University and Foundation accounts policies

1.) Banking
The policy and the related guidelines are designed to ensure that state funds are deposited only to appropriate authorized bank accounts and that non-state funds are directed to the entities authorized by the University to accept such funds. Failure to adhere to these requirements is a violation of University policy. In many cases it is also a violation of State or Federal law.

All University revenue must be deposited into an official AAMU bank account using appropriate deposit procedures. Once funds are deposited into a University bank account, the funds are considered public funds and are subject to all laws of the State of Alabama and to Alabama A&M University policies and procedures.

The University's policy regarding the establishment of bank accounts is summarized as follows:

1. No student, student organization, or departmental unit of the University may open a bank account in the name of the Alabama A&M University or utilize the University’s federal tax identification number. All bank accounts must be opened by the Vice President for Business & Finance, subject to the approval of the president.
2. The tax-identification numbers of the University and/or its related entities may not be used either to open bank accounts or for non-university purposes. Approval to use the University’s tax identification number for any purpose must be obtained in advance from the Vice President for Business & Finance.
3. Funds of the State or other revenue in which the State of Alabama holds a legal or equitable interest may not be deposited to any account other than an appropriate State account, except pursuant to a contract approved in accordance with State University contracting procedures. Examples of State revenues include, but are not limited to:
   - Fees for credit or non-credit continuing education programs;
   - Fees for the use of State-owned facilities;
   - Tuition payments for academic programs;
   - Admission fees to University events (including, but not limited to, Performing Arts events and Athletics events);
   - Revenues from University contracts and agreements with external organizations.

Specific questions concerning the appropriateness of particular revenue deposits or the bank account policy should be referred to the Office of the Comptroller.
Cash Receipts and Deposits
Cash receipts include currency, checks and other negotiable documents received by a department; e.g., for goods or services or as a refund, reimbursement, or gift. All moneys received by departments must be deposited intact and include all cash receipts on hand. **Expenditures may not be made from cash receipts, and cash receipts may not be retained in a department for its use.**

All payments to the University must be promptly forwarded to the Cashier's Office for deposit. Departments that receive cash regularly should determine the frequency of such deposits based upon volume and in consultation with the University Comptroller.

Recording Cash Receipts
Departments that regularly receive money during routine operations must either record each transaction in a receipt book, on a cash register in the presence of the customer, or other method approved by the University Comptroller. Departments that only occasionally receive money and do not maintain a receipt book should not accept currency payments, but instead direct the payer to the Cashier's Office to obtain an official receipt.

Control of Cash Receipts
To protect the University's assets from theft or misappropriation, departments shall handle cash receipts as follows:
1. All checks in payment to the University should be made payable to "Alabama Agricultural & Mechanical University" and not to departments or any University official or employee.
2. When staffing permits, employees' duties should be separated regarding accounts receivable and cash receipting procedures.
3. Department heads should see that official funds are appropriately protected until deposited or transmitted to the Cashier's Office.
4. Cash receipts should be kept on hand for a period no longer than two business days.

2.) Acceptance and Administration of Contributions

The University, through its Advancement offices, encourages and solicits contributions and other gifts in support of the University's mission. The Alabama A&M University Foundation was established to develop, support and enhance the educational interests and programs of Alabama A&M University. The Alabama A&M University Foundation is a non-governmental nonprofit organization, separate and distinct from Alabama A&M University. It receives charitable contributions for the benefit of Alabama A&M University and is recognized as a 501(c)3 organization by the Internal Revenue Service; contributions and other gifts made to the Foundation qualify as charitable deductions for the donor to the full extent allowed by law.

For the purpose of this policy, “restricted gifts” are defined as those gifts, which carry specific use restrictions, imposed by the donor. Thus gifts which are given to a specific college, department, program or purpose at the University are classified as “restricted gifts” even
though the gift may be for the general or “unrestricted” use of the specified college or department. Restricted gifts and the net earnings therefrom will be expended according to the terms of applicable gift agreements and in accordance with this policy. The Foundation is responsible for defining donor restrictions before the gift is received and to ensure that the donor’s intent for which the funds are to be spent is honored.

For the purpose of this policy, “unrestricted gifts” are defined as gifts received by the Foundation without specific donor stipulations with regard to use. Expenditures allowed from this category of gifts will be limited by applicable laws, regulations, and by this policy.

