



Fund Account Administration and Disbursement Policy

I. Introduction

A. Purpose

The Baton Rouge Community College Foundation (Foundation) has a fiduciary responsibility to donors to ensure that funds are utilized in accordance with the terms and conditions of their gifts. This standard, commonly referred to as “donative intent”, is the primary limitation on the expenditure of Foundation funds. There are additional restrictions that apply universally to the expenditure of Foundation funds. Some of these represent controls intended to enhance the fiduciary function of the Foundation, while others emanate from the various legal and administrative constraints within which the Foundation operates.

This policy serves as a guide for Baton Rouge Community College (College) colleagues, fund administrators and Foundation staff to use when spending funds from Foundation accounts. The provisions of this policy are intended to ensure that all such expenditures align with donor intent, if applicable, and that they ultimately support achieving the Foundation’s sole purpose: to provide philanthropic support to BRCC.

B. Applicability and Responsibility

This policy applies to all colleagues, fund administrators and Foundation staff who request disbursement from a Foundation account. Account administrators are expected to be prudent and exercise good judgement when incurring costs. Expenditures are to be “ordinary and reasonable” in relationship to the mission of the College and in accordance with the mission of the Foundation. Fund administrators are responsible for ensuring there are sufficient funds available in the account to cover the disbursement. Requests from funds with insufficient available balances are subject to being returned without processing.

II. Fund Administrators and Authorization

Most foundation accounts have two administrators assigned to the fund account. Use of the funds is at the discretion of these administrators, subject to compliance with the policies of the Foundation and any applicable donor or grant restrictions.

Fund administrators are responsible for the overall management of the account. This includes, but is not limited to:

- Developing and monitoring budgets for the fund.
- Ensuring that sufficient funds are available prior to authorizing any expenditure.
- Reviewing and approving disbursement requests in accordance with Foundation policies and procedures.
- Ensuring expenditures are consistent with the donor’s intent and the stated purpose of the fund.

- Ensuring expenditures are submitted for payment or reimbursement in a timely manner.

Certain accounts, particularly those funded by grants, may be subject to additional requirements or restrictions that govern allowable expenditures. In such cases, it is the responsibility of the fund administrator, in partnership with the grant Principal Investigator (PI), if applicable, to ensure that all expenditures are consistent with the terms and conditions of the grant or donor agreement.

Foundation staff are responsible for verifying the accuracy of all information, ensuring required documents and approvals are in place, and confirming sufficient funds are available. Staff should request additional documentation or justification if an expense appears excessive or unusual.

The administrators of each account share joint responsibility for ensuring fiscal accountability, compliance with donor restrictions, adherence to the purpose of the fund, and appropriate stewardship of Foundation resources.

III. Events, Fundraisers and Foundation Support Services

All events, fundraisers, or other activities that require Foundation staff support or use BRCC or BRCC Foundation branding or promotional materials must receive advanced approval from the Foundation's Executive Director. In accordance with the BRCC Fundraising Policy, these activities must be planned in coordination with the Foundation's Development and Operations staff and comply with all applicable College and Foundation policies.

Administrators and other stakeholders may not independently enter into agreements, establish merchant or payment-processing accounts, or activate platforms to collect funds on behalf of the BRCC Foundation without prior authorization. Any such arrangement must be reviewed and approved by the appropriate Advancement, Finance, and signature authorities and established in the name of the appropriate legal entity.

No event, fundraiser, or other activity affiliated with or supported by the Foundation may proceed without prior approval from the Foundation's Executive Director.

IV. Vendor Selection and Due Diligence

Account administrators are expected to exercise appropriate due diligence in selecting vendors and to seek competitive pricing when practicable to ensure Foundation funds are used in a fiscally responsible manner.

For purchases of \$25,000 or more, competitive quotes or other appropriate evidence of market reasonableness should be obtained and documented when feasible; when this is not practical or appropriate, the basis for vendor selection should be documented.

