Effective: July 1, 2009
Supersedes: Procedure 3.14 dated April 15, 2003
Applies To: Colleges and System Office
Procedure Responsibility: Accounting
Reference: KCTCS Development Manual

Gifts and Endowments

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Section 3.14.1 - Gifts, Endowments and other Donations

A. A College Development Office or the KCTCS Office of Institutional Advancement must administer all gifts, endowments and any other donation of personal property, cash or in kind gifts.

B. Gifts and donations must comply with the requirements in the KCTCS Development Manual.

Section 3.14.2 – Gift Funds

A. Restricted gifts are funds available for financing current operations but are limited by donors as to specific purposes, programs, or organizational units. Restricted funds shall be utilized in compliance with regulations, restrictions, or limitations imposed by donors providing such funds.

B. Unrestricted gifts are funds available for financing current operations but are not limited by donors to specific purposes, programs, or organizational units.

Section 3.14.3 - Endowments

Endowment funds are subject to the restrictions of gift instruments requiring that the principal be invested in perpetuity and only the income be utilized for expenditures. The three types of endowments are:

A. True Endowment Funds – Donors or other outside agencies have stipulated that the principal of these funds cannot be spent. The income may be restricted for a particular use if the donor requests it. If it is unrestricted, endowment income generally can be used for any purpose.

B. Term Endowment Funds – After a stated period of time, part or all of the principal of term endowment funds may be spent. Like the income for true endowment funds, the income for term endowment funds may be restricted to a particular use per the donor's request.

C. Quasi-Endowment Funds (Funds Functioning as Endowment) – These funds have been designated by the Governing Board as endowment funds. Although they are functioning as endowment funds, the Board may lift the restriction, and the principal may then be spent.

Section 3.14.4 - Establishing a New Gift or Endowment Account

New gift and endowment accounts will only be established upon the request of the KCTCS Institutional Advancement Office.

Each college requiring a new gift or endowment account shall prepare the appropriate form "Request for A New Gift Account (BA9)". The form, along with a complete BP61, a copy of the check, and the donor's letter or documentation of the request is forwarded to the KCTCS Institutional Advancement Office for review. Upon approval, the form will be sent to KCTCS Accounting for a new gift or endowment number and entered into PeopleSoft Financials. Both budgeting and accounting must sign off on the new account.

Section 3.14.5 - Payroll Deduction

A. KCTCS faculty and staff who have authorized a semi-monthly payroll deduction may have it deducted by KCTCS Payroll in compliance with Business Procedure 5.5 if the following guidelines are met.

1. Deductions should be for at least $1.00 per month.

2. Deductions should be applied to a minimum of 12 months.

B. The College Development Office is responsible for:

1. Obtaining Payroll Deduction Cards from KCTCS Office of Institutional Advancement.

2. Providing employees with payroll deduction card, upon request.

3. Reviewing cards for completeness before processing.

End of Procedure