



QuickStart Program

University Business Practices

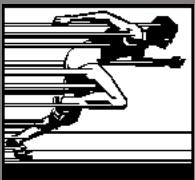
***Foundations Accounting
And Investments***

Who Are We?

Foundations Accounting and Investments (FAI)

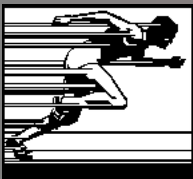
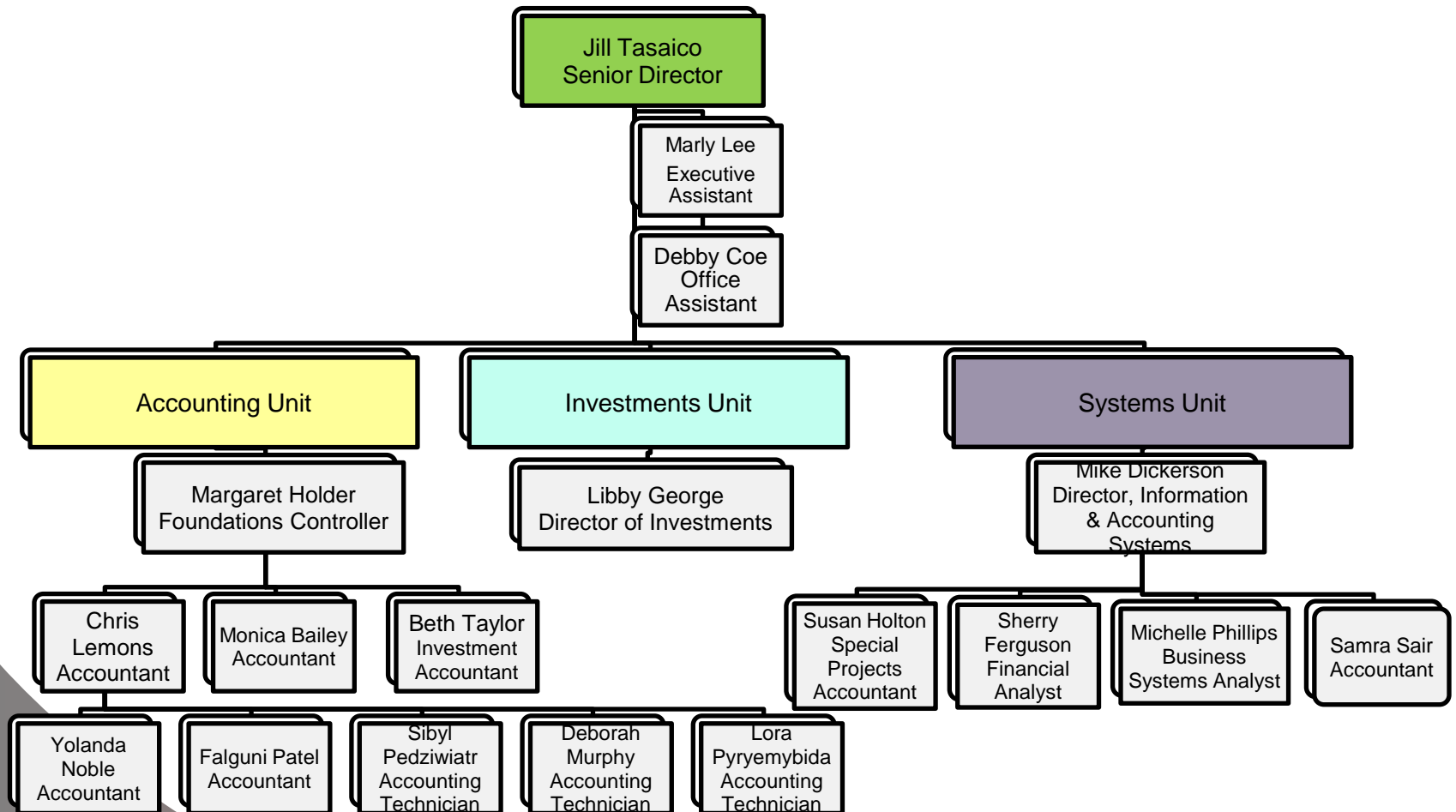
Finance and Business – Treasurer's Division

FAI provides accounting, investment and financial reporting services to seven (7) University-related foundations, the NC State Alumni Association, Inc., the Endowment Fund of North Carolina State University and the NC State Investment Fund, Inc.