The Foundation retains oversight responsibility and may request additional documentation or review based on the nature, amount, or circumstances of the expenditure.

V. Professional Services and Independent Contractors

A. Services that Require Execution of a Contract

Service-related and non-employee payments to external vendors performing professional services may require a service contract or signed agreement. Contracts classified as consulting typically are for those in which the services that are to be provided are broadly defined, the deliverables are intangible, or the consultant is acting in an advocacy capacity on behalf of the Foundation or College.

To request a contract or agreement be executed, the account administrator must complete and submit a Foundation Contract Request form. The form must be completed in its entirety, include the appropriate administrative approvals, and be accompanied by the vendor's W-9 and ACH Enrollment Form. Once received by the Foundation, a contract will be created, and the Foundation will circulate the contract for final review and signature to all required parties.

B. Paying College Employees for Work or Services

BRCC employees must be compensated through the LCTCS Payroll System. The Foundation does not directly pay supplemental salary or professional service expenses to College employees. If Foundation funds are to be used to compensate a College employee for supplemental salary, or work they have performed outside their usual employment responsibilities, it must go through the regular College payroll process, and then the College should request reimbursement from the Foundation.

VI. General Spending

All disbursement requests must clearly document the academic or business purpose of the expense and should indicate that the expense complies with the purpose, terms, and conditions of the fund as well as the policies and procedures established by the College and Foundation. Below are the basic criteria used to determine the legitimate use of Foundation funds:

- The use must be reasonable and benefit the College.
- The use must fall within the donor's intent for the gift.
- The use must not jeopardize the Foundation's tax-exempt status.
- The use must comply with all applicable laws and regulations.

VII. Travel, Meals, and Entertainment

Travel expenses should be ordinary, necessary, and related to an individual's role at the College. While we aim to align with College's policies, the Foundation allows for reasonable flexibility to support the needs of faculty and staff. All employees' requests for travel reimbursement must include documentation of purpose, dates and destination of travel, along with receipts to document the cost. Expenses incurred on behalf of an employee's spouse or partner are not reimbursable unless a significant bona fide business purpose is being fulfilled by the spouse or partner. Advanced approval must be obtained to affirm the spouse or partner's business role.

When an individual is being reimbursed for travel expenses in part by the College, the difference between the maximum permitted from the State and the individual's actual expenses for all travel-related expenses (except individual meals) may be paid from a Foundation account. Copies of the receipts, including a copy of the State Travel Reimbursement voucher (with the supervisor's signature), will be required as supporting documentation for the Foundation's portion of the reimbursement.

Travelers are expected to obtain the lowest available airfare that reasonably meets their needs, and expenses for lodging, ground travel, and meals must be deemed reasonable and appropriate under the applicable circumstances. The foundation's Executive Director shall have the final decision-making authority to approve or disallow unusual travel expenses outside the guidelines of the policy.

A. Hotel and Lodging

Travelers should strive to secure lodging accommodations as close to the state published rate as possible.

B. Airfare

All air travel should be by coach class or equivalent and may check one bag. Flights should be booked in advance to avoid premium airfare pricing. Seat reservations or extra baggage fees are typically not allowed; exceptions are rare and will only be granted in extenuating circumstances.

C. Ground Transportation and Mileage

When an individual uses a personal vehicle for authorized work-related travel, they may request to be reimbursed for vehicle expenses. The Foundation will issue disbursements for vehicle related travel expenses according to the standard IRS mileage rate at the time of travel. This rate covers vehicle expenses such as: gas, oil, tires, maintenance, insurance, depreciation, general wear and tear, taxes, registration, and license fees.

All mileage must be documented and include the following:

- Date of each trip
- Start and End address
- Total number of miles traveled
- The reason for the trip

D. Meals

Meal expenses qualify for a disbursement when they are incurred for a business or academic-related purpose and are clearly related to authorized travel or advancing the interest of the College or Foundation. Meal expenses must be reasonable and appropriate and may be capped at the College's standard meal allowance rate.

