee’s next University payroll check(s) and send the deducted amount to the KSU Foundation until payment is made in full. The Foundation will refund any amount in excess of the obligation within three working days.

Failure to repay loans promptly may affect the availability of loans to the borrower's department. Any employee with a delinquent loan is not eligible for another loan. The Foundation reserves the right to deny loans to any department that has members with a delinquent balance.

Checks must be picked up and signed for by the borrower at the Cashier's Office, 5th Floor, KSU Foundation Center after 3:00 p.m. on the day they are available. Loan checks will not be mailed.
**Moving Expenses**
The Foundation may reimburse for moving expenses to newly hired unclassified employees under the Kansas Civil Service Act.

Moving expenses can be handled one of two ways.

1. If the employee pays for his/her moving expenses, a reimbursement request on KSUF-6 Travel/Entertainment or Other Expenses Form should be submitted. The payee will be Kansas State University and NOT, the employee. Copies of all receipts for moving expenses, map quest information for mileage, lodging receipts, etc., should be attached. The Foundation will issue a check to Kansas State University and forward it to the Division of Human resources for processing. Non-qualified moving expenses, expenses that do not meet the IRS and Kansas requirements for allowable reimbursement; will be included on the employee’s paycheck as taxable wages. Qualified moving expenses, expenses that meet IRS requirements, will be processed through the State of Kansas on an APV and made payable to the employee. The amount will be reported on the employee’s W-2 as non-taxable moving expenses.

2. If you request the Foundation to pay the moving company directly this amount will not be reported on the employee’s W-2. KSUF-5 Disbursement Request Form should be submitted with the appropriate moving company’s invoice requesting payment directly to the moving company.

Please note: **house hunting expenses are treated as compensation to the employee.** We will inform Human Resources if asked to pay for house hunting expenses and this amount will be included on the employee’s W-2. For more information on other non deductible moving expenses please refer to [IRS Publication 521](http://www.k-state.edu/policies/ppm/6330.html). Please contact the Division of Human Resources for further details.

**Cellular Devices/Phone Bills----Effective Date 12/1/2011**

**Business Cellular Device**

The University released an updated Cell Phone Policy (6330) ([http://www.k-state.edu/policies/ppm/6330.html](http://www.k-state.edu/policies/ppm/6330.html)) and Out of Office Availability Policy (4660) on April 7, 2011. The University policy regarding Cellular devices requires that Cellular devices purchased using state funds must be used 100% for Business Purposes. The Foundation will follow the University’s policy.

The Foundation will pay the vendor directly or reimburse the employee for cellular service when the employee verifies that the phone is used 100% for business purposes. The employee must provide a written certification of the business use along with their signature for each invoice they submit to the Foundation. The monthly billing statement shall show each call, the date, time, length, billing charge and telephone number of the other party, when such number is available.

In the event that the employee has some personal use of the cellular device, the reimbursement will be limited to the amount of business use only. This will be determined by applying a percentage to the total bill amount. The percentage will be calculated by dividing the number of business minutes by the total minutes used.
Foundation funds may be used to reimburse for an approved salary supplement under University policy 4660, (http://www.k-state.edu/policies/ppm/4660.html). The Foundation will write a check to the University to reimburse for the University payroll. We will not pay the salary supplement directly to the employee. The department should request reimbursement using the Foundation’s reimbursement Forms (either KSUF-5 or KSUF-6) and attach a copy of the “Out-of-Office Availability Addendum PER-63” to each reimbursement request.

**Personal Cellular Device**

University policy Chapter 6320.080 (http://www.k-state.edu/policies/ppm/6320.html) provides guidelines for the Reimbursement for Personal Expenditures made on behalf of KSU. The Foundation will follow the University’s policy.

In order for a University employee to be reimbursed from Foundation funds for business use of personal cellular phone, an itemized billing, listing all calls must be submitted. Any reimbursement will be for reasonable costs in excess of the base plan including additional fees such as roaming fees or other fees and taxes incurred as a direct result of the business use. Business calls are to be highlighted on the itemized billing statement and attached to the voucher.

The following approval statement is to be submitted with each reimbursement voucher.

```
Name of person requesting reimbursement
Statement Date: __________
Reimbursement Amount: __________

I certify that the requested reimbursement amount is for charges incurred while on official state business.

Signature of person requesting reimbursement ___________________________
Date __________

APPROVED:

______________________________ __________________________
Department Head or Designee Date
```

Submit a copy of the itemized billing. Reimbursed charges are to be highlighted.
Campus Parking Passes---Effective Date 07/01/2011

Effective beginning July 1, 2011, the KSU President and his Cabinet have made the decision that all University employee parking passes will be paid for with personal funds. In accordance with this decision, Foundation funds may not be used to pay for parking passes. With regards to vendor and service parking permits, the University has instructed the Foundation that no payments from Foundation funds should occur. Payments for these type of expenditures should be approved for payment from State funding sources. Questions regarding this policy should be directed to the KSU Provost’s office.

According to the KSU Parking Services web site http://www.kstate.edu/parking/KSUParkingRegs.pdf visitors should also purchase a parking permit. Parking permits are $4.00 for the day and allow for parking in Lots O, R, J, T, W and Z. If you are sponsoring a conference, parking services will sell daily garage passes. See the K-State web site for pricing. The Foundation will reimburse for visitor parking passes as long as the business purpose is documented.

Parking Tickets
The Foundation will not reimburse for parking tickets. These are personal expenses.

Transfers of KSU Foundation Funds to Sponsored Project Account----Effective Date 12/1/2011

Donors may contribute monies to the Foundation and specify that the funds be used for research. In order to document that the funds are being used in a research project, it is desirable to transfer the funds to the University to be managed through the Office of Research & Sponsored Programs and accounted for through the Division of Financial Services, Sponsored Programs.

To ensure that the monies are being allocated and utilized properly, the Foundation has coordinated with the Office of Preaward Services, which is a department within the Office of Research & Sponsored Programs, to develop a process for the proper approvals and transfer of funds.

The KSUF-9 Sponsored Project Certification form has been developed to assist University personnel in the documentation process and the actual transfer of monies from the Foundation to the University. The form is located on the Foundation web site at: https://colleges.found.ksu.edu/docs/DocumentLibrary_External.htm or it may also be found on the University’s Office of Research & Sponsored Programs web site at: http://www.k-state.edu/research/forms/preaward/index.htm.

The KSUF-9 form should be used for the initial set up of a Sponsored Project as well as for additional transfers of available funding on existing projects. To ensure that a donor’s intent is being followed the Memo of Understanding (MOU) that the donor has signed should be reviewed. To facilitate this process, a copy of the MOU should be attached to the KSUF-9 Form. If you don’t have a copy of the MOU, please contact the Foundation Donor Relations department and a copy will be provided. Finally, KSUF-9 form will serve as the source document for requesting a check which will transfer
the funds to the University. The check request should provide information regarding the specific intended use of the funds that are being transferred.

The signed KSUF-9 and the requested check (made payable to Kansas State University) will be forwarded to the Office of Preaward Services.

In order for the Foundation to have information regarding the ultimate expenditure of the funds transferred to the University, an annual expenditure reporting is required. This report should be provided at the end of each fiscal year (June 30), no later than September 30. The Division of Financial Services, Sponsored Programs is responsible for providing this report.
Completing the KSUF-5 Disbursement Request Form

The **KSUF-5 Disbursement Request Form** must be used whenever requesting a payment direct to a vendor, or whenever reimbursing an individual for services rendered. This form may also be used in the situation where an individual is being reimbursed for out-of-pocket expenses, but **only** if there is a single invoice associated with the reimbursement request. A separate form for each disbursement request must be submitted.

Whenever there is a request to reimburse an **individual** for multiple out-of-pocket expenses such as travel, supplies, books, or dues the **KSUF-6 Travel/Entertainment and Other Expenses** must be used. See following section for further discussion.

If this is the first time you have requested payment to the vendor, you should complete all Payee information including payee name, payee address, and payee identification number (i.e. FEIN or SSN). Please attach a completed **IRS Form W-9** with your reimbursement request. If there has been an address change by the vendor, please complete the payee address information. If this is an established vendor, with no changes, you need only complete the Payee name information.

An original invoice or receipt is required for all purchases and reimbursements. This must be attached to the KSUF-5 form. If the invoice has been lost and cannot be reproduced, a statement must be attached to the KSUF-5 form that has been signed and approved by the person with authority to expend monies from the fund.

