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New Mexico State University Foundation, Inc.

Program Gift Spending Policy

I. Introduction and Purpose

New Mexico State University Foundation, Inc. (Foundation) recognizes the importance of private gifts in providing New Mexico State University (University) colleges and departments the flexibility needed to achieve their goals and objectives. The Foundation also recognizes that different colleges and departments will have varying needs and priorities for the use of the private program gift income as they continue to develop and maintain quality programs. This policy is designed to provide those University units receiving private gifts the maximum amount of latitude to address these differing goals and objectives, while at the same time maintaining the Foundation's fiduciary responsibility inherent in acceptance of donor funds.

All expenditures from the Foundation must be for the enhancement or benefit of the Foundation and University, consistent with the University's official mission. Expenditures must also comply with the restrictions, placed by the donor, on the use of the funds.

Gifts and membership dues received by the Foundation, or any of its entities or programs, and earnings of Foundation endowments will be expended in compliance with this policy. Exceptions to this policy may be made by the President of the Foundation.

All gifts and the net earnings therefrom, will be expended according to the written restrictions of the donor. The documented restrictions take precedence over the guidelines for disbursement of funds outlined below.

II. Authorization Structure

Except as provided below, two University signatures are required on each Foundation voucher. As applicable, these signatures are generally from the Department Head and the Dean or Director. Expenditures of a unit reporting directly to the Chancellor, or the Provost, can be approved by the head of that unit (Vice President, Dean, Vice Provost or Director) without further approvals. If the head of the unit is also the payee; the Chancellor's, President's, or Provost's signature is required. Expenditures involving a payment for services rendered by a University employee will be processed through the University's Payroll Office.

III. Cash Disbursement Controls

All requests for expenditure from Foundation funds will be submitted on a Foundation voucher. All vouchers must be accompanied by a third-party invoice or receipt, or the attestation, of the individual claiming reimbursement, that other documentation is not available. All reimbursements must be signed by the individual receiving payment attesting that the expense is correct and appropriate and that the expense has not been reimbursed from another source.

IV. Guidelines for Disbursement of Gift Funds

All gift funds will be used for the benefit of the University in fulfilling its mission of teaching, research, education extension, and public service. This, includes expenses sanctioned for the improvement of employee morale. Gift expenditures allowed under current University policy are to be processed through the University. Expenditures not allowed under the University's policies may be processed through the Foundation and will be subject to the guidelines outlined in this policy.

A. The following types of expenditures are not allowed to be paid under this policy:

1. Any payment in conflict with existing law, statute, or regulation applicable to gift funds.
2. Charitable contributions made to entities or individuals external to the University, including other 501(c) 3 organizations. This includes memorial gifts to other non-charitable entities.
3. Any duplicate payment for goods, services or reimbursement of employee expense. Duplicate payments include the reimbursement of "actual" travel expense to employees who have already received per diem through other sources.
4. Payment for University employee services outside the University's payroll system.
5. Gifts made to University personnel except in recognition of retirement from the University. Expenditures falling under this category are limited to \$100 in accordance with NMSU policy.
6. Loans to any individual.
7. Payment of fines imposed for violations of local, state, or federal law. This includes, but is not limited to, traffic tickets or parking fines.
8. No expenditures shall be allowed which do not comply with IRS regulations for travel and entertainment, as would be applicable to for-profit businesses/ organizations. Any expenditures for travel or entertainment, which do not comply with IRS regulations, shall not be paid by the Foundation. (See paragraph - (B) 5 below for further clarification as to the types of expenditures that are allowed.) Expenses must be ordinary and reasonable to be reimbursed. Examples of expenditures that **are not allowed** include:
 - a. Expenditures for spouse's travel, except for spouses of Regents, the Chancellor of the University or the Chancellor's designated representative. These expenditures must be essential to the business being conducted.
 - b. Expenditures for personal portions of a business trip including, but not limited to, entertainment.
 - c. Mileage, per diem, airfare, lodging or other travel expenses reimbursable under the University policy. Although local travel mileage is allowed under IRS guidelines, it is not allowed as a Foundation expenditure.
 - d. Expenditures for business meals with only University employees in attendance conducting normal daily business of university. These represent personal expenses.
 - e. Reimbursement of Gross Receipts Tax for the purchase of goods. The Foundation has Non-Taxable Transaction Certificates (NTTC) on file with many vendors. A list may be obtained through Financial Services (giftacct@nmsu.edu). If the vendor does not have a NTTC, one may be requested by emailing Financial Services (giftacct@nmsu.edu)

