

Queens College Foundation

The Controller's Office Policies and Procedures
(For Internal Use by Queens College Personnel Only)

Updated September 2018

INTRODUCTION

The Queens College Foundation (“Foundation”) is organized to receive, manage and distribute philanthropic funds on behalf of Queens College (the “College”). The charter of the Foundation restricts its activities strictly to benefiting Queens College.

The Foundation is a not-for-profit corporation qualified under section 501(c) 3 of the Internal Revenue Code, permitting it to receive charitable contributions that qualify as tax deductions to the extent allowable by law.

These Policies and Procedures have been developed in connection with our auditors and the Queens College Foundation Board of Directors (the “Board”). The Board may review these policies and procedures periodically and can make changes as deemed necessary.

DONATIONS

The Foundation accepts unrestricted, temporarily restricted and permanently restricted donations which are credited to a specific program within the Foundation. It could be an established program or if needed, a new program can be created to meet the donor’s designation (see below for creation of new program).

Unrestricted Donations – unrestricted donations can be used as needed by the College. It can include donations for greatest need by particular departments or for general operations.

Temporarily Restricted Donations - these types of donations are specifically restricted to use or time by the donor. Examples of restricted donations would include, but are not limited to, scholarships, academic programs, lectureships or professorships.

Permanently Restricted Donations (Endowments) -these are donations that are to be invested in perpetuity and not spent. Generally, the income earned on the investment is the spendable portion. The earnings can be either unrestricted or restricted according to the donor’s specifications. In order to establish an endowment fund, as determined by CUNY, a donor must contribute at least \$25,000. Other examples include \$75,000 for lectureships, \$750,000 for named professorships, \$1.5 million for named Chairs and \$2.5 million for named centers and institutes and named buildings. Naming opportunities are determined by CUNY and are subject to change.

Donations may be made by cash, checks, credit cards, securities, insurance, gift annuities, real estate or personal property. Donations are to be delivered to the Office of Institutional Advancement at Queens College (Office of IA). Specifications of the donation are entered into the College’s database (Raiser’s Edge, “RE”) and then the transmittal (which identifies the account that the funds should go into) and supporting documentation is delivered to the Foundation’s Controller’s Office for processing which includes depositing the funds. A monthly reconciliation between Office of IA and the Controller’s Office is performed to verify the completeness of the information between the two departments.

Wire transfers of cash donations are received into the Foundation's bank account. When the wire is received, the Controller's Office notifies the Office of IA, and the Office of IA enters information as noted above.

Donations of securities should be transferred from donor's brokerage account to the Foundation's brokerage account. Please call the Office of IA for specific instructions and required information. Donated securities should be supplemented with written correspondence including donor name and purpose of donation.

Donations of insurance, real estate, tangible property, gifts-in-kind and charitable gift annuities must be approved by the Foundation's Executive Director and/or the College President. Please notify the Office of IA of any potential donations like these.

Newly received temporarily restricted donations are charged a one-time 7.5% administration fee.

Endowment funds have a targeted yearly rate of return. The Foundation's Board of Directors approves an annual spend rate based upon the expected rate of return. The spend rate is applied to the balance of the endowment received after 2011. The yearly spend rate historically has been between 3 and 4%. In addition, a yearly administrative fee of 1% is charged on the endowment balance received after 2011.

When a donor makes a pledge (single payment or installments), the donation is recorded at the full value. This information is given to the Controller's Office to be recorded as a pledge receivable for the applicable program.

ESTABLISHMENT OF NEW PROGRAM

If there is a need to create a new program account, please contact the Office of IA. The following information is needed:

- Project Name
- Purposes/Restrictions
- Name of Signatories:
 - Department Chair/Project Director
 - Project Supervisor
 - Additional Signatory

Once the information has been received and approved by the Office of IA, the Controller's Office will be notified and will assign the project account number. Signature cards will be sent to the authorized signers to be returned completed to the Controller's Office and will be kept on file. If there is a change of signatory, the Controller's Office must be notified promptly.

ACCOUNTS PAYABLE

Accounts payable ("AP") is processed by the Foundation's accountants in the Controller's Office. Mail is opened and sorted daily.