Complete all sections of the form that provides the purpose/justification of the expense. If the payment is for a meal or entertainment, a listing which includes the name, title, and company (if applicable) of each attendee must be attached. If the number of persons attending the event is 20 or more, a detail listing is **not** required, however, some type of documentation must be provided that shows the nature of the event. For example a meeting agenda, an invitation to an event, listing of persons invited.

Always complete the “CONTACT NAME” section of the form. This allows us to contact the correct person if any questions arise regarding the payment request.

The form should be signed by a person from the department who has signature authority for expending monies from the Foundation fund.
Completing the KSUF-6 Travel/Entertainment and Other Expenses Form

The KSUF-6 Travel/Entertainment and Other Expenses Form must be used whenever requesting reimbursements for travel and entertainment expenses for an individual, or when a payee has multiple invoices to be reimbursed for.

All expense sheets must be accompanied by original receipts. Foundation policy does not allow payment of per diem. All travel and entertainment expenses must comply with IRS regulations and state the business purpose for reimbursement.

Travel expenses include lodging, airfare, mileage, gas, taxi fares, tolls, parking, charges for use of hotel telephone or fax, tips, or meals. You may be reimbursed for your gasoline or mileage on a trip. Attach a copy of your itinerary whenever possible. Please note that Foundation funds may not be expended for first class travel.

For all expenses, the description should be as complete and concise as possible. When entertaining donors or business contacts please provide names, title, company and a description of the type and purpose of business discussion. The general rule is that the Foundation will not reimburse for spouse/partners unless there is a clear business purpose. Please review Section 8.5 Frequently Asked Questions-Q1 for further information and examples.

Organize receipts by date and expense type. Tape them in that order to a plain piece of paper. Enter the information into the KSUF-6 form in the order organized. There is a supplemental form (page 2) available for overflow invoices.

Receipts in foreign currency must refer to the exchange rate used and have the U.S. dollar equivalent written on each receipt.

Certification of Expenses – The certification section must be signed by the person requesting the reimbursement and the person with signature authority for expending monies from the Foundation fund.
Section 4  Fund Administration

THIS SECTION RESERVED FOR FUTURE PUBLISHING OF THE FUND ADMINISTRATION POLICY MANUAL
Section 5  Fundraising Policy

THIS SECTION RESERVED FOR FUTURE PUBLISHING OF THE FUNDRAISING POLICY MANUAL
Section 6  Accessing Fund Financial Information

THIS SECTION RESERVED FOR FUTURE PUBLISHING OF THE FOUNDATION INFORMATION NETWORK MANUAL

Foundation Information Network (FIN)

ONE—Donor Database
Section 7  Sample Forms

A link to the Foundation’s website is provided after the name of each form. A paper copy of each form is provided in each section. You are encouraged to use the on-line version of the form. It is a PDF document that can be opened using Adobe Reader. Functionality has been extended to the document which allows for entering information and saving the entered information. If you wish to create templates that have recurring information entered, the forms will allow this. You **SHOULD NOT** make any changes to the forms. If there is information that needs to be communicated in addition to the form, please provide it in an attachment.

**KSUF-1 Contribution Transmittal Form**
https://colleges.found.ksu.edu/docs/EXTERNAL/FORMS/KSUF-1 Contribution Transmittal Form.pdf

**KSUF-2 Gift-In-Kind Form**
https://colleges.found.ksu.edu/docs/EXTERNAL/FORMS/KSUF-2 Gift-In-Kind Form.pdf

**IRS Form 8283**

**IRS Form 8283 Instructions**

**KSUF-3 Benefits Received Form (quid pro quo)**
https://colleges.found.ksu.edu/docs/EXTERNAL/FORMS/KSUF-3 Benefits Received Form.pdf

**KSUF-4 Non- Contribution Form**
https://colleges.found.ksu.edu/docs/EXTERNAL/FORMS/KSUF-4 Non Contribution Form.pdf

**KSUF-5 Disbursement Request Form**
https://colleges.found.ksu.edu/docs/EXTERNAL/FORMS/KSUF-5 Disbursement Request Form.pdf

**KSUF-6 Travel/Entertainment or Other Expenses**
https://colleges.found.ksu.edu/docs/EXTERNAL/FORMS/KSUF-6-Travel-Ent and Other Exp Form.pdf

**KSUF-7 Signature Authority---HOLD for future development**
Continue to use old form
https://colleges.found.ksu.edu/docs/EXTERNAL/FORMS/FundSignatureAuthorityChange.doc

**KSUF-8 Fund Transfer Request Form**
https://colleges.found.ksu.edu/docs/EXTERNAL/FORMS/KSUF-8%20Fund%20Transfer%20Request%20Form.pdf
KSUF-9 Sponsored Project Certification

KSUF-10 Request to Modify a Fund—HOLD for future development
Continue to use old form which is found at the following link
https://colleges.found.ksu.edu/docs/EXTERNAL/FORMS/RequestToModifyFund.pdf

KSUF-11 Request to Open a Fund—HOLD for future development
Continue to use old form which is found at the following link
https://colleges.found.ksu.edu/docs/EXTERNAL/FORMS/RequestToModifyFund.pdf
KSUF-1 Contribution Transmittal Form SAMPLE

The following PDF form should be used for transmitting Contribution Deposits.

A separate form should be submitted for each type of deposit (e.g. contribution, Gift-in-Kind, contribution with benefits received).

This PDF form is a FILL-IN form that can be used either with Adobe Reader or with Adobe Professional.

If you open the PDF form with Adobe Reader, you will be able to save the blank form for future use, fill-in requested data, print the form, and save the form with filled in data.

You can save the commonly used data (i.e. fund #, fund name, contact information) as a template in order to streamline the preparation of transmittal forms.

If you have access to Adobe Professional, you can customize the form for your college with a drop-down box listing the most used Fund numbers and Fund names. If you need help with this, please contact Christy Scott via e-mail at christys@found.ksu.edu.
KSUF-1 Contribution Transmittal Form SAMPLE

INSTRUCTIONS:
1. This Form should be attached to any transaction where the recipient should receive a Gift Receipt.
2. If the donation is a Gift-In-Kind, please use KSUF-2 GIK Form.
3. If the donor receives benefits attached to the donation, please also attach KSUF-3 Benefits received Form or your own form.
4. Please submit one (1) form for each type of Gift.
5. Please limit number of transactions per batch to approximately 35.
6. Cash and Checks may be remitted together. Credit Cards (by type) must be submitted in separate batches.
7. Please provide Donor name and address if it is not clearly stated on their check, or donation card.
8. Deposits which have NO contribution component should be remitted with the KSUF-4 Non-Contributon Form.

Whenever possible, checks should be made payable to the Kansas State University Foundation. Checks made payable to Kansas State University or any University entity, such as a college, department or program which clearly represents gifts to the University, may be deposited in the appropriate Foundation fund.

TYPE OF DEPOSIT: (Check one)

GIFT
Gift/Contribution  (cash, check, credit card)

CONTRIBUTION with Benefits Recvd  (attach KSUF-3 Benefits Recvd Form or your own form)

TYPE OF ASSET

Cash (Hand delivery recommended AND Check (Limit of 35 checks per transmittal)

Credit Card
Check one:  MC/Visa  Discover  AmEx

Other
Explanation

Total deposit enclosed

FOR AUDIT PURPOSES
1. Please attach copies of all correspondence relative to the deposit.
2. Please review all checks to verify that Dollar amount and Written amount are in agreement.
3. KSU Foundation cannot accept funds if they involve contract deliverables, fees-for-services, proprietary research, DCE, or sales of State property.
4. All deposits and attachments will be imaged. Paper copies are retained for three months, then shredded.
5. Credit Card information will only be retained for the period necessary to ensure proper collection of funds.

CONTACT INFORMATION

Name:  
PH Number:  
Dept:  

Kansas State University Foundation (Rev. 12/2010)
The following PDF form should be used for providing information to document a Gift-In-Kind donation.

This PDF form is a FILL-IN form that can be used either with Adobe Reader or with Adobe Professional.

If you open the PDF form with Adobe Reader, you will be able to save the blank form for future use, fill-in requested data, print the form, and save the form with filled in data.

You can save the commonly used data (i.e. fund #, fund name, contact information) as a template in order to streamline the preparation of transmittal forms.

If you have access to Adobe Professional, you can customize the form for your college with a drop-down box listing the most used Fund numbers and Fund names. If you need help with this, please contact Christy Scott via e-mail at christys@found.ksu.edu.

