PAYMENTS TO THE UNIVERSITY FOUNDATION

Policy Statement

The university must follow certain criteria for any payments made to the University Foundation because the foundation is a separate entity.

Reason for Policy/Purpose

This policy is required for the effective communication of university policy regarding payments to the University Foundation.

Who Needs to Know This Policy

All members of The University of Southern Mississippi community.

Website Address for this Policy

www.usm.edu/institutional-policies/policy-adma-fin-005

Definitions

Policy/Procedures

The University Foundation is a separate legal and privately funded entity for which the university cannot transfer or issue funds made payable to unless there is an invoice for services rendered or goods provided. It is important to note that the foundation must be the provider of the services or goods in order not to violate state purchasing law and university policy.
Once monies have been deposited into a university account (includes Designated, Restricted, Auxiliary, Plant and General Fund accounts), these deposits are considered state funds and can only be spent through the university for the purpose originally intended. State law provides no authority for a donation or transfer of state funds to another agency/entity such as the University Foundation. Furthermore, transferring money from the university to the University Foundation violates Article 66 of the Mississippi Constitution, which states that no law shall grant a donation in favor of a person or object. All payments issued by Office of the Controller must be for properly approved and documented expenses; therefore, a transfer of funds to the University Foundation or another agency/entity would not provide sufficient documentation to substantiate the use of the funds.

**Review**

The Associate Vice President of Finance/Controller is responsible for the review of this policy every four years (or whenever circumstances require immediate review).

**Forms/Instructions**

N/A

**Appendices**

N/A

**Related Information**

N/A

**History**

11/1/11: Formatted for Institutional Policies website
02/20/13: Formatted for template. Minor editing for punctuation and word usage throughout.
**Amendments:** Month, Day, Year – summary of changes
Authorization

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As the Responsible Officer, I have reviewed this policy and believe it represents the current policy.

[Signature]
Responsibility Officer

3-13-13
Date