Meal disbursement requests are to include the date, restaurant, business purpose of the meal, name and title of the individuals in attendance, and an itemized receipt. For meals where more than 8 people attended, a group name may be used as long as it is descriptive enough to identify affiliation. Alcoholic beverages are not an allowable expense at events which include only BRCC and Foundation employees. Account administrators should seek guidance from their Division leaders, and remember they are ambassadors of the College and Foundation and are expected to drink responsibly.

E. Events and Entertainment

Requests for entertainment reimbursement must include a statement of the academic and business purpose of the activity, the date and location of the function, the names and associations of the individuals in

attendance, and receipt. For large-scale functions, such as receptions, an approximate number of persons attending and a general description of the group attending will be sufficient.

VIII. Professorships

The Professorship program is to recruit and retain high quality expert faculty members by recognizing the accomplishments of those who excel in their discipline. Professorship holders typically receive a stipend or discretionary fund whose amount is determined annually on the basis on the investment performance of the endowment. The funds are intended for faculty members to make innovative advances to their own professional and academic portfolios, and, unless precluded by the gift agreement, can be used to advance instructional programs, develop new research ideas, fund students' work, or supplement salary. Funds are not allowed to be used to support general operating costs of the institution including repair, maintenance, construction, renovation, or standard lab/office equipment. Funds must be expended in accordance with State, College, and Foundation guidelines. Funds must be expended during the duration of the professorship and may not be held for future expenses not related to the goals of the professorship.

IX. Scholarships

Scholarships are awarded to assist deserving students in furthering their education. Scholarship awards will be paid to the College's Office of Accounting and Finance on behalf of the student, and processed and awarded to the student by the Office of Financial Aid. Awards are contingent on a student's fulfillment of the terms and conditions of the scholarship award agreement. Scholarship funds must be expended in accordance with the scholarship gift agreement, State, Federal, College and Foundation Guidelines.

X. Fixed Assets

Purchases of fixed assets, capital improvements and renovations should be performed using prudent purchasing procedures. Departments should seek competitive quotes/bids when practical. Documentation should be submitted demonstrating the acquisition process used, such as bids, quotes, or proposals. Purchases of assets will be donated to the College and reported to BRCC Property and Receiving Manager.

XI. Faculty and Staff Awards and Gifts

Foundation funds may only be used for awards or gifts to College employees to the extent that the fund purposes will allow such expenditures. All expenditures must be reasonable and consistent with IRS regulations for awards and gifts, must conform to all applicable State and College policies, and justification must be presented to show that such awards were in the best interest of the College.

The use of private funds to pay for flowers, artwork, gift cards and similar gifts for BRCC employees (public servants) on occasions such as surgery, illness or the birth of a baby violates the Louisiana Code of Governmental Ethics. As an exception, the ethics code does allow funds to be used to send flowers to a public servant upon the death of a member of that employee's immediate family only.

XII. Gift Cards

Gift cards are considered cash equivalents by the IRS regardless of their amount and are taxable to the recipient. Generally, the Foundation does not provide funding or reimbursement for the purchase of gift

cards. There are exceptions where it is determined the expenditure promotes and is in the best interest of the College; these exceptions are rare and are subject to approval by the Foundation's Executive Director.

XIII. Fund Account Disbursement Process

A. Check or ACH Payment

Expense payments or reimbursements must be requested as soon as the invoice is received, or expense is incurred. To request a check or ACH payment from a Foundation account, complete the Foundation Disbursement Request Form. The form must be approved by the appropriate account administrators, and include supporting documentation for the expense, such as the invoice, receipt, or payment agreement, along with the vendor's W-9. Payments are typically processed within 10 business days.

B. Foundation Credit Cards

The Foundation Corporate Credit Card program is intended to provide convenience and efficiency for both the Foundation and College faculty and staff. Corporate credit cards are issued on a limited basis and all cardholders are responsible for adhering to the Foundation Corporate Credit Card Policy.