FEATURES OF THE FORM:

1). Fill-in boxes will automatically change 'font' size so as to fit the information that you type into the space available.
KSUF-2 Gift-In-Kind Form SAMPLE

KSUF-2 Gift-In-Kind Form

KANSAS STATE UNIVERSITY FOUNDATION
2823 Anderson Ave. Ste. 500 • Manhattan, KS 66502-2911
785-532-6265 • 800-632-1578 • www.found.ksu.edu

Date ____________________

DONOR INFORMATION
Name ________________________________________________
Address ____________________________________________
Cty ______________________________________ State ______ Zip Code ______

GIFT DESCRIPTION
Provide Donor intended use, Equipment brand, Model #, Serial # and Condition of property. Attach Documentation

GIFT VALUATION
Donor’s Valuation of Gift: ___________________________

BASIS FOR VALUATION OF GIFT
☐ Sales Quotation or invoice  ☐ Market Price  ☐ Outside Appraisal  ☐ Other (please describe) ______________________________

NOTES TO DONOR(S):
KSU Foundation gratefully acknowledges your in-kind contribution. The following information is being provided for your convenience and does not constitute legal advice on behalf of the KSU Foundation or their employees.

You are strongly encouraged to consult with your tax advisor and refer to IRS publications:
* To claim a tax deduction for in-kind gifts valued between $500 and $5,000, the donor must complete Part I of IRS Form 8283 and attach it to their tax return
* For gifts that exceed $5,000, the donor must:
  ** Complete ALL parts of IRS Form 8283 and submit the complete form to KSU Foundation for a signature
  ** Submit a certified appraisal dated no more than 60 days from the date of the donation. The appraisal must be prepared, signed and dated by a qualified, third-party appraiser.

The value of any item, regardless of the amount, is used for internal gift reporting only—the KSU Foundation does not include the estimated value on a donor receipt or acknowledgement. It is the responsibility of the donor to substantiate the fair market value for his/her own tax purposes.

My signature below verifies that I donated the property listed above to the Kansas State University Foundation. In doing so, I hereby relinquish all claims to ownership of said property.
Donor’s Signature __________________________ Date of Gift: ________________

UNIVERSITY OFFICE
Fund # ___________ Fund Name __________________________
Person completing form __________________________ Department: __________ Campus Phone __________
Location of property recvd __________________________ Exempt use of property __________________________
Signature-Department Head ______________________ Date __________________ Signature-Dean __________________ Date __________________
Print Name-Department Head __________________________ Print Name-Dean __________________________

KSU Foundation only

KSU Foundation Use Only
Donor # __________________________ Gift Date ___________ Fund # __________________________

Account # __________________________

| 4004/3105 Artwork (A) | 4007/3106 Furnishings (G) | 4001/3113 Rental Service (M) |
| 4012/3109 Books & Pub (B) | 4002/3112 Auto, Boat, Plane (J) | 4020/3109 Construction (N) |
| 4005/3106 Computer (D) | 4009/3110 Prof Services (K) | 4025/3109 Other (O) |
| 4006/3107 Equipment (E) | 4003/3111 Livestock (L) |

Approved by __________________________ Date approved __________________

The Kansas State University Foundation (Rev. 02/2011) 7.6
KSUF-2 Gift-In-Kind Form SAMPLE
GIFT-IN-KIND ACCEPTANCE INSTRUCTIONS

In order to claim a gift of real or personal property (gift-in-kind) to KSU as a charitable tax deduction, the donor must have an acknowledgment of the gift from the KSU Foundation. KSUF-2 Gift-In-Kind Form must be completed by the KSU College or Department that receives the gift-in-kind property in order for the KSU Foundation to process and acknowledge the gift.

The KSUF-2 Gift-In-Kind Form is divided into four sections as follows:

1. **Donor Information** section requires the donor's name, address, date of gift and signature. In the case it is not feasible to have the donor sign the form, a letter or note from the donor which confirms the gift and the donor's intent must be attached to the KSUF-2 Gift-In-Kind form.

2. **Gift Description** section is to identify the gifted property, confirm the donor's intended purpose for the property and the amount or volume given. If equipment is donated, please also provide the identifying information such as the equipment brand, model, serial number and the condition of the property (i.e. new, used, or reconditioned). Please provide any available documentation from the donor, i.e. invoice, registration papers, certification etc.

3. **Gift Valuation** section is used to establish the value and the method of valuation for the gifted item(s). The value assigned must be supported by adequate documentation, including invoices, outside appraisals, price lists, etc. Gifts valued in excess of $5,000 (a single item or group of similar items) are required, by the IRS, to be supported by a certified appraisal, completed within 60 days of the date of gift. The value assigned will be used by the KSU Foundation to determine the gift credit amount. However, the amount will not be noted on the gift receipt. The value allowed by the IRS for the tax deduction may be different from the gift credit amount. The donor is encouraged to consult with their tax advisor concerning the deductible amounts for each situation and to determine the documentation required by the IRS.

4. The KSU Foundation will acknowledge having received the gift by mailing a receipt to the donor. If the donor submits a completed IRS Form 8283 (Noncash Charitable Contributions) to the Foundation, the Foundation will sign and return the form to the donor. Additionally, the KSU Foundation is required by the IRS to file an IRS Form 8282 (Donee Information Return) for gifted items valued at more than $5,000, if the property is sold or disposed of within three (3) years of the date of the gift. The donor(s) will receive a copy of the 8282 which will list the "Amount Received Upon Disposition." This does not apply to gifted items that are consumed while fulfilling the University related purpose.

The value of a gift of an automobile, boat, or airplane will be limited to the gross proceeds from the sale of the property by the Foundation.

The **University Office** section is to be completed by the receiving college or department. The department should include the fund designation for the gift item(s), the purpose or intended use by the college and the location of the property after receipt. The Dean and Department Head must acknowledge their acceptance of the gift by signing in the "Approval Signature" line.

It is the responsibility of the college or department to report any gift-in-kind that may fall under the University's inventory policy to the appropriate University official. For gifts of equipment, it is the University's policy that approval be secured prior to accepting the gift.

KSUF Foundation (REV 12/2010)
The following PDF form should be attached to KSUF-1 Contributions Deposits when there are benefits received by the donor in exchange for the contribution.

This PDF form is a FILL-IN form that can be used either with Adobe Reader or with Adobe Professional.

If you open the PDF form with Adobe Reader, you will be able to save the blank form for future use, fill-in requested data, print the form, and save the form with filled in data.

You can save the commonly used data (i.e. fund #, fund name, contact information) as a template in order to streamline the preparation of transmittal forms.

If you have access to Adobe Professional, you can customize the form for your college with a drop-down box listing the most used Fund numbers and Fund names. If you need help with this, please contact Christy Scott via e-mail at christys@found.ksu.edu.
KSUF-3 Benefits Received Form (quid pro quo) SAMPLE

KANSAS STATE UNIVERSITY
FOUNDATION
2323 Anderson Ave, Ste. 500 • Manhattan, KS 66502-2911
785-532-6266 • 800-632-1074 • www.found.ksu.edu

INSTRUCTIONS:
1. KSUF-1 Contributions Form is required to be attached.
2. Attach this form when the donor has made a gift of $75 or more and also received some benefits.
3. If you have an EXCEL spreadsheet designed that provides similar information as this form, you may use it in lieu of KSUF-3.
4. If the donor's address is on their check, then you only need to complete the Donor name. Otherwise, please provide address.
5. Please attach a copy of any communication information that was provided to the donor (e.g. Invitation, brochure, copy of e-mail)

Benefits Received
Complete this section with the total paid and the total benefits received. For example, the department sponsors a Fundraising Event where a participant has the choice of entering a golf tournament, attending different social activities and/or participating in a variety of sponsorship activities. Please provide a copy of the literature provided to participants.

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<th>Name of Event</th>
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<tr>
<th>Donor Name/Address</th>
<th>Donor ID (if available)</th>
<th>Amount Paid</th>
<th>FMV of Benefits</th>
<th>Description of Benefits</th>
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Pg 2 subtotal:  
Grand total:  This total should agree to the amount on attached KSUF-1 form and also agree to the money/credit cards attached.

FOR AUDIT PURPOSES
1. Please attach copies of all correspondence relative to the deposit.
2. Please review all checks to verify that the dollar amount and written amount are in agreement.
3. KSU Foundation cannot accept funds if they involve contract deliverables, fees-for-services, proprietary research, DCE, or sales of State property.
4. All deposits and attachments will be imaged. Paper copies are retained for three months, then shredded.
5. Credit Card information will only be retained for the period necessary to ensure proper collection of funds.

