



# Earmarked Gifts Policy

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## Policy Statement

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The Florida State University Foundation (Foundation), established in 1960, is a non-profit Florida corporation exempt from federal income taxes under Internal Revenue Code Section 501(a) as an organization described in Section 501(c)(3) and organized under Section 1004.28, Florida Statutes as a Direct Support Organization (DSO) of the Florida State University (University). The Foundation enhances the academic vision and priorities of the University through its organized fundraising activities and funds management. The Foundation is responsible for soliciting and administering gifts from private sources to support the academic mission of the University. Academic support includes salaries, scholarships and other student aid, research, construction of capital projects, equipment and supplies, travel and entertainment as well as other program related expenses.

The Foundation Earmarked Gifts Policy is intended to be used as a guideline and can be revised or changed at any time as deemed necessary.

## Modifications and Reviews of Policy

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This policy is maintained collaboratively by the Gift Services and Accounting Departments of the Foundation. Reviews take place annually no later than June of each fiscal year. Modifications and recommendations are presented to the Executive Management Team of the Foundation for review and final approval.

## Policy Guidelines

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This policy pertains to the donation and recording of earmarked gifts as well as the administration of the gifts. Earmarked gifts are donations given for a specific purpose directed by the donor, which are recorded to a fund with a broader purpose. Foundation Accounting can track expenses in accordance with the stated fund purpose. For gifts with a more restrictive purpose within the confines of a current fund purpose, the gift requires a sub-accounting of the gift to ensure that it is spent in accordance with the donor's wishes. The sub-accounting will be managed by the college or campus unit.

Development officers should work with donors to encourage donations less than \$5,000 to be directed to a current fund without a more restrictive purpose. In the event this is not possible, the donation can be earmarked to a current fund.

The following items may not be considered for earmarks:

- Donations to a scholarship fund cannot be earmarked with an additional purpose restriction. Donors may give to a general scholarship fund if they do not wish to determine the selection criteria of recipients, or they may establish their own scholarship fund if they do wish to determine the selection criteria. The minimum amount required is \$50,000 for an endowed scholarship and \$5,000 for non-endowed.
- Principal gifts made to an endowed fund are held in perpetuity and as such, cannot be earmarked.

- Donations collected through SparkFSU may not be earmarked. Each college and campus unit participating in SparkFSU must establish a new fund to record gifts for any SparkFSU project where there is no current fund with an identical purpose.
- Gifts associated with the naming of facilities, such as a building or room, will not be considered an earmark which needs to be tracked under this policy.

## Gift Administration

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Departments are responsible for maintaining copies of deposit documents and reconciling department records to the amounts recorded in Foundation funds. To facilitate this, the Foundation will make an Earmarked Gifts report available to all colleges and campus units for use in the tracking of earmarked gifts. Each year, the Dean, Director, Department Head, or Chair (DDHC) of each college or campus unit must sign an attestation to certify that their finance staff are tracking earmarked gifts and ensuring these gifts are spent in accordance with donor intent. This annual certification includes a reconciliation of the earmarked gift which includes the accounting for the expense to support donor intent has been met. The reconciliation provided to the Foundation should only include gifts over \$1,000, however, all earmarked gifts should be tracked by the department.

Donors may request an accounting of funds spent for earmarked gifts of \$1,000 and above. This level of detail cannot be provided by the Foundation for earmarked gifts below \$1,000.

Any exceptions to this policy must be approved by the Executive Vice President and the Chief Financial Officer of the Foundation.

## Revisions and Approval History

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<b>Date</b>	<b>Responsible</b>	<b>Action</b>
August 2020	Advancement Services	Policy created and sent to CFO for review and feedback.
December 2020	Accounting	CFO sent policy to accounting managers for review and feedback and discussed process for expenditure tracking to ensure compliance with donor intent.
February 2021	Accounting	Submitted ticket to create earmarked gifts web report for departments to use for annual certification.
May 2021	CFO	Policy was approved by Executive Management Team.
August 2021	Accounting	Changes and testing of earmarked gifts web report completed and reports was made available to campus users. Annual attestation form and reconciliation workbook created for annual certification process.
September 2021	Accounting	Annual attestation form and reconciliation workbook were shared with pilot departments for review and feedback.
October 2021	Accounting/CFO	Incorporated feedback from pilot departments. CFO updated policy which was finalized.