

TRINITY INTERNATIONAL UNIVERSITY

TIU POLICY: **Restricted Funds Administration Policy**

TIU POLICY #: **P-504**

STATUS: **Approved, February 2015**

I. PURPOSE:

The purpose of this policy is to ensure that Trinity International University (University) exercises proper stewardship, accountability and compliance with regard to donor restricted contributions.

II. SCOPE:

All contributed funds or gifted property that is designated by a donor as having a temporary (defined by either time restriction or purpose) or permanent restriction as to the usage of the contributed funds.

III. POLICY:

A. Coordination with Other University Policies

Review and compliance with this policy should be coordinated with the following:

1. Gift Acceptance Policy - This policy establishes the Gift Acceptance Committee. This committee is charged with the responsibility of setting policy for receiving charitable contributions, properly reviewing any potential restricted contributions, and making recommendations to the President on acceptance when appropriate.
2. Scholarship Policy - This document articulates policy for the acceptance and disbursement of endowed and non-endowed scholarships and awards.

B. Documentation of Donor Intent Concerning Restricted Funds

University Advancement will receipt donor funds into the appropriate restriction designation (unrestricted, temporary, or permanent).

When material, and as may be determined by the Gift Acceptance Committee, a formal gift agreement should be executed prior to the acceptance of donor restricted funds.

Any donor amendment(s) or modification(s) as to the intended use of previously restricted funds should have express (written) support prior to any adjustment being made to the accounting records of the University. Any such amendments are only allowable for funds yet to be disbursed according to their purpose. The University is not bound to retroactive treatment or “reclassification” of funds previously disbursed.

C. Restricted Funds Treasury and Investment Management

The University Investment Policy governs the investment of funds given to the University’s endowment or other major initiatives (e.g. capital campaigns).

Donor-restricted funds that are given towards non-endowed operating initiatives (e.g. CBHD and HCTU), may be comingled with other University operating funds, provided that such funds are reasonably expected to be utilized within one year or the University’s next operating budget cycle, whichever is longer.

Expenditures of donor funds which are expected to be beyond the above time frame should be segregated into a separately managed bank or investment account.

D. Tracking, Utilization and Subsequent Release of Funds from Restriction

Proper utilization of donor-restricted funds will be monitored by University Advancement. In coordination with this, the Business Office will track restricted fund balances, and record any “release from restriction” amount. The Business Office tracking function will include, but is not limited to, the following:

1. Regular, periodic reconciliation of gift income;
2. Regular, periodic reconciliation and roll-forward of net asset balances (classified as either temporarily or permanently restricted);
3. Regular, periodic reporting to University Advancement of restricted net asset balances and composition.