CONTACT INFORMATION
Name:  
Dept:  
Ph Number:  

Kansas State University Foundation (Rev. 12/2010)
### KSUF-3 Benefits Received Form (quid pro quo) SAMPLE

**KANSAS STATE UNIVERSITY FOUNDATION**

2323 Anderson Ave. Ste. 500 • Manhattan, KS 66502-2911
785-532-5266 • 800-432-1378 • www.found.ksu.edu

**Benefits Received - Section 2-overflow**

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Kansas State University Foundation (Rev. 12/2010)
The following PDF form should be used for providing transmitting monies for deposit for which a contribution gift receipt will not be provided to a donor.

This PDF form is a FILL-IN form that can be used either with Adobe Reader or with Adobe Professional.

If you open the PDF form with Adobe Reader, you will be able to save the blank form for future use, fill-in requested data, print the form, and save the form with filled in data.

You can save the commonly used data (i.e. fund #, fund name, contact information) as a template in order to streamline the preparation of transmittal forms.

If you have access to Adobe Professional, you can customize the form for your college with a drop-down box listing the most used Fund numbers and Fund names. If you need help with this, please contact Christy Scott via e-mail at christys@found.ksu.edu.

FEATURES OF THE FORM:

1). Fill-in boxes will automatically change 'font' size so as to fit the information that you type into the space available.
2). The form will only allow you to choose one (1) Account code description. Separate forms should be used for each type of account coding.
3). The form will only allow you to choose one (1) Credit Card type. Separate forms should be used for each type of credit card.
KSUF-4 Non Contribution Deposit Form SAMPLE

<table>
<thead>
<tr>
<th>Fund #</th>
<th>Fund Name</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tbody>
</table>

**INSTRUCTIONS:**
1. This Form should be attached to any transaction where there is NOT a gift component.
2. Please submit one (1) form for each type of deposit.
3. Please limit number of transactions per batch to approximately 35.
4. Cash and Checks may be remitted together. Credit Cards (by type) must be submitted in separate batches with a separate Form.
5. Please write the FUND # in the memo section of each check.
6. The IRS requires some break-downs of deposited revenues, thus it is required that you select an account description for each non-contribution deposit.
7. Contribution deposits should be remitted with the KSUF-1 Contribution Form.

Whenever possible, checks should be made payable to the Kansas State University Foundation. Checks made payable to Kansas State University or any University entity, such as a college, department or program which clearly represents gifts to the University, may be deposited in the appropriate Foundation fund.

<table>
<thead>
<tr>
<th>Account</th>
<th>Description</th>
<th>Amount</th>
<th>Detail Description of deposit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acct # 3202</td>
<td>Cash Income (Non-fundraising dinner, banquet, relations, services, commissions, entry fees, licensing fee, prize and awards, class reunions, insurance cash surrender values)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acct # 3206</td>
<td>Fundraising Events (such as dinners/dances, concerts, carnivals, sporting events, auctions, clinics, camps, etc)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acct # 3207</td>
<td>Club Membership/Dues (funds received for joining a club when benefits rec'd are the same as value paid)</td>
<td></td>
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</tr>
<tr>
<td>Acct # 3208</td>
<td>Reimbursements (funds collected to reimburse for expenses incurred)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acct # 3209</td>
<td>Sales (sale of inventory items purchased with foundation funds for re-sale, i.e. t-shirt, calendars, etc. Note any item purchased with or produced with STATE funds or facilities MUST be deposited into STATE accounts)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acct # 3210</td>
<td>Rental Income (funds received for rental of Non-State owned space, equipment, etc)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Check one box**

- [ ] Cash (Hand delivery recommended)/Check (Limit of 35 checks per transmittal)
- [ ] Credit Card

**FOR AUDIT PURPOSES**

1. Please attach copies of all correspondence relative to the deposit.
2. Please review all checks to verify that Dollar amount and Written amount are in agreement.
3. KSU Foundation cannot accept funds if they involve contract deliverables, fees-for-services, proprietary research, DCE, or sales of State property.
4. All deposits and attachments will be imaged. Paper copies are retained for three months, then shredded.
5. Credit Card information will only be retained for the period necessary to ensure proper collection of funds.

**CONTACT INFORMATION**

Name: [ ]
Dept: [ ]
PHN Number: [ ]

Kansas State University (REV 12/2010)
KSUF-5 Disbursement Request Form SAMPLE
The following PDF form should be used for requesting reimbursements for a Single invoice to a Single Payee. This form is GENERALLY used for person's or companies who are non-KSU employees.

A separate form should be submitted for each payment request.

If your expenditures are for Travel/Entertainment please use the KSUF-6 Travel/Entertainment and Other Expenses

If you have multiple invoices for same Payee, please use the KSUF-6 Travel/Entertainment and Other Expenses.

This PDF form is a FILL-IN form that can be used either with Adobe Reader or with Adobe Professional. If you open the PDF form with Adobe Reader, you will be able to save the blank form for future use, fill-in requested data, print the form, and save the form with filled in data.

You can save the commonly used data (i.e. fund #, fund name, contact information) as a template in order to streamline the preparation of transmittal forms.

If you have access to Adobe Professional, you can customize the form for your college with a drop-down box listing the most used Fund numbers and Fund names. If you need help with this, please contact Christy Scott via e-mail at christys@found.ksu.edu.

FEATURES OF THE FORM:

1). Fill-in boxes will automatically change 'font' size so as to fit the information that you type into the space available.
2). The Total amount field is a calculated field.
3). The Acct # field is provided for use by some colleges that maintain additional accounting information. This field is NOT required by the Foundation and only needs to be completed at the direction of the College's Business Officer.
4). The College Approval section is provided for use by some colleges that require additional approvals. This section is NOT required by the Foundation and only needs to be completed at the direction of the College's Business Officer.

INSTRUCTIONS:

1). A separate form must be completed for each PAYEE.
2). If you have multiple invoices for a single PAYEE, please use form KSUF-6 Travel/Entertainment or Other Expenses.
3). If you have travel and entertainment expenses, please use form KSUF-6 Travel/Entertainment or Other Expenses.
4). Original and itemized receipts are required as documentation for all disbursement requests.
5). If payee is a new vendor, please provide address and FEIN or SSN number as well as a completed W-9. If you are paying a recurring vendor you do not need to provide this information, just check the appropriate box.
6). Requests to pay non-KSU individuals for awards, honorariums or services rendered must include the individuals' full name, address, and Social Security number. Use IRS Form W-9 to gather this information.
7). Please provide an Invoice number or a Customer number. This information will print on the check stub and aid the vendor in properly applying the payment to your account.
KSUF-5 Disbursement Request Form

**PAYEE Information**

| WHO: | 
| Payee Name | 
| Payee Address | 

**PURPOSE/JUSTIFICATION OF EXPENSE**

- WHAT/WHERE: Describe purchase, i.e. office supplies, event, equipment, rental, catering, etc.

- WHEN: Provide Date purchase made or service to be rendered

- WHY: Explain why the expenditure benefits KSU. For hospitality events provide list of attendees and their title in the space below or on an ATTACHMENT.

**ACCOUNT INFORMATION/AMOUNT**

<table>
<thead>
<tr>
<th>Accounting code (optional)</th>
<th>Fund # (req'd)</th>
<th>Fund Name (required)</th>
<th>Amount</th>
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<tbody>
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</tbody>
</table>

This amount should agree to attached invoice—TOTAL AMOUNT

College Approval Section (to be used if College has additional approval procedures) — NOT required by the Foundation.

<table>
<thead>
<tr>
<th>Requested by Name/Title</th>
<th>Signature</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Approved by Name/Title</th>
<th>Signature</th>
</tr>
</thead>
</table>

**PAYMENT APPROVAL**

I certify to Kansas State University Foundation that these expenses are valid, for the benefit of Kansas State University, and in accordance with donor instructions as documented in the FUND’s MOU or appropriate correspondence. I also certify that reimbursement for these expenses is not being requested from another source.

<table>
<thead>
<tr>
<th>Signature</th>
<th>Date</th>
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<table>
<thead>
<tr>
<th>Name &amp; Title</th>
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Kansas State University Foundation (REV 12/2010)

**CONTACT NAME**

- Call for Pickup
- Return Ck To:

<table>
<thead>
<tr>
<th>Name:</th>
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<th>Dept:</th>
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<table>
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<th>Ph# Number</th>
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<table>
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<tr>
<th>Address</th>
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</table>
KSUF-6 Travel/Entertainment or Other Expenses

The following PDF form should be used for requesting reimbursements for Travel and Entertainment Expenses or when a Payee has multiple invoices to be reimbursed for.

The PDF form is a FILL-IN form that can be used either with Adobe Reader or with Adobe Professional. If you open the PDF form with Adobe Reader, you will be able to save the blank form for future use, fill-in requested data, print the form, and save the form with filled data.

