



Controller's Office

Phone (574) 631-3288
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TO: All Faculty and Staff

FROM: Rick Klee, Tax Director

DATE: February 20, 2006

RE: Charitable Contributions Made by the University

Policy:

Balancing the responsibilities of being a good citizen in our local community with exercising proper stewardship of University funds can be achieved through proper coordination and planning. To that end, the policy and procedures outlined below have been created. Contributions may be made from departmental budgets as long as these guidelines are observed. The University reviews charitable contribution requests above a minimal amount (\$500) for several reasons. First, we seek to determine that the goals and objectives of the potential recipient are aligned with the philosophy of the University. Second, this level of oversight insures that multiple contributions are not being made to the same charity through different departments for the same purpose. Third, it is important that we are able to meet the requirements of tax law in terms of documenting these donations. Finally, the University wants to avoid any situations where a department might inadvertently make a type of contribution (e.g., political) not allowed by law for a not-for-profit entity. Please follow the procedures outlined below when making these donations.

Procedure:

All Contributions

No political contributions are allowed (see below).

After a department has made a contribution, any correspondence that the department receives acknowledging their contribution should be forwarded or copied to the University's Tax Department in Grace Hall.

Procedure-all contributions (continued)

Under the new Banner system, “72502” should always be used as the FOAPAL account number when making these contributions (i.e., xxxxxx-xxxxx-72502-xx), along with the proper fund, organization and program codes. This will allow the University a tax deduction against any unrelated business income earned.

Please note that all contribution requests must be made from departmental funds, rather than the University’s central budget funds.

Contributions of less than \$500

These contributions may be made by a Department from their budget without prior approval using a Check Requisition form.

Contributions over \$500

Prior to making these contributions, the Department must prepare the “Request for Charitable Contribution by the University” (“Request”) form. This form can be found on the Controller’s website at http://controller.nd.edu/forms/request_charitable_contributions.pdf. Please note the following requirements in completing this form:

- A brochure or other information about the charity should be attached, in addition to providing a short explanation of the charity’s purpose and the University’s interest in supporting the organization;
- As indicated above, the account number (xxxxxx-xxxxx-72502-xx) on this Request form is the same for all donations;
- Indicate any consideration that the University would potentially receive in return for the donation (e.g., meals, tickets, other goods and services); these items should be completely described and their value indicated, if it is known;
- The Request form should be signed by the appropriate department official with budgetary control for the account that is being debited;

Once completed, the form should be submitted to the University’s Vice President for Finance for approval.

Once the approved Request form is returned to the department, a copy should be attached to the Check Requisition that is submitted to Accounts Payable for payment.

Political Contributions

The University as an organization may not participate or intervene in any political campaign on behalf of or in opposition to any candidate for public office. The penalties for violation of this law could include revoking the University's exempt status, as well as the IRS imposing excise taxes on the organization and its managers as a result of political expenditures.

What this means:

- Political contribution payments can never be made with University funds (or by reimbursing an individual with University funds for a payment of this type)
- No cash contributions to federal, state or local candidates may be made with University Funds, including payments from discretionary accounts or through the use of the procard
- No hosting luncheons, providing University services or University supplies on behalf of any candidate
- No political activities of any kind should occur under University auspices

Please contact the University's Tax Department (631-3288) with any questions.