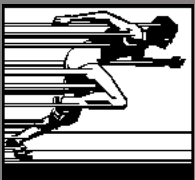
WEBSITE: http://www.fis.ncsu.edu/foundations_accounting/

FAI Organizational Chart



What entities do we manage?

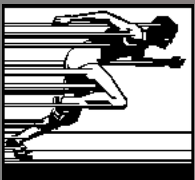
1. **The North Carolina Agricultural Foundation, Inc.**
2. **NC State Alumni Association, Inc.**
3. **NC State Engineering Foundation, Inc.**
4. **North Carolina State University Foundation, Inc.**
5. **North Carolina State University Physical & Mathematical Sciences Foundation, Inc.**
6. **NC State Natural Resources Foundation, Inc. (*formerly The NC Forestry Foundation, Inc.*)**
7. **North Carolina Tobacco Foundation, Inc.**
8. **North Carolina Veterinary Medical Foundation, Inc.**
9. **The Endowment Fund of NC State University**
10. **NC State Investment Fund, Inc.**



What is a foundation?

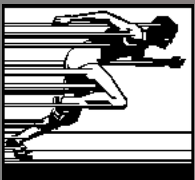
- Separately incorporated, legal entities, IRS classification 501(c)3, with governing boards
- University Treasurer and VC-Finance & Business serve as Treasurer, Assistant Treasurer
- Fundraising support to NC State University primarily through private and corporate gifts
- Scholarships, fellowships, professorships, and other activities (e.g., research) for which state funding is inadequate or unavailable

> **\$42 million** in fiscal year 2010



Where are foundation funds recorded?

- University Financials system
- Projects* begin with '6'
 - Foundations often called “Ledger 6”
- Individual funds monitored via Wolfpack Reporting System (WRS) Report #1
 - Fiscal Year-to-Date Financial Status
- Expenses paid through University A/P system



** Projects are also interchangeably referred to as “funds”*

Sample WRS Report #1

Use WOLF Report 1 for foundation funds.

Report 1 - Fiscal Year-to-Date Financial Information

As of January 29, 2007

Project/Project Reference: 679631 / 059008

Dept/OUC: 040101

Description: GRADUATE SCHOOL FUND

Prop/Award: /

Program: 152

Proj Pd: 01/01/1901 - 12/31/2099

Budg Pd: -

Fund Cd: 91000

Fiscal Yr: 2007

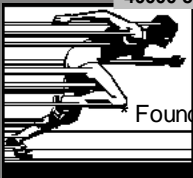
F&A Rate:

Class: 62 EqCd:

Status: A Resp: DEAN, GRAD SCHO

SpecCd: Plnv.