You can save the commonly used data (i.e. fund #, fund name, contact information) as a template in order to streamline the preparation of transmittal forms.

If you have access to Adobe Professional, you can customize the form for your college with a drop-down box listing the most used Fund numbers and Fund names. If you need help with this, please contact Christy Scott via e-mail at christys@found.ksu.edu.

FEATURES OF THE FORM:

1. Fill-in boxes will automatically change 'font' size so as to fit the information that you type into the space available.
2. Drop down boxes provide choices for Travel Expenses and Other Expenses. If you don’t see a description that fits your expenditure, you can type the description directly into the field.
3. The Total Amount field is a calculated field.
4. There is a second page available for additional invoices. The total of the invoices on Page 2 will automatically be brought forward to page 1.
5. The Fund #, Fund name and Payee name will automatically FILL-IN on the second page of the document. If you only need one page for information, just print that page only. Adobe allows you to select the pages to be printed.
6. This form is viewed in Landscape format. However, when printing, it will "shrink" to Portrait. If you wish to print in Landscape format you will need to set this preference in your print properties.
KSUF-6 Travel/Entertainment or Other Expenses

KANSAS STATE UNIVERSITY FOUNDATION
2323 Auditorium Ave. Ste. 300 • Manhattan, KS 66506-02911
785-532-6164 • 906-452-3974 • www.foundation.ksu.edu

Date

Fund #

Fund Name

Payee Name

Payee Title

INSTRUCTIONS
1. This form should be used to report travel and entertainment expenses OR
2. This form should be used when there are multiple invoices for which one (1) payee is being reimbursed.
3. Original and itemized receipts are required.
4. Multiple invoices should be taped to an 8 1/2 x 11 sheet of paper. Please place the invoices in the same order as information is entered on the expense form.
5. Please include names and titles of all persons entertained at a business meal, or other type of business entertainment.
6. If more room is needed, please attach information as is necessary to accurately document the business purpose.

If this reimbursement request is for a business trip, please describe the purpose of the trip & the destination.

<table>
<thead>
<tr>
<th>Date</th>
<th>Expense paid to:</th>
<th>DESCRIPTION OF EXP &amp; BUS PURPOSE</th>
<th>Travel Expense Description (Use drop down list or type your own)</th>
<th>Other Expense Description (Use drop down list or type your own)</th>
<th>Fund # (if different from above)</th>
<th>Amount</th>
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Page 2 Total

Grand Total

Approved for Payment by (person with signature authority)

I certify to Kansas State University Foundation that these expenses are valid, for the benefit of Kansas State University, and in accordance with donor instructions as documented in the FUND's MOU or appropriate correspondence. I also certify that reimbursement for these expenses is not being requested from another source.

/  
Payee Name & Title (please print)  Signature  Date

Approved by Name & Title (please print)  Signature  Date

Kansas State University Foundation (REV 12/2010)
KSUF-6 Travel/Entertainment or Other Expenses Form SAMPLE
Fund Signature Authorization Change Request
REQUEST FOR SIGNATURE AUTHORIZATION CHANGE
FOR A DEPARTMENTAL FUND(S)

Fund Name: ________________________________

Fund Number: ________________________________

Department/College Established For: ________________________________

Signature of person authorized to approve expenditures:
Name: ____________________ Title: __________________
Name: ____________________ Title: __________________

APPROVAL

Date __________ Department Head

Date __________ Dean

**********************************
FOR FOUNDATION USE

Above Request Approved ___________ By: __________________

POLICY\SIGNAUTH
Fund Transfer Request

INSTRUCTIONS:
1. KSUF-e should be used anytime you are requesting that monies be transferred from one fund to another fund.
2. Signature authority is requested from the person authorized to expend monies from the fund being transferred FROM.
3. The “transfer from fund” information will automatically fill in the Signature Authority section.

TRANSFER FROM FUND #

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<thead>
<tr>
<th>Fund # (required)</th>
<th>Fund Name (required)</th>
<th>Transfer amount</th>
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REASON FOR TRANSFER


TRANSFER TO FUND # (s)

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<th>Fund Name (required)</th>
<th>Transfer amount</th>
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NET must equal ZERO $0.00

SIGNATURE AUTHORITY

Name and Title for person with Signature Authority SIGNATURE

CONTACT INFORMATION

Name: Dept: PH Number

Kansas State University Foundation (Rev. 04/2011)
7.23 KSUF-9 Sponsored Project Certification Form SAMPLE

The purpose of this form is to transfer KSU Foundation funds to a Sponsored Project Account. The form may be used to set up a new Sponsored Project Account, to request a specific transfer of funds and to certify that the Sponsored Project satisfies the donor restrictions placed on the Foundation monies.

Sponsored Project Acct # (if NEW, so indicate)  
Sponsored Project Title  
Original Project Amount (if known)  

Provide Name and Department of Principal Investigator(s) or Project Director(s)

Name and Department  
Name and Department  
Name and Department  

DONOR PURPOSE AND RESTRICTIONS

Foundation Fund #  
Foundation Fund Name

A copy of the signed Memorandum of Understanding MUST be attached to this request. The MOU provides information regarding the donor’s purpose and restrictions.

CHECK ALL THAT APPLY

☐ No provisions are imposed concerning publications.  ☐ Patents &/or Copyrights are not retained by the donor
☐ No specific time limit is designated  ☐ Specific commitment of University resources is not required
☐ The KSU Foundation REQUIRES an annual expenditure report as of June 30. (E-mail report by Sept. 30 to foundations@found.ksu.edu)

CHECK REQUEST/ AMOUNT

Accounting code (optional)  
Fund #  
Fund Name  
Amount

Provide detail description as to how funds requested will be used.

By signing this form you are authorizing the project, the account request and certifying that to the best of your knowledge, this project is in compliance with the KSU Conflict of Interest Policy. An annual report of expenditures (as of June 30th) will be provided to the KSU Foundation each year that the project continues to be active.

Department Chair Name  
Signature  

Dean or Designee  
Signature

By signing this form you are certifying that the funds were received as a gift and that all known conditions or restrictions associated with these funds have been listed.

Signature  
Date

CONTACT NAME

☐ Call for Pickup  ☐ Return Ck To:
Name:  
Dept:  
Office or Division:  
Ph Number:  
Fax Number:  
Address:  
KU Phone Ext:

Kansas State University Foundation (REV 19/2011)
Section 8  Appendices

8.1 Directory of Departments and Contacts
Please visit the Foundation website for a complete listing of current personnel

http://www.found.ksu.edu/contact/

8.2 Resources

IRS Publication 463-Travel, Entertainment, Gift and Car Expenses

IRS Publication 521-Moving Expenses

IRS Publication 526-Charitable Contributions

IRS Publication 561-Determining the Value of Donated Property

IRS Publication 1771-Charitable Contributions Substantiation and Disclosure Requirements

IRS Form-8283-Noncash Charitable Contributions

IRS Form-8283-Instructions-Noncash Charitable Contributions

IRS Form-8282-Donee Information Return (Sale, Exchange, or Other Disposition of Donated Property and Instructions

IRS Form-W-9-Request for Taxpayer Identification and Certification

KSU Policy and Procedures Manual
http://www.k-state.edu/policies/ppm/1020.html

Policy on Accessing Database Information
https://colleges.found.ksu.edu/docs/EXTERNAL/POLICIES/KSUFDATABASEAccessPolicy.doc

The Kansas State University Foundation (Rev. 02/2011) 8.24
8.3 Requirements for Transfers of GIK Property with value of more than $5,000

Gifts of tangible or intangible personal property will be considered for acceptance only if needed by the University to be used in a manner which is related to the University’s mission. If such gifts are accepted, the needs of the University will determine whether the gift is held or sold, or ownership is transferred to the University. When property is transferred from the Foundation to the University, it is subject to all normal restrictions on University property.

To claim a gift of real or personal property (gift-in-kind or GIK) to the Foundation as a charitable tax deduction, the donor must have an acknowledgment of the gift from the Foundation. In order to have the information needed to provide this acknowledgment, the Gift-In-Kind Donation Form (KSUF-2) must be completed by the KSU College or Department to acknowledge acceptance by the University. The form should then be forwarded to the Foundation.

It is the responsibility of the donor to determine the fair market value (FMV) of GIK property in order to report a tax-deductible contribution in their income tax return. In the case of a GIK property donation which has been valued at more than $5,000, the Internal Revenue Service (IRS) requires a qualified appraisal that has been prepared by a qualified appraiser. The Foundation requests a copy of the appraisal to recognize the donor at the appropriate giving level as well as for notifying the University of the Value of the gift received.

