

WILKES UNIVERSITY

Budget Manager Guidelines for Gift Spending

Page 1 of 2

PURPOSE-RESTRICTED GIFTS

For questions on gifts received, please contact:

Development Office - for any questions regarding the donor's intentions.

Finance Office- to obtain the FOAP and available balance in order to access the gift funds.

GENERAL DEPARTMENT-PURPOSE GIFTS: In the case of gifts that are restricted to certain departments but are general in nature: Unless specified otherwise, it generally will be assumed that the intent of the departmental gift is to be budget-enhancing; however, the guidelines below are built on the expectation that a donor giving such a gift intends that it be utilized toward current needs of the department rather than saved indefinitely.

- For individual GENERAL DEPARTMENT-PURPOSE GIFTS with an amount of \$3000 or less, the gift will be posted in the main operating fund of the department*. On a monthly basis, the Finance Office will increase the operating budget incrementally by the amount of any gifts received that month. Gift income available for spending will be added to the discretionary line. It is the budget manager's responsibility to review their discretionary budget to determine if any funds have been added for spending. If the budget manager is unable to use the incremental funds in the year received and needs to request a rollover, they may do so; however, the funds will be rolled into a capital account and may only be used toward capital purchases unless a spending plan is presented in advance to the Finance office. General department-designated gift funds will not be rolled over if the department has exceeded its overall operating budget, as the gifts will be deemed to have been used toward the department's excess expenses.

**Exceptions include Colonel Club, Agency (fiduciary) funds, Capital Project funds, and Student Government Club donations, which will increase the balance of the respective Colonel Club, Agency (fiduciary) fund, Capital Project fund, or Student Government Club fund.*

- Individual gifts exceeding \$3000 will be assigned a separate designated fund outside of the operating fund. If funds are not used in the year received, a detailed spending plan is required to be submitted annually to the Finance office unless the funds are to be used for capital expenses. If a general department-purpose gift exceeds \$50,000, the department has the option to petition the Board to establish as quasi-endowment for departmental or scholarship use. The Department should contact the Finance Office with notification of this intention, and the Finance Office will assess the request and assist with the next steps.

Gifts specified to be for department equipment will be posted to the department's lab fee capital rollover fund.

In all cases, pledges will not be considered available for spending until the funds are received.

Examples:

- ✓ A gift is received from a donor specifying the intent is to fund a specific research project in the amount of \$2500. The research project is likely not within the scope of the normal operating budget, and likely would not take place without the gift, and the cost may span into the next fiscal year. Therefore a new temporarily restricted fund would be set up for this gift and funds will roll over from year to year until the intended purpose has been satisfied and the funds spent. Operating funds should not be spent on this project until the restricted funds are exhausted.

- ✓ A gift is received from a donor in the amount of \$300 specifying "Library". Since the library is part of normal university budgeted operations, a separate fund would not be established. The gift would be recorded in the operating fund in the library organization number, in order to demonstrate that the gift has supported the operations of the library, and an entry will be made by the finance department to increase the department's discretionary spending budget.

- ✓ A gift is received for \$15,000 for "engineering department". Due to the sizeable amount of the gift, the engineering department may decide to use the gift to purchase certain capital equipment. They do not intend to purchase this equipment until the next fiscal year. In this case, the gift would be placed in the department's capital rollover account until these funds are used. If the department later decides not to buy equipment but to use these funds for another purpose, a spending plan must be submitted in advance to the Finance Department .