All payment requests received by the Controller's Office are time stamped. The Controller's Office reviews all payment requests for completeness and adequate supporting documentation. Checks are

processed on Tuesdays and Thursdays. If the completed payment request and other required documentation (see below) are not received by the day before, the request will have to wait for the next check run.

The turnaround time from receipt of the payment request by the Controller's Office to mailing out/delivering the check to someone, is 5-10 days, depending on volume.

Rush checks will only be issued if it can be demonstrated that services will be cut off or some other dire situation will occur if the check is not processed in the normal course of business. A memo describing the situation, signed off by the department chair, is required in order to rush a check.

In order to process a payment, a completed payment request is needed along with supporting documentation such as a vendor invoice (hard copies only).

The payment request must have the following completed:

- date
- division name
- department name
- QCF program number
- payee name and address
- description of and reason for expense
- amount
- requester and approver signature (both must be completed and cannot be the same person).

The approver must be a person designated as the authorized signer on the signature card of the program being utilized. The requester does not have to be an authorized signer of the program. If the payment request is over \$5,000, two approving authorized signatures are required.

In addition to the payment request, sufficient supporting documentation in accordance with IRS regulations must be provided. Examples of supporting documentation are, but not limited to, the following:

- Purchases of supplies, etc. - Invoice from vendor
- Catering – Invoice from vendor (Chartwells), documentation of events (i.e. flyer, invitation, etc.), list of attendees
- Payment for Services (Independent Contractors) – purpose, signed agreement/contract stating expected time frame/hours and rate, calculation of amount (i.e. # of hours x \$/hour). NOTE: These payments should be **paid directly to the Independent Contractor** from the Foundation in order to properly track for IRS 1099 reporting purposes. **No one should personally pay the provider then ask for reimbursement.**
- Reimbursable expenses:
 - Conference – purpose, registration notice showing payment
 - Travel – purpose, hotel reservation showing payment, support of miles driven, airline confirmation and itinerary

- Business meeting Food/Meals – purpose, itemized receipts showing payments, list of attendees, date
 - Personal meals during overnight travel – reason, itemized receipt showing payment (note: meal expense incurred while traveling for the day is not reimbursable)
 - Interviews – Job posting information , receipts showing payment
- Awards – QC Student ID # and W-9
- Scholarships/Fellowships – QC Student ID # (see below for more details regarding these expenditures)

- NOTES:
1. All vendor/credit card receipts should be taped to an 8 ½ x 11 inch piece of paper (unless already that size).
 2. Vendor receipts should provide description of purchase, show payment was made, total amount and date. Submission of credit card receipts that do not provide this information is not acceptable alone. Vendor receipts will also be needed.
 3. If asking for reimbursement of business meals, in addition to above, receipt should show specific food and beverage. Alcohol, generally, will not be reimbursed.
 4. When making purchases, please ask vendor if they will exempt the purchase from taxes since the Foundation is a not-for-profit. The Foundation has a tax exempt certificate that can be given to the vendor for support of the exempt status.
 5. Use of per diem rates is not an allowable form of reimbursement. Expenses must be actual expenses.
 6. Before buying plane tickets, please check at least three airlines to ensure that the ones being purchased are the least expensive possible. If requesting reimbursement for a plane ticket which includes personal travel to a city different than the work-related city, please provide information showing that the ticket cost either less than or equal to the amount you would have paid if you were have gone directly to the work-related city.
 7. Seats should be economy/coach only. If airline seat upgrades are required because of a medical condition, a doctor’s note should be provided to the Controller’s Office.
 8. All computers (including ipads), computer accessories, and equipment over \$5,000, must be tagged by the College’s Property Management department and entered into the inventory system for tracking purposes. Proof of tagging will be required before payment is processed by the Foundation.

If the vendor is new, a completed W-9 must be submitted along with the payment request. The W-9’s are filed in the Controller’s Office. It is the responsibility of the requester to obtain a completed W-9 from all new vendors and include it with the payment request.

Checks cannot be made payable to “cash” or “petty cash”.

Gift cards are not allowable in most situations. They should not be purchased for either employees or students. They should not be given for stipends, awards or any type of payment for services provided. If you have an instance where you believe gift cards are needed, please contact the Controller’s Office before purchasing.

Costs incurred in connection with personal recognition events such as retirements (unless associated with a fundraising event), farewell parties, birthdays, weddings, baby showers and other similar events, are considered social functions and are not allowable business expenses.