Per the IRS, a qualified appraisal document includes eleven very specific pieces of information about the property being donated, the appraiser, and the method of appraisal. Additional information is also required if the donation is of art objects. A donor should consult their tax professional and IRS Publication 561-“Value of Donated Property” to ensure that they have a qualified appraisal.

A qualified appraiser is an individual who meets all the following requirements:

- The individual has either
  - Earned an appraisal designation from a recognized professional appraiser organization
  - Met minimum education and experience requirements
  - For real property the appraiser must be licensed in the state of the property
  - For other property the appraiser must have completed college or professional-level coursework relevant to the property being valued and have 2 years experience in buying, selling, or valuing the type of property being appraised.
  - Regularly prepares appraisals for which he or she is paid.
  - Demonstrates verifiable education and experience. The appraiser can make a signed declaration that because of his/her background, experience, education, he/she is qualified to make the appraisal.

The following persons cannot be a qualified appraiser with regards to the donated property:

- The donor of the property
- The donee of the property
- A party to the transaction in which the donor acquired the property (unless the property was acquired within 2 months of the donation)
- Any person employed by the above three
- Any person related to any of the first three above
EXAMPLES:

Example 1:
Facts: An individual has a horse that “when healthy” was valued by him at $15,000. The animal is sick and has been brought to the KSU Veterinary Medicine department to be evaluated for surgery. The Vet Med department has determined that the surgery will cost $10,000. Without surgery, the animal will either die or suffer through a very poor remaining life. The individual decides to gift the animal to Vet Med to be used for “practice surgery” by Vet Med students. Can the individual receive a $15,000 tax receipt?
Answer: It is the policy of the KSU department and the Foundation to not process a GIK form or provide a tax receipt for a donation of an acutely and critically ill animal.

Example 2:
Facts: The facts are the same as example 1, except that the “when healthy” value was $4,999. In this situation, the donor has no IRS requirement for providing an appraisal in order to receive a tax deduction. Can the individual receive a $4,999 tax receipt?
Answer: It is the policy of the KSU department and the Foundation to not process a GIK form or provide a tax receipt for a donation of an acutely and critically ill animal.

Example 3:
Facts: A donor wants to make a GIK contribution of an item of art that has been appraised at $20,000. Can the individual receive a $20,000 tax receipt?
Answer: The donor and KSU Department must complete KSUF-2. The Foundation requests a copy of the written appraisal. The Foundation, upon the request of the donor, will complete Part IV Donee Acknowledgment of IRS Form 8283. The donor should also consult their tax advisor and IRS Publication 561 for additional requirements when preparing their income tax return. Once the KSUF-2 form is completed and accepted, the Foundation will issue a tax receipt which will acknowledge the donation and provide a description of the property transferred. By IRS rules the dollar amount is not included on the tax receipt.

Example 4:
Facts: A donor makes a GIK contribution of a horse to be used by the Athletics Equestrian Team. The horse is valued at $3,000. Can the individual receive a $3,000 tax receipt?
Answer: The donor and the Athletics department must complete KSUF-2. No appraisal is needed as the value of the gift is less than $5,000. Once the KSUF-2 form is completed and accepted, the Foundation will issue a tax receipt which will acknowledge the donation and provide a description of the property transferred. By IRS rules the dollar amount is not included on the tax receipt.

Example 5:
Facts: A donor makes a GIK contribution of a horse to be used by the Athletics Equestrian Team. The horse is valued at $30,000. Can the individual receive a $30,000 tax receipt?
Answer: The donor and the Athletics department must complete KSUF-2. An appraisal from a person qualified to determine the value of a horse is required by the IRS in order to receive a tax deduction. The appraisal date cannot be more than 60 days prior to the date of the donation. No member of the Athletics department is allowed to prepare the appraisal. The Foundation requests a copy of the written appraisal. The Foundation, upon the request of the donor, will complete Part IV Donee Acknowledgment of IRS Form 8283. The donor should also consult their tax advisor and IRS Publication 561 for additional requirements when preparing their income tax return. Once the KSUF-2 form is completed and accepted, the Foundation will issue
a tax receipt which will acknowledge the donation and provide a description of the property transferred. By IRS rules the dollar amount is not included on the tax receipt.
8.4 Requirements for Transfers of Real Property

When considering transferring real estate to the KSU Foundation, either via an outright gift or a life income arrangement, several factors are taken into consideration by the Foundation before such a gift is accepted. Those factors include:

<table>
<thead>
<tr>
<th>Location</th>
<th>Market value</th>
<th>Use of the property</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketability</td>
<td>Condition</td>
<td>Environmental factors</td>
</tr>
</tbody>
</table>

For specific questions and/or procedures regarding a possible gift of real estate, please contact:

Larry D. Fox, Director of Real Estate
Kansas State University Foundation
2323 Anderson Avenue
Manhattan, KS 66502 785-532-7541 (direct line) or 1-800-432-1578
Tax ID # 48-0667209

In general, for the KSU Foundation to consider a gift of real estate, the following information needs to be made available to the Director of Real Estate of the Foundation:

1. Complete address of property.
2. Legal description of property.
3. Current use of property.
4. Name in which ownership of property is held.
5. Name and address of occupant or tenant of property.
6. Owner’s estimate of market value of property.

If it is determined that a specific gift of real estate is in compliance with the policies of the Kansas State University Foundation, the following steps need to be taken before ownership of the property is transferred to the Foundation.

1. The property will need to be appraised by a licensed real estate appraiser for the area in which the property is located (at the donor’s expense, as per IRS regulations).
2. The property will be inspected by Foundation staff, if it is determined to be physically possible and appropriate, to determine if a more extensive environmental assessment is needed.
3. An ownership certificate will be obtained from a local title company to determine how ownership of the property is held.
4. A warranty deed will need to be prepared by a qualified individual.
5. Legal documents will need to be drafted by KSU Foundation staff and approved if the property is being used to fund a life income arrangement.

Additional information regarding the “Policy for Receiving Real Estate and for the Sale of Real Estate Contributed to the Kansas State University Foundation” is available upon request.
8.5 Frequently Asked Questions

There are four basic criteria that determine the legitimate use of Foundation funds.

a. The use must be reasonable and benefit KSU.
b. The use must fall within the donor's intent for the gift.
c. The use must not jeopardize the Foundation's tax-exempt status.
d. The use must comply with all applicable statutes and regulations.

Q1. When can a spouse/partner’s expenses associated with attendance at a KSU-sponsored function or travel be reimbursed from Foundation funds?

A1. With regards to travel expenses the IRS states that if a spouse/partner, dependent or other individual goes with you on a business trip or to a business convention, you generally cannot deduct his or her travel expenses. Exceptions to this are if the “other person” is your employee or has a bona fide business purpose for the travel. A bona fide business purpose exists if you can prove a real business purpose for the individual’s presence. Incidental services, such as typing notes or assisting in entertaining customers are not enough to make the expenses deductible. With regards to entertainment expenses the IRS further states…”You generally cannot deduct the cost of entertainment for your spouse/partner or the spouse/partner of a customer. However, you can deduct these costs if you can show that you had a clear business purpose, rather than a personal or social purpose, for providing the entertainment.” There is not a single definition that determines “clear business purpose.” You have to look at the “facts and circumstances” of each situation and determine whether a reasonable person would agree that a clear business purpose exists.

We will use the following examples for explanatory purposes:

Example 1: A member of the faculty entertains, at a business dinner, a donor and spouse/partner for philanthropic purposes. The IRS in section 1.274-2(4) specifically provides that it is reasonable and appropriate for the faculty member’s Spouse/partner to join the event. (Note: it is not required that the faculty member’s spouse/partner join the meeting, but it is allowable). The entertainment expenses for all parties will be reimbursable.

Example 2: A member of the faculty entertains a donor, but not their spouse/partner, for philanthropic purposes. If the faculty member includes his/her spouse/partner at the event, the Spouse/partner’s expenses are not reimbursable because there was generally no business purpose for including the Spouse/partner.

Example 3: The Dean, his/her spouse/partner (who is accompanying for personal reasons), and the Development Officer are traveling out of town for purposes of meeting with donors. A donor and spouse/partner are invited to attend a business dinner with the Dean, the Dean’s spouse/partner and the Development Officer. In this situation the expenses related solely to the dinner may be reimbursed for the Dean’s spouse/partner, because the donor’s spouse/partner is included. However, if the facts are changed and at the last minute the Donor and spouse/partner are unable to make the dinner or only the Donor attends the meeting, the expenses associated with the Dean’s spouse/partner cannot be reimbursed by the Foundation and should be paid for by the Dean.

