NDUS Foundation
Policy and Procedure Manual

Adopted: April 14, 2016

Rev. September 22, 2016
INDEX

1000 Governance
  1005 Conflicts of Interest

2000 Fundraising
  2001 Fundraising
    2001.1 Cash Gifts and Pledges
    2001.2 Gifts-in-Kind
    2001.3 Planned Gifts

3000 Fiscal Management
  3001 Routine/Small Expenditures
  3005 Payment/Reimbursement of Travel Expenses
  3010 Borrowing
  3015 Investment Policy Statement

4000 Administrative
  4001 Records Retention

Appendix

  Bylaws of the NDUS Foundation
  NDUS and NDUS Foundation Operating Agreement
1005: Conflicts of Interest

As soon as duality of interest or possible conflicts of interest on the part of any member of the Board is known, or reasonably should have been known, any such conflict shall be disclosed to the Executive Committee and other members of the Board and made a matter of record.

Action by the Executive Committee in connection with such interest shall also be disclosed in writing and made a matter of record.

Any member of the Board having a duality of interest or possible conflict of interest on any matter shall not vote or use his or her personal influence on the matter whenever such duality or possible conflict of interest shall arise.

The minutes of that meeting shall reflect that the conflict was disclosed; the party, who is the subject of the conflict, abstained from voting on the matter; and a quorum was present.

If requested by a majority of the Executive Committee, the foregoing requirements shall not be construed as preventing the member who is the subject of the conflict from briefly stating his or her position in the matter, nor from answering pertinent questions from other members of the Executive Committee since his or her knowledge may be of assistance.

2001: Fundraising

1. The Foundation upholds the objectives of the NDUS institutional foundations, by providing support and advancement of public higher education in the State of North Dakota. The Foundation may coordinate solicitation with the institutional foundations.

2. Any proposed solicitation of private resources by individual trustees, faculty, staff, and/or university system employees on behalf of the Foundation must be coordinated with and approved by the Executive Committee of the Foundation. This policy is not intended to be restrictive, but rather to insure efficient and effective fundraising by all involved.

3. Gifts in any form, with the exception of in-kind gifts of equipment, etc., obtained and accepted on behalf of the Foundation are to be transmitted to the Foundation, within five days of receipt.

4. The Foundation is responsible for developing, coordinating and approving all gift agreements, and will be responsible for depositing gifts into the Foundation checking account.

5. Gifts will be subject to the policies of both the Foundation and the NDUS State Board of Higher Education.

6. The Foundation is vested with the authority to accept and dispose of gifts in accordance with Foundation policy, and to accept or reject the terms of any gift in the best interest of
the NDUS and/or the Foundation. All proposed gifts and agreements must be reviewed by the Foundation and may be referred to the ND Attorney General’s office as needed.

2001.1 Cash Gifts and Pledges

1. All gifts of cash and checks received by any party on behalf of the Foundation shall be forwarded directly to the Foundation, and will include original documentation, including envelopes and corporate matching gift forms that accompany the gift.

2. Pledges for cash gifts should be reported using a Pledge Form available from Foundation.

3. While most cash gifts can be accepted, there are occasions when a donor places restrictions on a gift that would preclude its acceptance by the Foundation. Questions concerning such restrictions should be directed to the Secretary/Treasurer before acceptance of the gift is completed.

2001.2 Gifts-in-Kind

1. When any party receives a proposal from a donor to transfer ownership of equipment, library collections or similar property to the Foundation, the proposal and necessary background information shall be provided to the Secretary/Treasurer. If there are special costs or space requirements associated with the gift, these shall be noted, along with the proposed plan for covering such costs or arranging for additional space. The Secretary/Treasurer will consult with the Foundation President or other appropriate parties when there are unusual restrictions or requirements associated with an in-kind gift.

2. The Foundation's acknowledgment letter shall not place a dollar value on the gift. Donors may contribute in-kind gifts and have them qualify for a charitable deduction. IRS requirements for gift substantiation note that the donor has the responsibility for valuing in-kind gifts for tax deduction purposes. Even in cases where the donor's intention is to not claim the in-kind gift as a charitable donation, the Foundation's policy will be to ask the donor to place a value on the in-kind gift.

3. When the Foundation receives a gift that has been appraised in excess of $5,000, the Secretary/Treasurer will send the donor Form 8283, Non-Cash Charitable Contributions. After the donor resubmits Form 8283, with the proper information on the donated property, the Foundation President will sign Part IV and return the form to the donor. In signing the form, the Foundation, as the recipient of the gift, agrees to file an information return (Form 8282), with the IRS if the property is sold, exchanged, or otherwise disposed of within two years after receipt of the gift.

