

MSU Extension and 4H Foundation Endowments/Gifts Protocol

The 4H Foundation has Endowments set up as fiduciary for some Michigan State University Extension (MSUE) counties. Some of these Endowment accounts have restrictions, but most do not.

HISTORY AND BACKGROUND

Prior to 2011, the disbursements were sent to the counties via check and deposited into their own bank accounts. Now, the county accounts are housed and managed on campus.

MSUE CYI has two Foundation accounts:

- RG074651 – the main Foundation account
 - This is a billable account, sub accounted
 - CYI bills the Foundation on a fiscal year, quarterly basis at the beginning of the month following the close of the quarter (e.g. October invoice is sent for July, August, and September charges). In June an invoice is sent at the beginning of the month for April, May, and partial June charges, and then a second-close invoice is sent to capture any charges for the remainder of June for year-end.
 - Some of the subaccounts in RG074651 have reporting requirements that need to be sent to the Foundation so they can report back to the grantors. Reporting is handled by the specific Educators who have ownership of the subaccounts. The Foundation relay reporting requirements to Dr. Chapin, Children and Youth Institute Director, and Educator(s).

- RG100163 – the “gift” Foundation account
 - The Foundation receives gifts and reports those gifts separately to MSU Development.
 - The Foundation sends a check to MSUE for gifts earmarked for specific counties.
 - This account was established to prevent the risk of double-counting a gift. This is why the funds are housed in this RG account, not in a traditional RN account, under MSU CYI.
 - The account is sub accounted by county name.
 - There are no formal reporting mechanisms back to the Foundation and this is not a billable account. However, it is important to note that the counties may be asked to submit something back to the Foundation as to how the funds were used.

The funds in the RG100163 account are primarily obtained from TSC, JC Penney, and individual gifts that the Foundation receives for specific counties. MSUE agrees to and suggests the following plan:

- When Endowment interest payments are requested to be paid to a county office, the Foundation will determine if the Endowment has restrictions.

- If it does – which occurs rarely – the disbursement will be accounted for under a specific subaccount in the Main Foundation Account (RG074651). As is standard with the Main account, this will be billed quarterly to the Foundation so expenses can easily be tracked and accounted for. This will allow the Foundation to readily have all of the information regarding use of the restricted endowment funds for any reporting that they need to complete.

- In most cases the Endowment is unrestricted. In that case, the Foundation will disburse the funds via check to MSU and the funds will be deposited into the Gift Account (RG100163) and earmarked for the specific County as indicated by the Foundation.

- The Foundation will notify appropriate county staff of the disbursement.
 - These funds are at the MSUE County disposal to spend as they see fit.
 - According to the Director of the Foundation, the policy only requires that in order to request a new endowment distribution, the county has to submit a letter that outlines (after expenditure) how the previous endowment grant was used and spent.
 - Dr. Chapin determines who has oversight of these accounts/subaccounts at the county level.
 - Expenditure approvals will be handled at the campus and county levels as appropriate.
 - The FO will verify that the expense meet MSU's policies and procedures, not the programming activity.

ADDITIONAL ITEM REGARDING GIFTS TO MSU CYI

A gift that is made directly to MSU for 4H or CYI activity will be accounted for in the MSUE CYI RN account, and the subaccount that is appropriate. This is a MSU gift account and allows for reporting back to MSU Development.

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