B. Certain expenditures that are **allowed with conditions or limitations** under this policy are outlined below.

1. It is not the policy of the Foundation to subsidize social events solely for entertainment of its members, Board of Directors, or members of affiliated organizations. Events designed primarily to cultivate current and prospective donors, and fund-raising volunteers, are permissible. The cost for a University employee to attend is not allowed unless the attendance is required by the University and/or Foundation.
2. Expenditures for country club dues, airline club dues, and other social memberships will be approved on a case by case basis. Dues/memberships for employees below the Dean's level are not allowed without justification from the Dean and approval of the Provost of the University. These requests will be reviewed by the President of the Foundation.
3. Flower or gift purchases are not allowed **except as follows**: Flower purchases for individuals outside of the University must have a purpose which benefits the University or the Foundation and is consistent with the University's mission. In general, flowers or gifts are allowed for retirement, birthday celebrations, illness or bereavement.
4. Flowers for University employees, related to the death of an immediate family member, are allowed. In accordance with University policy, an immediate family member is defined as spouse, domestic partner as defined in University Policy 7.04, child, parent/legal guardian, sister, brother, grandparent, or grandchild. Familial relationships created by law are also allowed (i.e. mother/father in law; half or step siblings). Flowers for employee retirement are also allowed.
5. Expenses for coffee, tea, bottled water, soda and related supplies may only be purchased for use in areas frequently visited by external guests of the university or areas that host meetings with external guests. Beverages and related expenses are for primary use of university guests.
6. Paragraph A. 8 above refers to the IRS guidelines for business expenditures for travel and entertainment. The items below are considered allowable by the Foundation as they relate to the IRS regulations.
 - a. Travel. Travel should be paid through the University's travel office in accordance with the guidelines established by the University Business Procedures Manual. Travel expenditures generally will not be paid directly from the Foundation. Expenses in excess of per diem are to be paid from mirror gift funds at the university. If a mirror fund cannot be identified, travel will be paid through the Foundation for actual expenses up to the per diem amount as defined in the University Business Procedures Governing Document. Receipts must be provided for all expenses.

If excess expenses must be paid through the Foundation, the backup attached to the voucher must show the amount of expense paid through NMSU. The backup should consist of the final approved amount paid by NMSU-not the requested (unapproved) amount. These expenditures must be reasonable and necessary in the conduct of University business. Only business-related expenses are reimbursed by the Foundation-not the personal portion of travel.

- b. Entertainment. Entertainment expenses are allowed if they are directly related to the University's mission. This means that business must be discussed before, during or after

the entertainment. Entertainment expenses should be reasonable and not considered lavish or extravagant as described by the IRS.

- i. The reimbursable portion of business meals may not exceed \$90.00 per person in attendance.
 - ii. Alcoholic beverages at business meals attended only by University employees will not be reimbursed.
 - iii. Alcoholic beverage purchases for receptions/parties, or a business meal, at an off-campus location should be based on the number of individuals reasonably expected to attend. The per-person cost should be reasonable. The cost should not exceed \$90.00 per person.
 - iv. The cost of a tip for service should be included in the price of the meal. Tips in excess of 20% will not be reimbursed.
6. Employee parties/functions, for the purpose of promoting employee morale, are subject to the following restrictions:
- a. Expenditures may be made for payments to hotel/restaurants for meeting rooms or facility use.
 - b. Expenditures may be made for actual food and beverages consumed, catering and gratuities, not to exceed 20%.
 - c. Expenditures for party decorations, holiday decorations and flowers cannot be paid by the Foundation. Alcoholic beverages, in excess of those actually consumed in the course of the function, cannot be paid by the Foundation. In the event of classroom teaching, bar stock will be allowed however the stock must be stored in an approved university method.
 - d. Retirement Receptions. Eligibility for retirement recognition receptions is limited to employees with a minimum of ten (10) years of service at NMSU. In addition, the reception must be open to the University community. Any costs paid for a retirement reception by the Foundation must have documentation on the total event cost, and the amount being paid by the University.
 - i. Upon approval of the retiree's department head or director, departments may spend up to \$500 for the reception and any associated costs. Included in the \$500, a maximum of \$100 may be used for a commemorative gift for the retiree. A commemorative gift is one that is reflective of their service to NMSU.
 - ii. With advance written approval by the Chancellor or Provost, expenditures greater than \$500 may be allowed, but cannot exceed \$1,500. These costs may be paid through the Foundation. Written requests must be routed through the appropriate Dean/Vice President to the Chancellor or Provost and include justification for the total reception cost. Regardless of approved cost, a maximum of \$100 may be used for a commemorative gift. Amounts in excess of the approved total cost will become responsibility of the retiree or his/her colleagues. Any costs

submitted for payment by the Foundation above the \$500 must be accompanied by the approval document from the Provost.

- iii. Allowable purchases include food items, beverages, a commemorative gift and rental expenditures related to the event. Gift cards and decorations are not allowed.
 - iv. A copy of the invitation, an itemized list of total expenditures, and a list of attendees for the reception must accompany the voucher.
7. A list of attendees must accompany the voucher., or a statement describing who was invited to the function in cases of gatherings exceeding 20 people.
8. Meal expenses in excess of the University's meal allowance may be reimbursed under section 5A above.

Adopted on October 23, 2020 by the Board of Directors of New Mexico State University Foundation, Inc.



Philip Cook
Chair, NMSU Foundation, Inc.



Kyle Louvar
Secretary, NMSU Foundation, Inc.

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