

Date: February 5, 2003

To: Deans, Directors and Chairs

From: Lindy Eakin
Vice Provost for Administration and Finance

Re: Clarification of Appropriate Use of KUEA Accounts

For the past several years the Provost Office, the Comptrollers Office and the Endowment Association (KUEA) have been working to clarify responsibilities in cases that involve the deposit of funds. In addition, we have been working to identify appropriate activities to be handled by KUEA or the University. This memo is intended to address some of those issues and communicate appropriate procedures for units on campus.

The purpose of KUEA is to accept privately contributed donations on behalf of the University. Where activities are clearly a part of the University's operation, then deposits and payments associated with those activities are required to be made through University accounts (on deposit with the state treasurer). These transactions almost always will be handled through restricted fee income/expenditure accounts (700 funds) on campus.

Conference and registration fees should always be handled through the University, not the Endowment Association. In fact, conferences preferably should be run through Continuing Education. Charitable contributions to help support the conference may be deposited at KUEA, but any conference fees for attendance, meals, etc., should be deposited in a University account.

Funds collected specifically to pay for expenses related to departmental staff retirement dinners should not be deposited in KUEA or in your 700 funds. These retirement dinner funds need to be handled privately.

Funds collected from the sale of items to the public should be deposited in your departmental 700 funds. All such activities also need approval from the Provost Office.

Events put on by university schools with the specific goals of developing alumni for future fundraising or events that are intended to raise scholarship funds for the school should be coordinated with KUEA and could be handled through your KUEA account.

The University has a great deal of flexibility in using restricted fee accounts, although there are restrictions as the name implies. The main restriction is that the purpose for which funds are collected is the purpose for which they are used. In addition, all State regulations regarding the expenditure of funds apply to restricted fees.

Either Diane Goddard, the Comptroller, or I would be glad to consult with you about this issue or any activities or transactions you now engage in or might be contemplating. Thank you for your assistance.

Cc: Clark Cropp, Senior Vice-President for Administration, KUEA
Theresa Klinkenberg, Chief Business and Financial Planning Officer
Diane Goddard, Assistant Vice Provost and Comptroller
Dennis Moss, University Director, Internal Audit