The Foundation assures that donations are kept separate from public funds, are invested in a prudent manner and are applied only as directed by the donor. The only funds deposited to a Foundation account should be those received as contributions and gifts. Contributions are funds or property voluntarily given without expectation of return or compensation on the part of the donor. Each department must assure that all contributions are properly channeled through or reported to the Vice President for Marketing, Communications & Advancement.

3.) Foundation Accounts

Guidelines for Establishing College and Department Foundation Accounts
The following guidelines shall be adhered to in establishing an account within the Alabama A&M University Foundation for the benefit of a college, division, department, program, or organization within the University.

Eligibility:
Accounts may be established for a college, division, department, program, or organization of Alabama A&M University within the framework of the Alabama A&M University Foundation. The following specific areas of the university are included:

1. Academic units as listed in the Alabama A&M University catalogue.
2. Administrative units approved by the vice presidents of the appropriate areas.
3. Functional units as approved by formal action of the University, including student organizations. Such organizations must be registered organizations of the University and in compliance with the regulations for such organizations as set forth by the Division of Student Affairs.

Requirements:
1. The individual assigned responsibility for the fund must be a full-time employee of Alabama A&M University. Student organizations must assign such responsibility to a faculty advisor.
2. The new account should fill a need not presently being met by existing Foundation accounts or University accounts.
3. The request to open a new account must be approved by the requestor’s divisional head.
4. When establishing a scholarship account, the criteria and selection process for awarding the scholarship should accompany the request for establishing the account; if the account will result in an endowed scholarship, a formal endowment agreement must be executed between the Foundation and the donor(s) or the University unit responsible for the funding of the scholarship.

5. All Foundation accounts should typically be categorized into one of five basic areas:
   A. General Welfare of the College, Division, Department, Program, or Organization
      1. Provide funds for costs associated with professional seminars
      2. Provide funds for supplementary and educational materials
      3. Make special equipment and publications available
      4. Provide special programs and materials
      5. Assist in the advancement of Alabama A&M University
   B. Research
      1. To assist research efforts in a particular college, division, department or program
      2. To assist research efforts by faculty, staff, students, or individuals approved by the University
   C. Student Assistance
      1. To assist research efforts in a particular college, division, department, or program
      2. To recognize outstanding academic achievement
      3. To assist students who have a financial need
      4. To recognize outstanding students through scholarships
      5. To provide financial assistance to students for special student efforts and programs
   D. Capital Improvements
      1. To fund building or remodeling of campus facilities under guidelines and policies approved by the University of Louisiana System and the State of Louisiana
   E. Faculty Development
      1. To create endowed chairs and professorships
      2. To provide support for faculty conferences and meetings
      3. To provide support for special program development

A request to open an account within the Alabama A&M University Foundation should be made on the appropriate form and submitted to the Alabama A&M University Foundation. The request must meet the criteria set forth in this document. Written notification shall be provided for all requests; all accounts are subject to final approval of the Board of Directors of the Alabama A&M University Foundation.

Making disbursements from Foundations accounts
All requests for disbursement from a Foundation request must be for the benefit of the university and not for the private inurement of any individual. University employees may receive reimbursement for expenditures made on behalf of a university program. Original
supporting documentation that includes proof of payment must be submitted with the request.

The Foundation will not disburse operating funds for:

- Personal expenses (family, spouse, other individuals not employed by the university and not on official business of the university);
- Flowers, unless used as decorations for receptions or banquets;
- Fines for personal negligence;
- Gifts to other charities;
- Gifts to University employees, with one exception for "employee achievement awards" that are given for length of service.
- Gift Certificates;
- Personal meals (not on official business);
- Political contributions
- Questionable items (those that may give the perception of misuse of charitable funds).

**Authorization and Approval**

Disbursement of funds from a Foundation account requires the signatures of at least two separate individuals – one for the requestor, and another for the approver. The signature by a requester is a representation by the individual that the disbursement request is appropriate, consistent with University and Foundation policies, and necessary to meet the responsibilities or goals of the unit. The approval signature demonstrates that the transaction has been reviewed. Approval can only be obtained by the divisional leader or a divisional Assistant Vice President in the division under which the disbursement request is being made.