Example 4: A member of the faculty is attending a business conference in Florida and his/her spouse/partner travels with the faculty member. The conference does not have any meetings where other attendees’ spouse/partners are included. No expenses for the spouse/partner are reimbursable. With regards to the hotel expenses, you will be reimbursed at the Hotel’s SINGLE
occupancy rate only. If the hotel does not have a SINGLE occupancy rate, you need to provide documentation to that effect from the hotel.

**Example 5:** A member of the faculty and an associate member of the faculty entertain a prospective employee and spouse/partner during the interview process. The entertainment expenses for all parties will be reimbursable.

**Example 6:** Whether or not a spouse/partner’s expenses associated with attending a banquet are reimbursable depends upon the “facts and circumstances” surrounding the banquet and whether or not the spouse/partner’s attendance provides a business purpose.

- The college is hosting a banquet to recognize their “honor scholars.” The event is open to the general public including faculty members, students, parents, non-staff members, etc. In this circumstance, it is appropriate to include faculty spouse/partners and the Foundation would reimburse the cost of attendance.
- The college is hosting a banquet to recognize their “honor scholars.” The event is open only to faculty members and students. In this circumstance, if a faculty member includes their spouse/partner it is **not** a reimbursable expense.
- The attendees to the banquet include visiting dignitaries and their spouse/partners or guests. The inclusion of faculty spouse/partner is an appropriate business expense and therefore would be reimbursable.
- The attendees to the banquet include visiting dignitaries but not their spouse/partners. The inclusion of faculty spouse/partner is **not** an appropriate business expense and therefore would **not** be reimbursable.

**Example 7:** Expenses associated with a departmental retreat should only include department faculty and staff. Spouse/partner expenses will not be reimbursed.

**Example 8:** Expenses associated with a departmental holiday party or departmental picnic including families will be reimbursed.

**Example 9:** With the exception of an event that includes all staff and family members, expenses associated for children to attend a business meal or entertainment are not reimbursable.

**Q2. Why do I have to include names and titles of all persons in attendance at an event?**

**A2.** The IRS requires the establishment of the business relationship of the persons for whom expenditures have been incurred. Their literature states that persons’ occupations and other information such as names, titles or other designations must be provided to establish the business relationship to the organization; for example, donor, contractor, speaker, company representative, or VP for Human Resources for XYZ company. Additionally, due to the large number of people associated with KSU, we require the title information (i.e. Dean, Professor of XYZ College, student, graduate assistant, etc.) for KSU employees or students be provided in order for the documentation to be clear and complete.

- **EXCEPTIONS**
  - If the event is open to the public no list is required, however a brochure or flyer should be provided as documentation to that effect.
  - If the event has more than 25 people in attendance you should provide a general description of who is invited, (i.e. open to all students and faculty) as well as a description of the event. You don’t need to provide a list of who actually attended.
Q3. What is required to document the “business purpose” for expenditures?

A3. Substantiation rules under IRS §274 require every disbursement request must provide documentation justifying the business purpose of the expense. In addition to the original receipt, all disbursement requests are required to contain the following information:

- **Who**—This is the name of the person or entity that is being reimbursed (i.e. who the check is made out to)
  - If a vendor, the vendor’s name and address is required
  - If the expenditure is for services, the vendor’s Tax Identification Number is required so that an IRS form 1099 can be filed. The preparation of IRS Form W-9 is useful. This form can be found at [http://www.irs.gov/pub/irs-pdf/fw9.pdf](http://www.irs.gov/pub/irs-pdf/fw9.pdf)
  - If a KSU employee, the employee’s name and title is required.
- **What**—Describe what was purchased, i.e. office supplies, equipment, business meal.
- **Where**—List the name of underlying service provider. (i.e. Applebees, Manhattan, KS)
- **When**—Date of the expenditure
- **Why**—This is where you should explain how the expenditure benefits KSU.
  - Purchased a computer does not explain why you purchased the computer. This would be included in the “WHAT” part of the explanation. The WHY would go on to explain that the computer was purchased for use in the Student Computer Lab.
  - When the expenditure is for a Business Meal, the description should also include the type of business discussed, and list all of the people in attendance at the meal plus their business title.

**Example 1:** Dean John Doe entertained two donors at a business luncheon. The following information should be provided in his request for reimbursement from the Dean’s discretionary foundation fund.

Please reimburse $37.07 from Fund number A12345

**Who:** Please reimburse Dean John Doe, College of XYZ

**What:** Business Luncheon in the amount of $37.07

**Where:** The Chef Café, Manhattan, KS

**When:** 03/25/2010

**Why:** Meeting to finalize donation to College of XYZ

  - John Doe, Dean of College of XYZ
  - Mr. Smith, KSU alumnae
  - Mrs. Smith, KSU alumnae

The attached invoice should also be provided. Note that for meal reimbursements, the DETAIL receipt showing a listing of the food and beverages purchased should be attached in addition to the credit card receipt.
**Example 2:** Dean John Doe and Asst Dean Jane Smith from the College of XYZ meet for lunch at the Aggieville Café to discuss curriculum changes. Even though there is a business purpose for the luncheon meeting, it is the policy of KSU and the Foundation to **not** reimburse meals when the parties are from the same College.

**EXCEPTION:** Expenses associated with the occasional and infrequent department wide staff meeting or retreat will be reimbursed. A listing of all attendees, their titles and an agenda for the meeting **must** be provided with the documentation.

Q4. **What is the policy regarding reimbursement for tips?**

A4. The current policy provides for a tip of no more than 20% of the value of the meal or service being provided. If the tip exceeds 20%, the reimbursement request will be adjusted downward to reflect a 20% tip. It is however, allowable to round up to the next whole dollar.

- **Example:** A business meal cost $50.32. The exact amount of a 20% tip would be $10.06 (for a total of $60.38). If you round up the payment to $61.00 this would be permissible.
Q5. What are the rules regarding promotional items or gifts that are given to a donor as a thank-you or acknowledgement of their donation to the Foundation?

A5. There are several different IRS rules that could apply to gifts that you provide.

1. With regards to gifts given that are as a result of a donation received, the IRS allows that if a promotional item is considered a “low-cost” item then no additional reporting on the donor’s Tax Receipt is required. A low-cost item is described as something that bears the organization’s name or logo (e.g. calendars, mugs, or posters), and the cost is $9.50 (this amount is adjusted annually for inflation) or less. For this rule to apply, the donation received must be at least $47.50 (this amount is adjusted annually for inflation).

2. There is a “token exemption” if you provide a gift whose value or “quid pro quo” does not exceed the lesser of 2% of the payment or $95 (this amount is adjusted annually for inflation).

3. EXAMPLES:
   a. Example 1: A donor makes a $4,750 gift. You may provide a gift valued up to $95.00 and his entire donation will be deductible. ($4,750 x 2% = $95.00).

   b. Example 2: A donor makes a $4,750 gift. You provided a gift valued at $100. The token exemption does not apply. The Foundation would need to report on the tax receipt a donation of $4,750 with benefits received of $100, therefore a tax deductible gift of $4,650.

   c. Example 3: A donor makes a gift of $5,000. You provided a gift valued at $100 ($5,000 x 2%). Even though the gift did not exceed 2% of the donation, it does exceed the maximum allowed of $95; therefore the Foundation would need to report on the tax receipt a donation of $5,000 with benefits received of $100, thus a tax deductible gift of $4,900.

   d. Example 4: A donor makes a $47.50 gift. You may provide a token gift of up to $9.50 without impact on the donor’s deductibility.

   e. Example 5: A donor makes a $30.00 gift. You may provide a token gift of only .60 cents ($30 x 2%). The token exemption does not apply because the donation payment was less than $47.50.

This Table provides the Calculations and Explanations for the Examples discussed above.

<table>
<thead>
<tr>
<th>Item</th>
<th>Total Donated</th>
<th>Token Value</th>
<th>Quid Pro Quo Value</th>
<th>Tax Deductible Gift</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>EX 1</td>
<td>$4,750.00</td>
<td>$0.00</td>
<td>$95.00</td>
<td>$4,750.00</td>
<td>The value received was less than $95.00 and no more than 2% of the donation so the entire donation is deductible.</td>
</tr>
<tr>
<td>EX 2</td>
<td>$4,750.00</td>
<td>$0.00</td>
<td>$100.00</td>
<td>$4,650.00</td>
<td>No Token exemption. The value received was more than 2% of the donation. The deductible gift is the Donation minus the value received.</td>
</tr>
<tr>
<td>EX 3</td>
<td>$5,000.00</td>
<td>$0.00</td>
<td>$100.00</td>
<td>$4,900.00</td>
<td>No Token exemption. Since the value of the QPQ was more than $95.00 the tax deductible gift is the donation minus value received.</td>
</tr>
<tr>
<td>EX 4</td>
<td>$47.50</td>
<td>$9.50</td>
<td></td>
<td>$47.50</td>
<td>Since the Donation was $47.50 or more, and the Token items were not more than $9.50, the full donation is allowed.</td>
</tr>
<tr>
<td>EX 5</td>
<td>$30.00</td>
<td>$0.60</td>
<td></td>
<td>$30.00</td>
<td>The value received was less than $95.00 and no more than 2% of the donation so the entire donation is deductible.</td>
</tr>
</tbody>
</table>
Q6. What are the rules regarding gifts that are given to a donor that is not related to a contribution received from the donor?

