HOW TO SPEND YOUR FUNDS
An overview of gift spending

Jesse Buxton
County Fiscal Officer, OSU Extension Operations
Today we will cover:

- Fund Types and Uses
  - Current Use vs Endowment
- Viewing cash balances
  - eReports and TAS
- Depositing gifts
- Spending your gift money
  - Goods, Services and Payments
- WorkDay implications
FUND TYPES AND USES

• Fund Type Explanation document from FAES Finance
  – 3xxxxx are “Development” or “Current Use (Restricted)” funds
  – 2xxxxx are Endowment Interest Funds (restricted, available to spend)
  – 6xxxxx are Endowment Principal Funds (not available to spend)

• Business & Finance definitions
  – Development Funds
    • can be spent in the current operating cycle. An outside person or agency has specified how the funds are to be spent. The department maintains these funds and monitors for appropriate use according to the restrictions.
  – Endowment Funds
    • may not be spent and are invested "in perpetuity." A portion of the market value of the Endowment is distributed each year, usually to Current Restricted Funds (Funds 2xxxxx), for spending.
FUND TYPES AND USES

• Development Funds for Extension
  – Must be spent in accordance with definition. Generally have a broad definition for use. Definitions can be viewed in TAS (The Advancement System)
  – Some are set up as general Extension support, others may specify support for a specific program area or program
  – Some counties have one development fund, some have several funds established for more specific purposes
    • Pros to many funds: Easier to track revenue/expenses related to specific initiatives
    • Cons to many funds: More funds to maintain & reconcile
FUND TYPES AND USES

• Endowment Principal & Interest
  – Only the interest from endowment fund that is transferred to the corresponding 2-series fund is available to spend.
  – Must be spend in accordance to the endowment fund description. (can be viewed here)
  – Interest used to be distributed directly to committees. Since 2016 it has been required to be spent through University procurement methods.
FUND TYPES AND USES

• How can I use the money in these funds? (2 & 3-series)
  – First, review the fund descriptions and be sure the proposed use of the money is supported by the definition
    • Some endowment interest funds may require input from the committee on direction for use
  – If the proposed expense seems appropriate for the definition, the money can be used for goods, services, payments (honoraria, awards) and even employee payroll.
  – More about how to use the money coming up…
DEPOSITING GIFTS
DEPOSITING GIFTS

• All donations, gifts and gift-grants must be deposited to a Development (or Endowment Principal) Fund

• Never deposit a gift in the local checking account
  – Only sales, fees, registrations and sponsorships may be deposited locally

• Extension Deposit Transmittal Form
  – Instructions to send checks to Advancement
  – Captures correct fund for deposit
    • Note: Program values and User Defined cannot be used on these deposits, but can be added via revenue transfer after the 180 day hold
# DEPOSITING GIFTS

**The Ohio State University College of Food, Agricultural, and Environmental Sciences**

**OSU Extension Deposit Transmittal Form**

## Choose Fund Type:

- **Earnings**: Sale of goods/services (e.g., PAT revenue) in ongoing support of students, employees, alumni, university, departments or outreach.
  - (110xx-119xx)
- **Misc Designated**: Registration fees, publication sales and speaking fees, as well as reduce local checking balance.
  - (060xx-06 1xx)
- **Development**: Gifts & Donations (e.g., scholarships, endowed chairs, student travel support) with donor expectation of only tax acknowledgement.
  - (300000-399999, 500000-879999) - Send to OSU Advancement Office, 1480 West Lane Avenue, Columbus 43221
- **OSP**: Sponsored Project: Result of an individual agreement with a sponsor or donor with terms & conditions (e.g. sponsor acknowledgement on publications; shared outcomes of research; required technical financial reports; contractual agreements; cost sharing)
  - (590000) - Send to the Office of Sponsored Programs, OSP Accounting, 1960 Kenny Rd, Columbus, OH 43210
- **Grants**: Grants & Contract Fund: Private, Corporate or State activity performed for an outside entity with a deliverable and contractual obligation not meeting the requirements to be considered an OSP Project. *Please include copy of contract/MOU
  - (500000 - 559999)

If revenue is reimbursement, deposit in the same fund as the expense was coded.

- **Expenses Reimbursement**: Reimbursement: Revenue refunding an expense that your area has incurred. (Corresponding expense must be already posted in the financial system and copy of 40.91 report included)

**Other**

*For deposits not meeting any of the above criteria, please consult with Jesse Buxton to ensure appropriate fund for deposit*

## Unit Name:

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DEPOSITING GIFTS

• What is a gift-grant?
  – Typically a foundation or non-profit that would require grant recipients to have 501c3 status
  – Our Foundation is a 501c3 entity and operates with its own tax ID number (W9 available for applications)
  – Never sign a grant or contract application, must be reviewed and approved by appropriate signing authority
  – Gift-grant questions can be sent to Jason Phillips
    • May require processing by Office of Sponsored Programs
DEPOSITING GIFTS

• Not all gifts will be received and processed for deposit by your office
  – Donations/gifts may be received directly to the fund via online credit card donations using the “give now” button on website
  – Employees can donate to development funds as a payroll deduction
  – Fundraising activities lead by the Advancement team may result in gifts being directly deposited to your funds
VIEWING CASH BALANCES
VIEWING CASH BALANCES