Account(s)	Description	Current Budget	Curr Month Activity	FYTD Activity	Pre-Encum	Encum	Budget Balance Available
40000-49999	Total Revenues	0.00	(4,172.06)	(29,105.81)	0.00	0.00	29,105.81
51000-51199	EPA Non-Teaching Salaries	0.00	0.00	0.00	0.00	0.00	0.00
51200-51299	SPA Employee Salaries	0.00	0.00	0.00	0.00	0.00	0.00
51300-51399	EPA Teaching Salaries	0.00	0.00	0.00	0.00	0.00	0.00
51400-51499	Temporary Wages	0.00	0.00	0.00	0.00	0.00	0.00
51500-51799	Other Personnel Expenditures	0.00	0.00	0.00	0.00	0.00	0.00
51800-51899	Staff Benefits	0.00	0.00	0.00	0.00	0.00	0.00
51900-51999	Contracted Services	0.00	0.00	0.00	0.00	0.00	0.00
51000-51999	Total Personnel Expenditures	0.00	0.00	0.00	0.00	0.00	0.00
52000-52999	Supplies and Materials	0.00	640.39	905.79	0.00	0.00	(905.79)
53100-53129 53140-53199	Travel - Domestic	0.00	0.00	0.00	0.00	0.00	0.00
53130-53139	Travel - Foreign	0.00	0.00	0.00	0.00	0.00	0.00
53000-53099 53200-53999	Current Services	0.00	2,678.94	2,709.77	0.00	0.00	(2,709.77)
54000-54999	Fixed Charges	0.00	300.00	300.00	0.00	0.00	(300.00)
55000-55998	Capital Outlays	0.00	0.00	0.00	0.00	0.00	0.00
55999	Operating Budget Pool	0.00	0.00	0.00	0.00	0.00	0.00
52000-55999	Total Operating Expenditures	0.00	3,619.33	3,915.56	0.00	0.00	(3,915.56)
56000-56999	Student Aid/Subcontracts	0.00	0.00	0.00	0.00	0.00	0.00
57000-57999	Debt Service	0.00	0.00	0.00	0.00	0.00	0.00
58000-58999	Transfers/Reserves	0.00	0.00	0.00	0.00	0.00	0.00
59000-59999	Budget Pool	0.00	0.00	0.00	0.00	0.00	0.00
50000-59999	Total Expenditures	0.00	3,619.33	3,915.56	0.00	0.00	(3,915.56)
40000-59999	Total (Net)	0.00	(552.73)	(25,190.25)	0.00	0.00	25,190.25



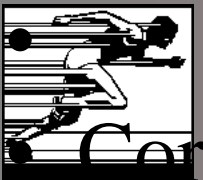
Foundation project numbers begin with '6'.

Revenues, net of expenditures, is the amount available to spend on foundation restricted and endowment income funds.

What is an endowment?

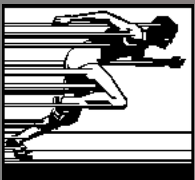
- A gift (corpus) that can *never* be spent*
- Grows over time through investment
 - Invested in NC State Investment Fund, Inc.
 - Governed by board of directors and members board
- A portion of earnings is allocated for spending to support endowment purpose (e.g., scholarship, professorship)
- Endowments provide a steady income stream for support of NC State University.

*UPMIFA (NCGS 39) permits the prudent spending of corpus if donor agreement allows.



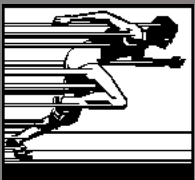
What services does FAI provide?

- Set up new funds
- Deposit gifts and other income
- Record all deposits, EFT's, wires, etc.
- Manage cash and investments
- Assist campus customers
- Train campus customers (Q&A and custom)
- Other routine accounting services (e.g., bank reconciliations)