Vendors can be paid via wire transfer in certain situations. The same procedures as the above must be followed by the requester.

If a check is deemed to be stale, lost or incorrect payee name, please complete the **Check Reissuance Form** and submit to the Controller's Office along with the original check, if stale dated. The Controller's Office will also have to instruct the bank to issue a stop payment on the check. The Controller's Office will consider a check lost if the address on the check is correct and it has been four weeks since issuance. If the address is incorrect, we will immediately put a stop payment on the check and reissue.

SPECIFIC PAYMENTS

Scholarships/Fellowships - A scholarship is generally an amount given to a student at an educational institution to aid in the pursuit of studies. The student may be either an undergraduate or a graduate. A fellowship is generally an amount given to an individual for the purpose of study or research and often will include an internship or other service commitment.

A scholarship or fellowship is tax free only if the individual is a candidate for a degree at an eligible educational institution, and the scholarship or fellowship is used to pay for qualified education expenses such as tuition, fees, books, supplies, and equipment that are required for the courses at the eligible educational institution.

When requesting payment of a scholarship or fellowship, in addition to the required documents noted above, please provide the student(s) CUNY ID number.

Please be advised that all scholarships, regardless of amount, must be wired to CUNY Financial Aid Revenue. If the student has an outstanding balance, the scholarship will be applied and the balance, if any, will be given to the student. If there is no balance, the Bursar will send a check to the student for the total amount of the scholarship.

Honoraria & Stipends – Honoraria is a payment given to a professional or famous person for services for which fees are not legally or traditionally required. For example, guest speakers who visit the college may not require a fee, but the department may wish to provide a token payment as a form of appreciation for the services the guest provides. A stipend is a fixed, regular payment for services. An example of a stipend is payment to a college assistant helping a professor.

Both of these expenditure types are taxable to the recipient. In addition to the completed payment request, an invoice from the recipient noting the service, the service date, and cost should be provided in order for these to be paid, and if possible, a contract signed by both parties.

Fund Transfer between Project Accounts - Transfers between projects should be authorized in writing by the signatory on file, describing the purpose of the transfer. If there's a change of fund allocation, a memo is also needed.

PETTY CASH

Petty cash is held only by a few departments that, in the past, had shown a need for readily available cash in order to support their operations. We no longer approve new petty cash accounts.

Petty cash expenses should be for smaller items needed quickly such as coffee and donuts for a breakfast meeting, emergency office supplies, cab fare for local travel, etc. It should not be for large items that can be purchased using a credit card or for professional services, student loans, etc.

A petty cash log shall be maintained showing the original balance, less expenditures, arriving at the current balance. Each expense will require the specific budget line item to be charged. Once the petty cash balance has been reduced to a low level, a request for reimbursement is required to bring the balance back to the original amount. The log, along with completed payment request and related receipts, should be submitted as support.

When using petty cash, please use the standard voucher form that identifies date, purpose, amount, signature of individual requesting the funds, and an approval signature. When the purchase is made, the receipt should be remitted back to the person responsible for maintaining the petty cash and submitted when petty cash reimbursement is required.

Monthly, the petty cash should be reconciled to ensure all cash and receipts are on hand (see bottom of the petty cash log).

It is the responsibility of the petty cash custodian to ensure that the petty cash fund is locked at all times.

TRANSACTIONS WITH COLLEGE ENTITIES

In order to make a transfer of funds to an entity within the college, specifically from a grant or contribution received by the Foundation for the benefit of that entity, the following must be provided:

- a. Payment Request with appropriate approvals
- b. Supporting documentation of expenditures made related to the contribution's/grant's purpose which total at least the amount of the amount requested. If the supporting documentation is held by the College's accounting department, please provide a listing of these expenditures with the date of expenditure, name of vendor, purpose and amount. The actual vendor invoices, etc., are not required for this type of reimbursement. The College may need to provide supporting documentation for these payments when specifically asked by the Foundation.

YEAR END AUDIT PROCEDURES

Every year the Foundation has an independent audit of the financial information in mid-August. In preparation of the audit, certain year-end procedures need to be followed. A memo will be sent out prior to year-end detailing these year-end procedures in detail – see FY17 year-end memo.