4. If the Foundation cannot accept an in-kind gift, the Secretary/Treasurer will confer with the appropriate parties before making arrangements for the donor to be notified.
2001.3 Planned Gifts

1. Planned giving vehicles such as charitable trusts, bequests, pooled income funds, life insurance and charitable gift annuities may have very specific tax consequences. If a donor expresses an interest in making a gift in this manner, the Secretary/Treasurer should be brought into the discussion at the earliest possible stage and will work with the donor and with the donor's financial and legal advisors in an effort to meet the needs of the Foundation. The gift information will be reviewed for acceptance and then forwarded to the donor.

2. Gifts of land, buildings, and closely held stock or limited partnerships must have the review and approval of the Secretary/Treasurer. Once the donor accepts the terms and conditions of the gift agreement, copies of the signed agreement will be kept in the donor's file maintained by the Foundation.

3. Proceeds of a bequeathed estate are designated per the instruction of the estate. If the Foundation is unable to follow the bequest exactly as stipulated under the will, the Secretary/Treasurer will, after consultation with the President of the Foundation, contact the executor to obtain a mutually acceptable designation. Undesignated bequests will be created as unrestricted bequests and will be used at the discretion of the Foundation.

3001: Routine/Small Expenditures of Foundation Funds

1. Foundation funds may be used only to further the overall purposes of the Foundation. The Secretary-Treasurer must sign all checks or drafts upon Foundation funds. Except as provided in section 2 of this Policy, Board of Trustees or Executive Committee approval is required for all expenditures.

2. The President or the Executive Vice President may approve routine expenditures in amounts not in excess of $750.00, including reimbursement of reasonable travel and other expenses of Foundation Trustees or staff for Foundation meetings, payment for telephone, office equipment, office supplies and other routine office expenses, payment for services or other reasonable and routine expenses associated with Foundation activities, and payment or reimbursement of meals, lodging or other reasonable expenses incurred in support of the programs, activities or services of the North Dakota University System.

3005: Payment/Reimbursement of Travel Expenses

1. Trustees and staff are entitled to payment or reimbursement of travel expenses incurred in connection with Foundation meetings and other Foundation business, from Foundation funds, according to this Policy.

2. Foundation Trustees or staff who are also members of the State Board of Higher Education or NDUS employees are not entitled to reimbursement from Foundation funds for travel expenses paid or reimbursed by the NDUS; for travel in connection with both NDUS and Foundation business, only expenses not paid or reimbursed by the NDUS (including
authorized expenses that exceed state reimbursement rates) shall be paid or reimbursed by
the Foundation.

3. Mileage for travel in a personal vehicle shall be reimbursed at the rate established for State of
North Dakota officials and employees. Actual cost of meals and reasonable lodging
expenses shall be paid or reimbursed by the Foundation.

4. Trustees and staff are entitled to payment or reimbursement of expenses for necessary travel
to and from Foundation meetings. Other travel expenses incurred in connection with
Foundation business may be paid or reimbursed: 1) within the limits of travel budgets for
Trustees or staff approved by the Board or the Executive Committee; or 2) for Trustees, as
approved in advance by the Executive Committee; for the Executive Vice President, as
approved in advance by the President; and, for staff, as approved in advance by the
Executive Vice President.

5. Reimbursement shall be made upon submission of a signed expense statement listing
mileage and other expenses and including receipts for lodging or any other expense that
exceeds $25.00.

3010: Borrowing
The Foundation may not incur liabilities in excess of routine timing differences for previously
approved expenditures. Any plan to incur indebtedness or loans for any purpose other than
previously mentioned must be approved by the Foundation Board and the North Dakota State
Board of Higher Education.

3015: Investment Policy Statement

1. The overall investment objective for the portfolio is to maximize total return consistent with
risks that the Foundation is willing to accept. The stated risk tolerance level is low.

2. The Foundation is authorized to hire Investment Managers once the assets under
management reach a level that the Foundation agrees warrants the cost of said professional
services.

3. Prior to the retention of any Investment Manager, formal guidelines and limitations for the
Investment Managers will be developed which ensure that the assets are being managed in
accordance with the investment objectives.

4. A total return strategy will be utilized in meeting the investment objectives. Total return is
defined as the combination of interest and dividends, plus capital appreciation (or less capital
depreciation) for the period. The Foundation recognizes that fluctuations in market value
will occur and that negative returns in any year are possible.
5. The investment of the assets will be diversified in order to minimize the risk of losses, unless under particular circumstances it is clearly prudent not to do so.

4001: Records Retention

The Foundation shall collect and retain appropriate records, in any format deemed appropriate, and maintain same in compliance with SBHE Policy 1912.
Appendix

Bylaws of the NDUS Foundation
NDUS and NDUS Foundation Operating Agreement