

## **FUND MANAGEMENT SERVICE POLICY**

The Citrus College Foundation, in an effort to serve the Citrus College campus clubs, departments and organizations in managing funds for scholarships and other purposes to promote education, established this Fund Management Service Policy.

### **TYPES OF ACCOUNTS**

The Foundation maintains its assets in one of three portfolios for investment and accounting purposes:

#### **Portfolio I: Pass-through Accounts**

These are accounts that have regular and frequent activity with respect to deposits and check writing. The funds are available upon request with completion of the appropriate signed check request form. The funds are maintained in a checking account and a linked money market account. These accounts require significant time and attention from the Foundation office staff and the college's Business Office because of the frequent activity on them. These are non interest-bearing accounts.

#### **Portfolio II: Designated Accounts**

These accounts are designated by donors for specific programs or purposes. Donations are deposited into them as they are received. Checks are written at a given time during the semester for such things as scholarships or particular types of program support. These funds are invested in 6-12 month ladder certificates of deposit or treasury bills, or similar short-term investments. Earnings are credited to these accounts proportionately based upon the amount of principal in each account. These funds are available upon maturity of the particular investment.

#### **Portfolio III: Endowments**

These accounts are endowed meaning that the endowed portion may never be spent. These accounts are invested in long-term investments, such as stock equities and bonds. Earnings are credited to each account according to the amount of principal endowed and any previously unspent earnings on the individual endowment. A portion of the earnings of these accounts becomes available to support the respective endowments in accordance with the directions specified by the donor of the endowment. The Foundation's Spending Policy sets forth guidelines for determining how much of the earnings of the endowments may be spent where the donor has not specified this.

### **GENERAL POLICIES**

- 1.1. Upon the establishment of any fund, a signature card will be completed and kept on file in the Foundation Office.
- 1.2. A minimum of two and a maximum of three signatories may be established for a fund. Any one of the signatories may request money from the established fund.
- 1.3. All requests for money from any specific fund will be made by completing a Request for Check form in the Foundation Office.

- 1.4. Check requests must be received by the Foundation Office a minimum of three working days before checks will be issued.
- 1.5. The Foundation will invest all funds and will pay interest back to each fund once a year on the basis of the type of account portfolio in which the funds are maintained and the average balance of the fund.
- 1.6. Each fund will be assessed an annual service fee equal to one percent of the fund's average daily balance. This fee will be deducted from each fund's interest earnings. Funds maintained in Portfolio I will not pay this fee because they are not interest earning.
- 1.7. Quarterly reports are available in the Foundation Office which gives information on every Foundation account. Reports are available by the 20th of the month following the end of a quarter.
- 1.8. Any requests for transactions for organizations and groups who have accounts with the Foundation must be made in writing using the appropriate forms.

#### **FUND RAISING ACTIVITIES ASSOCIATED WITH FOUNDATION ACCOUNTS**

- 2.1. All fund-raising activities conducted by organizations whose funds are held by the Foundation must meet the legal standards for nonprofit fund-raising events.
- 2.2. Activities conducted to raise funds held by the Foundation should have carefully thought out plans. Such plans should be filed with the Foundation Office on a Fund-raising Activity Request Form.
- 2.3. The Foundation will provide the club, organization or department for which the Foundation holds funds with numbered receipt cards. All incoming funds collected by these groups should be reflected on the receipt cards and the duplicated copy sent with the funds to the Foundation Office.
- 2.4. Donors contributing to these fund-raising events will be thanked by the organization planning the event. The organization or department will provide the Foundation Office with the names and addresses and description of the donation made, and the Foundation Office will send the official thank you letter with the proper wording that may be used by the donor for tax purposes.
- 2.5. The Foundation's tax-exempt number will be made available to donor's who request it.

Adopted: September 1991

Revised: December 1998

Approved by Foundation: April 26, 1999