- Cash balances of all owned funds are available on the 3os-61 Standard Monthly report in eReports, under your Org number
  - Look at the Cash Balance Column
  - A (-) on this report will represent a negative amount in the Cash Balance column
  - Encumbrance column will show effective cash balance with PO and payroll encumbrances accounted for in the fiscal year
  - Deposits to development funds will be held for 6 months (180 days) before posting to the GL
### VIEWING CASH BALANCES

- Example of 3os-61 report

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VIEWING CASH BALANCES

- The Advancement System (TAS) has a lot of detailed information about your development funds
  - Fund balances
  - Gift Memo reports (donor details)
  - 180 Day Hold report

- More information on how to gain access to TAS and use its features will be shared in a session later this afternoon.
VIEWING CASH BALANCES

• TAS Examples

Adams County Support Fund - 315071

Name: Adams County Support Fund - 315071
Description: To support Extension Programming Efforts in the Areas of Agriculture & Natural Resources, Family & Consumer Science, Community Development and 4-H Youth Development in Adams County.
Public Name: OSU Extension Adams County Support Fund

Fund Profile
Home Department: OSUE County Operations (D3502)
Endow/Current Use: Current Use
Fund Purpose: Program Support
Hold for 180 Days: Yes
HR Activity Permitted: Yes
IGive: Yes

Department Org: Adams County (57058)
GL Fund Number: 315071
Foundation/University: University
Start Date: 2/4/2015
Current Use Depletion Date: Target Date for Endowment:
Fund End Date: Fund Closed: No

Development Activity
Last activity Date: 01/22/2020
Cash: $224.70
Gifts in 180-day hold (not in GL)
Gifts Held 6 Months: $0.00
Gifts Held 5 Months: $0.00
Gifts Held 4 Months: $0.00
Gifts Held 3 Months: $0.00
Gifts Held 2 Months: $0.00
Gifts Held 1 Months: $224.70
Gifts Current Month: $0.00
SPENDING YOUR GIFT MONEY
SPENDING YOUR GIFT MONEY

• Gift funds (development and endowment interest) are subject to the same procurement/purchasing rules as other fund types
  – Additional restrictions may apply based on fund description
• Generally three types of procurement activities
  – Purchasing Goods
  – Purchasing Services
  – Other Payments
• May also use gift funds to support University positions (payroll)
SPENDING YOUR GIFT MONEY: GOODS

• Small dollar goods/supplies may be purchased in a variety of ways
  – eStores
    • Preferred method by University
    • Some vendors **required** (think Staples for office supplies)
  – PCard
    • Goods under $5,000
    • Can be reallocated directly to gift funds via eRequest
  – Local **checking** account
    • Goods under $1,000
    • Can be reimbursed from gift funds via eRequest
SPENDING YOUR GIFT MONEY: GOODS

• When other options not available, Purchase Order
  – Generally if goods will be over $5k
    • capital equipment will need tagged for Asset Management
  – Goods over $25k require bid, or bid waiver request
  – Will require **vendor setup**
  – May be able to request Service Center payment via their PCard if under $10k
SPENDING YOUR GIFT MONEY: SERVICES

• Services may include: speaking, teaching, judging, repairs, maintenance, rentals, catering, etc

• Services **cannot be paid** from local checking accounts (tax compliance issues)

• All service contracts must be reviewed/signed by OSU Purchasing (may require service agreement and insurance)
SPENDING YOUR GIFT MONEY: SERVICES

• Most small-dollar services can be paid with a PCard
  – If under the transaction limit and vendor accepts credit cards
  – Contracts need to be reviewed and signed before transaction

• If services are over $5k, PO is likely only option
  – Be prepared to provide quote/scope and service agreement form
  – Vendor setup will be necessary for new/updated vendors
  – Vendor must invoice for payment, and invoice processed by AP

• Services over $50k require bid/bid waiver
SPENDING YOUR GIFT MONEY: OTHER PAYMENTS

• “Other” payments include Convenience Order payments like honoraria, contributions and awards
• Convenience Orders allow for direct payment in financials system without a PO number
  – Generally very limited in scope/type of payment
• These can be processed via eRequest > Payment > Pay Someone (Reference Conv Order # in Business Purpose)
• Vendor IDs are required, so may need vendor setup form
• More about awards in upcoming session
SPENDING YOUR GIFT MONEY: UNIVERSITY PAYROLL

• Gift money may be used to support personnel if the work will be in accordance with the gift fund description
  – Gift funds also have to be made available for payroll activity. This can be seen in TAS, and funds may be opened for activity at any time.
• Existing positions- Ext Ops Admin team can initiate HRA to put part/all salary & benefits on a gift fund
• New positions- follow normal procedures, and consider term/temp position as gift funds are generally “soft”
WORKDAY

• Have you heard of a thing called WorkDay???
• Generally, business practices will be very similar, but processes will be much different
• We will have to wait and see how the system functions in practice, and learn about changes to processes as we go
• Everything won’t be magically better (or worse) on July 1st, it will take some time to fully understand the impacts of the new system
HOW TO SPEND YOUR FUNDS
An overview of gift spending

Jesse Buxton
County Fiscal Officer, OSU Extension Operations