

# Financial Services Manual (FIN)

## FIN 301–02: Deposits—ASU-Approved, Financially Related Organizations

Effective: 10/1/1997

Revised: 7/1/2022

### Purpose

To properly collect and deposit the receipts of and properly expend funds in ASU-approved, financially related organizations

### Sources

*Arizona Board of Regents Policy Manual - 3-101*

University policy

### Applicability

Approved financially related organizations are the:

1. ASU Enterprise Partners (includes ASU Foundation)
2. ASU Alumni Association
3. ASU Research Park
4. Sun Angel Foundation
5. Arizona Capital Facilities Financial Corporation
6. ASU Preparatory Academy
7. Thunderbird School of Global Management
8. ASU Athletic Facilities District
9. Bermuda Institute of Ocean Sciences

and University-affiliated but not component units of the University:

10. Center for the Future of Arizona
11. Zocalo Public Square

### Policy

All solicitation material for gifts must:

1. Be preapproved, before printing, by the ASU Foundation’s manager of Finance Administration (480/965-7252) to ensure that the wording is relative to the deposit of the gifts, any benefits provided to the donor, and any tax deductibility of the gift is in compliance with ASU policy and IRS requirements.
2. Indicate the organization to which any gift received will be deposited, e.g., ASU, the ASU Foundation, or any one of the other financially related organizations. This must be clearly indicated in the solicitation material.
3. State that all checks are to be made payable to that organization, e.g., Arizona State University, the ASU Foundation, or any one of the other financially related organizations.

For fundraising events or activities where the net proceeds are to be deposited with the ASU Foundation or one of the other financially related organizations, the event or activity publicity and related materials must state the organization into which the funds will be deposited and that the checks must be made payable to that organization. This must be clearly indicated in all event or activity material.

For seminars, conferences, noncredit courses and other nonfundraising event or activity revenue to be deposited with the ASU Foundation or any other financially related organization, all event or activity publication material relating to this event or activity must state the organization into which the funds will be deposited and that the checks must be made payable to that organization. This must be clearly indicated in all material relating to this event or activity.

ASU tuition and similar fees for credit courses may only be deposited with ASU.

The revenue for a seminar, conference, or noncredit course may be deposited with either the ASU Cashiering Services Office, the ASU Foundation, or any other approved related organization. If deposited with the ASU Foundation or any other related organization, the registration material must clearly state the organization into which the funds will be deposited. If online credit card processing and authorization is desired, all of the fees for that seminar, conference, or noncredit course must be deposited with ASU. If credit cards are being accepted, but are not being processed and authorized online with the financial institution, the funds for the specific seminar, conference, or noncredit course can be deposited with either ASU or the ASU Foundation, depending on the organization identified in the registration material, with there being preference to the funds being deposited with ASU. Also see "Event or Activity Expenses" for the handling of direct expenses for any event or activity, which would include a seminar, conference, or noncredit course.

If checks belonging to the ASU Foundation or another ASU financially related organization are received but are not payable to that organization (e.g., the check is payable to ASU), the check must either be (1) deposited to an ASU account or (2) returned to the donor or payer with the request that a new check be issued payable to the ASU Foundation or the other financially related organization. An exception to this procedure is any check of \$5,000 or less, which may be deposited to the ASU Foundation or any other financially related organization if the event or activity material that indicated that the funds are intended for deposit to the ASU Foundation or any other financially related organization is attached to each deposit form for that organization when the deposit is being made to that organization.

By university policy, all accounts with the title of "Friends of," e.g., Friends of Geology, are reserved solely for the ASU Foundation. There may be no "Friends of" accounts at ASU or any other financially related organization. If the funds are intended for deposit to a "Friends of" account at the ASU Foundation, the solicitation or other event material may simply request that the checks be made payable to "Friends of XXX," as long as it is also clearly indicated in the event or activity material that the funds are being deposited with the ASU Foundation. Under these circumstances, all "Friends of" checks may be deposited without a copy of the event or activity material attached to the deposit form of the ASU Foundation.

## **ASU Excess Property**

Any ASU-owned property considered unnecessary by any ASU campus, college, or unit to its operation must only be disposed of through ASU Surplus Property. No excess equipment may be donated to any outside entity, including a charity. The funds from any sale of ASU excess property cannot be deposited with the ASU Foundation or any other financially related organization.

## **Event or Activity Expenses**

If the proceeds from an event or activity are deposited with the ASU Foundation, or any other financially related organization, all direct costs of the event or activity need to be funded by that organization. For example, if an ASU department sponsors a fundraising and/or an educational banquet and plans to deposit the proceeds in an ASU Foundation account, the direct costs need to be funded from that ASU Foundation account, not from any of the department's ASU accounts. If any funds are advanced from any of the department's ASU accounts, then that ASU

account must be reimbursed from the proceeds of the banquet. Direct costs of an activity include, for example, printing of invitations, postage, and meals. In regard to personnel costs, if faculty and professional-level personnel paid by ASU are assigned to any event or activity where the revenue is being deposited to the ASU Foundation or any other related organization, this personnel cost, including employer-related costs, on a reasonable prorated basis, is also to be reimbursed to ASU from the account at the ASU Foundation or the other related organization used to receive the proceeds of the event or activity. The cost reimbursement to ASU does not need to include, however, fixed overhead-type expenses, e.g., cost of space or administrative/secretarial support.

If rent is being charged by an ASU department to another ASU department for an event or activity, the rental proceeds received by the charging ASU department must be deposited into an ASU account and not into an account of any financially related organization, unless the facility or equipment being rented is owned by the financially related organization.

### **Sales Tax Collection and Remittance**

Proceeds from the sale of tangible personal property or subscriptions must be deposited with ASU if the transaction requires that the department collect and pay sales tax to the State of Arizona, unless the financially related organization is set up with the state to handle state tax collection and reporting. Proceeds from such sales cannot be deposited with the ASU Foundation or any other financially related organization not set up with the state to handle the sales tax reporting.

### **Use of Funds in ASU-Approved Financially Related Organizations by ASU Units for ASU Contracts, Purchases, and Transactions**

ASU departments must follow ASU procurement policies and procedures even when the related goods or services will be paid for with funds at an ASU-approved financially related organization if ASU is a party to the related contract, purchase, or other purchasing transaction. Any contract, purchase, or transaction over the informal competition amount threshold (see [PUR 201-02](#), "Purchases Not Requiring a Purchase Order," for the current threshold amount) must be signed or approved in writing by Purchasing and Business Services, even when the purchase is to be paid for with funds on deposit at an ASU-approved financially related organization.

Purchases that require a purchase order to be issued, or that are being paid for with an ASU-issued Purchasing Card, must be paid from ASU operating accounts, with the funding being transferred from the ASU-approved financially related organization to ASU in a timely manner. ASU accounts are not to be deficit if related funding is available in an ASU financially related organization. Purchasing and Business Services' standard practices will be used to determine if a purchase order is required.

When requested and approved by ASU, the financially related entity may enter into a contract with a third party to purchase goods and services for the benefit of ASU using the financially related entity's funds. These transactions will be in the name of the financially related entity and ASU. The contract will be executed by a person authorized to sign on behalf of the financially related entity. The ASU request and approval must be in writing and signed by an ASU employee who is authorized to direct the disbursement of funds from a financially related entity account. The financially related entity will be obligated to perform the contract and liable for a breach of the contract and for any claims arising out of the activities under the contract. The financially related entity will enforce the obligations of the other party under the contract, for example, a failure to perform or breach of warranty. The financially related entity will include in the contract a provision that ASU is not a party to the contract and ASU has no obligation or liability relating to the contract.