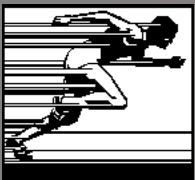
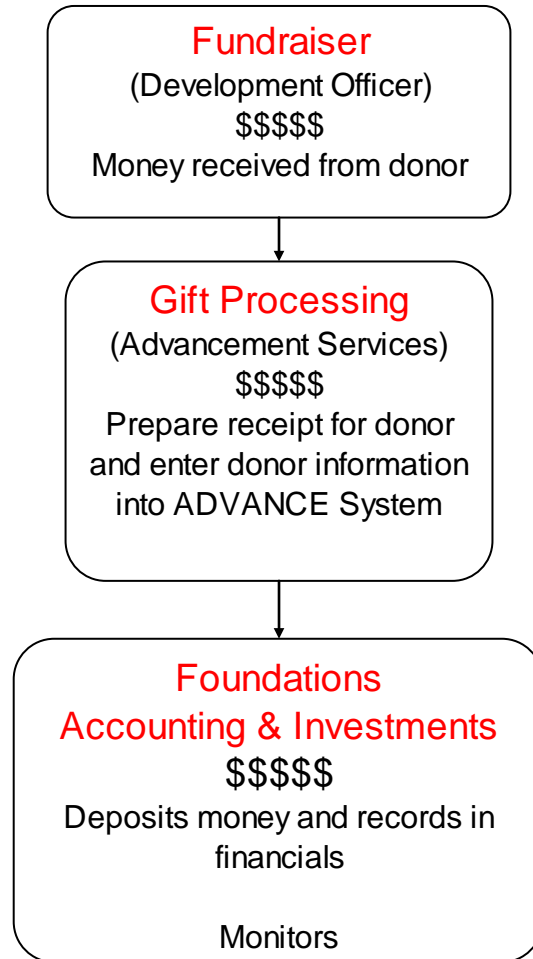
How do I set up a new fund*?

- New Fund Request form completed by Development Officer
http://www.fis.ncsu.edu/foundations_accounting/services/newfunds.asp
- Forwarded to Advancement Services for approval and coding
- Forwarded to FAI for set up of new fund in Financials and ADVANCE (donor database)
- FAI notifies Development Officer of new fund number via email
- Checks in hand should be deposited to clearing rather than holding more than 24 hours for new fund set up



** Funds are also interchangeably referred to as “projects”*

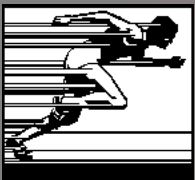
Gift Flow Chart



How should gift checks be completed?

- Checks MUST be payable to the foundation to be deposited in the foundation.
 - *To be deposited in the NC State Foundation, payee should read “NCSU Foundation” rather than “NCSU”*
- Checks payable to NC State University* and submitted for deposit in a foundation require sufficient written back-up from the donor to support intent the funds were for the foundation.
 - *Checks without sufficient donor documentation will be deposited to clearing until documentation is provided*

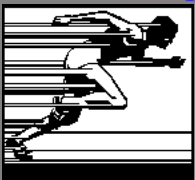
**Or a college, academic or administrative department of the University (e.g., CALS, CHASS Dean’s Office, Biomechanical Engineering Department)*



What is other income?

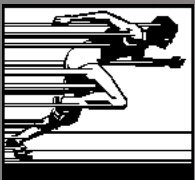
- Distinguishable from a gift because the person paying other income receives something of value in return
- Other income includes money received from fundraising events (e.g., football game tailgate event) or the sale of merchandise, for which there is no charitable deduction
- FAI deposits and records other income received by the foundations
- Other income receipts should be sent directly to FAI for deposit, along with a completed “Control List”

http://www.fis.ncsu.edu/foundations_accounting/services/documents/cont_list%20other%20income.doc



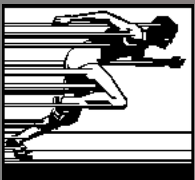
Additional services

- Operating budgets for foundations
- Periodic review of funds
- Unitization of endowments
- Endowment spending budgets
- Special analyses and reports
- Annual audit process and financial statements
- Board materials and presentations
- Q&A sessions



What are Q&A sessions?

- Special sessions to discuss specific topics of interest in detail.
- Typically, only 1 topic is discussed.
- Goal is for topic to be timely and relevant.
- Sessions are at the Joyner Visitor Center, Room 153.
- Email Mike Dickerson to add your name to notification list.



http://www.fis.ncsu.edu/foundations_accounting/monthlysessions/

**Foundations
Accounting &
Investments
(FAI)**

QUESTIONS?

