

## **POLICY – INSTITUTIONAL ADVANCEMENT FUNDS**

managed by the University System of Maryland Foundation, Inc.

The University System of Maryland Foundation, Inc. (USMF) manages a limited number of institution-based accounts. These accounts are funded through unrestricted donations. Receipts and disbursements are under the stewardship of USMF. Disbursements require the signature of the appropriate President or his/her designee.

USMF possesses the fiduciary responsibility for the management of these funds. Therefore, USMF has established certain policies and procedures to assure that all funds are utilized for the enhancement of the educational purposes of the University System of Maryland. As USMF is organized for the benefit of the University System of Maryland, expenditures should conform to policies established by the University System of Maryland. In compliance with the Board of Regents' Policy, the Institutional Advancement Fund is subject to an annual audit and auditor's opinion.

A completed ACCOUNT AGREEMENT FORM must be on file for each account in the USMF Business Office. The form must be reviewed annually and updated as appropriate. The person responsible for monitoring the account and receiving reports must be so designated. In addition, persons (at least two) who have authority to request expenditures must be so identified and append their signatures to the Agreement.

All disbursements from this account must be requested using the USMF DISBURSEMENT REQUEST FORM. This form must be accompanied by the original documents supporting the expenditure, (i.e., invoices, charge receipts). In addition, an explanation of the purpose of the expenditure must be included in the appropriate section or the request will be rejected. The form must be signed by at least one of the authorized persons. However, if the funds are to be received directly by one of the authorized signers, the person certifying the disbursement and the person receiving the funds cannot be the same.

It is critical to include the purpose for the expenditure, as payment for certain expenses is not permissible or there are specific guidelines that must be followed.

Expenditures for the following purposes are not permitted:

- 1) Personal expenses, including those relating to families (includes baby-sitting), non-business related travel for the employee and spouse, automobile commuting, and personal household costs. These expenses are considered by the IRS to be prohibited private inurement and would jeopardize 501(c)(3) status unless handled appropriately.
- 2) Payments for participation or intervention in any political campaign on behalf of or in opposition to any candidate for public office.
- 3) Loans or advances to related parties.

- 4) Purchase of products or services from anyone affiliated with USMF or the University System of Maryland that could create a conflict of interest or the appearance of a conflict of interest.
- 5) Purchase of products or services from anyone related to the person certifying the disbursement.

The Vice President for Finance will review all disbursement requests from these accounts. USMF reserves the right to ask for additional documentation or deny the request, based on policies and regulations governing appropriate expenditures from USMF.