A6. The IRS allows for the deduction of expenses for “business gifts” that do not exceed $25.00 in a calendar year. This would be a gift that was not associated with a donation received from donor. This type of gift would have no impact on the recipient.

Q7. What are the rules regarding gifts to students, employees or co-workers?

A7. There are several different IRS rules that apply to gifts depending on the “facts and circumstances” surrounding the gift.

1. The IRS allows for the deduction of expenses for “business gifts” that do not exceed $25.00 in a calendar year. If the recipient is not an employee the type of the gift can be tangible property, cash or gift card. In this situation it will not be necessary for the Foundation to collect the name of the recipient and their tax identification number.

2. Gifts to Unclassified or student employees have some additional rules that must be followed:
   a. Cumulative annual gifts of tangible property valued at $25 or less may be given without any additional reporting requirements.
   b. A gift of cash, gift card or gift certificate of ANY amount requires that the recipient’s name and tax identification number be provided to the Foundation. The Foundation is then required to provide the information to the Human Resources department for inclusion in the recipients’ taxable income.

3. Gifts MAY NOT be given to Classified employees. Any additional compensation to a classified employee is governed by State compensation rules. The Foundation cannot reimburse for a gift made to a classified employee. Any reimbursement requests must be denied.

4. Retirement, length of service and honoraria gifts can qualify for non-taxable treatment if certain guidelines are met. Please refer to the sections in the Foundation accounting manual and the KSU Policy and Procedures Manual (PPM) for a complete discussion of the rules. See the following document; http://www.kstate.edu/policies/ppm/4812.html

5. In addition to IRS rules regarding gifts, employees of the State of Kansas must also be mindful of the requirements set out by the Kansas Ethics Commission. These rules are available at http://www.kansas.gov/ethics/

Q8. What steps are needed when prizes are given at a fundraising event?

A8. There are different IRS rules that govern prizes. It is common practice to provide various cash or non-cash prizes at auctions and golf tournaments that are held as fundraising events. Prizes are reportable as taxable income by the recipient. The income is reportable regardless of whether the prize is given in the form of cash, gift card (which is the same as cash), or merchandise. The Foundation is required to report these types of income to the recipient at the end of the year on IRS Form 1099 if the accumulated amount of income during the calendar year is $600 or more.

- Example: Your college hosts an annual golf tournament. One of the events in the tournament is a “Closest to the Hole” contest. The winner will receive a golf bag valued at $100, or cash prize of $100, or a gift card for $100. You should provide the winner’s name, address and tax payer identification number to the Foundation accounting department. The use of IRS Form W-9 is helpful in collecting this information http://www.irs.gov/pub/irs-pdf/fw9.pdf. This information must be collected even though
the winning amount is less than $600. This same person could go on to win a $500 prize in another KSU fundraising event during the same year. If that occurs the Foundation would be required by law to provide Form 1099 to the individual. The income is reportable regardless of whether the prize is given in the form of cash, gift card (which is the same as cash), or merchandise.

- **NOTE:** If an employee of KSU wins a prize at a fundraising event, the value of that prize (whether cash or merchandise) must be reported on the employee’s W-2 regardless of the amount of the prize.

**Q9. What are the rules that apply when a donor makes a payment that is partly contribution and partly for quid pro quo, goods and services (hereinafter “Benefits received”)?**

**A9.** The Foundation must furnish a written disclosure statement if a donor makes a payment that is more than $75 and is partly a contribution and partly benefits received. The statement must tell the donor that he/she can deduct only the amount of the payment that is more than the value of the goods or services received. The Foundation must also give the donor a good faith estimate of the value of the goods or services.

A penalty is imposed on charities that do not meet the written disclosure requirement. The penalty is $10 per contribution, not to exceed $5,000 per fundraising event or mailing. An organization may avoid the penalty if it can show that failure to meet the requirements was due to reasonable cause.

- **Example 1:** Your College hosts an annual gala dinner and auction. The admission to the event is $100 per person. The brochure advertising the event informs the potential attendees that the value of the dinner is $40, and $60 is tax deductible. This notification meets the rule for the written statement.

- **Example 2:** Your College hosts an annual gala dinner and auction. A catalog of the items to be auctioned provides the fair market value of each item to be auctioned. This catalog is available to attendees prior to the event. A donor subsequently purchases an item at the auction for $500 that had a fair market value of $200. The donor may report a $300 charitable contribution in his income tax return. The Foundation is required to provide the donor with a written statement that shows the payment received and the value of the benefits received that the donor received.

- **Example 3:** Your College hosts an annual gala dinner and auction. A catalog of the items to be auctioned is provided, but no fair market value is provided, or all items were listed as “PRICELESS.” A donor subsequently purchases an item at the auction for $500. The donor may NOT report the item as a contribution and the Foundation cannot provide a Tax Receipt.

**Q10. When the Dean hosts an event at his or her home, which meets the ‘business purpose’ test what expenses are reimbursable?**

**A10.** The following expenses are reimbursable

- Catering charges
- Food purchases (for the event)
- Beverages (for the event)
- Clean-up after the event (only rooms used for the event)
- Flowers, table decorations (for the event)
- Paper goods

The following expenses are not reimbursable

- Pre-event cleaning
- Decorative items that would be retained by the host (i.e. cloth tablecloth)
- Babysitting services for the host

Q11. When will the Foundation reimburse for meals provided for KSU employees?
A11. Please refer to the Campus Accounting Manual- Reimbursement of Meals for an in-depth discussion of the IRS rules regarding meal reimbursement. In the normal course of a business day, employees are responsible for their own meals. In order for a meal that includes only KSU employees to qualify for reimbursement, you must show that there is substantial business discussion or meet the De Minimis rules, or provide the meal on your business premises.

We will use the following examples for explanatory purposes:

**Example 1:** The Dean of the College of Arts and Sciences has a meal with the Department Heads from Biology, Mathematics and Art to discuss an upcoming collaboration. The Dean has prepared an agenda of talking points and the meal was scheduled weeks in advance due to everyone’s busy schedule. The meal is ordered in and the Dean and Department Heads meet in a conference room on campus. The Foundation will reimburse for this expenditure because the employees are from different departments, it was a planned event, and documentation regarding the business purpose was provided.

**Example 2:** The Department Head of Chemistry has just been awarded a multi-million dollar research grant. This grant is the largest one ever awarded to the Chemistry department and it will assist KSU in its mission to become a premier research institute. The Department Head invites the professors, graduate students and administrative support staff that had an integral role in obtaining this grant to lunch to celebrate. The Foundation will reimburse for this expenditure because it is occasional in nature and the invitation was open to all persons involved in the project.

**Example 3:** Professor Smith, Professor Doe, Professor Ryan and Professor Taylor, all Art Department employees entertain a prospective employee. Dinner is at a five start restaurant and the bill is in excess of $2,000. The Foundation will ask for additional approvals before reimbursement. While the purpose of the meal, i.e. recruiting a new employee, meets business purpose rules, the amount of the expenditure appears to be extravagant. The department should provide sufficient information to document why the expenditure was “ordinary and necessary.”

**Example 4:** The College of Vet Medicine hosts an annual holiday party for its employees and their guests. The Foundation will reimburse for this expenditure because it is occasional in nature and meets the IRS’s De Minimis rules.

**Example 5:** Professor Mike takes his graduate students out for pizza to celebrate their first place win at the regional Architecture competition. The Foundation will reimburse for this expenditure. Mentoring students and celebrating student accomplishments supports the Foundation’s mission.

**Example 6:** Professors George, Jim and Jane, all from the Department of Civil Engineering, decide to go lunch. During the meal, they discuss what they can do to bring notable speakers to campus for presentations to students. The Foundation will **not** reimburse for this expenditure. While there was some business discussed during the meal, nothing indicates that this was the primary purpose for the meal. There was no pre-planning, no agenda provided, nor reasons provided as to why this could not have been discussed at one of the professors offices.