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**Change in Process for Disbursement of Foundation Spendable Funds**

**I. Overview**

The following procedures will outline the roles and processes for the disbursement of funds by Kent State University (KSU) and the Kent State University Foundation (Foundation). In prior years, both organizations have operated Accounts Payable functions and made payments directly to payees. In order to simplify the disbursements process, KSU will become the sole Accounts Payable function for the university community. The Foundation will not issue payments to payees other than KSU, with minor exceptions. The role of the Foundation will be to provide funding directly to a unit of KSU subject to the availability of donor funds.

The two organizations have jointly developed this simplified process that will generally require a single submission of documents for disbursement. As noted, there are some limited exceptions where the Foundation will make payments directly to payees other than KSU.

**II. Role of KSU**

KSU will continue operating under all of its existing policies and procedures related to the disbursement function. These procedural changes do not alter any existing KSU policies. All requests for payments, under the university’s purchase order thresholds, to payees other than KSU must be submitted to the KSU Accounts Payable Department using a ***Check Request Form***. Check Requests which are submitted to Accounts Payable must be complete and will be evaluated in accordance with existing KSU policies including any applicable accounting requirements. One exception is for the payment of alcohol expenditures. A request to fund alcohol must be submitted directly to the Foundation for consideration.

For expenditures that cannot be paid under KSU’s policies, the process to request consideration of payment from the Foundation has been streamlined. **The KSU Check Request Form has been modified to include an area requesting that items not permitted under KSU policies, except for alcohol, be forwarded to the Foundation for consideration under Section D of the Foundation’s operating policy for Disbursements from Spendable Funds.** As long as the Foundation fund administrator completes this area on the Check Request, KSU will forward the unpaid Check Request directly to the Foundation for consideration of payment. Fund administrators will not be required to submit a separate Fund Request Form to the Foundation in these cases.

**III. Role of the Foundation**

The Foundation administers two types of spendable funds. These funds are available for immediate use in supporting KSU and are either Discretionary or Donor Restricted. A Discretionary Fund is designated by donors for support of a unit (who) of KSU and does not specify the type of expenditures for which it can be used. Donor Restricted Funds have been received from a donor for a specific type (what) of support.

**Funding from a spendable fund may be obtained in one of two ways**:

1. *A request forwarded by the KSU Accounts Payable Department described above.*
2. *A direct request to the Foundation using a* ***Funding Request Form****.*

**A Funding Request may be submitted to the Foundation for three purposes**.

*1. Funding from a* ***Discretionary*** *fund to a KSU index:*

The new process continues to permit the transfer of Discretionary Funds at any time, to a related KSU index for an amount up to the fund balance. This purpose requires no documentation other than the completed and approved Funding Request Form payable to KSU.

*2. Funding from a* ***Donor Restricted*** *fund to a KSU index:*

Donor Restricted Funds can be transferred to KSU via a Funding Request Form for items paid through the KSU Accounts Payable Department. The Funding Request Form must be supported by a copy of the Check Request Form, but not the supporting documentation, submitted to Accounts Payable for payment. The Funding Request must be payable to the KSU index on which the KSU Check Request was drawn.

 *3. Funding for* ***alcohol*** *meeting the requirements of Section D:*

Under the new process, requests for alcohol to any payee should be submitted directly to the Foundation using a Funding Request Form. The Funding Request should include documentation sufficient to support the payment.

**IV. Conclusion**

We hope that this document has clarified the roles and processes for disbursement of funds by Kent State University and the associated funding by the Kent State University Foundation.  If you have further questions please contact the KSU Accounts Payable Department at 2-2607 (payments@kent.edu) or Mike Strebler at the Foundation 2-0432 (mstreble@kent.edu).