

Financial Services Manual (FIN)

FIN 401–04: ASU Foundation Transactions

Effective: 10/1/1997

Revised: 7/1/2019

Purpose

To provide information regarding ASU Foundation disbursement transactions

Source

University and ASU Foundation policy

Policy

Prohibited Transactions

Many ASU departments have various accounts with the ASU Foundation from which they make disbursements. The following disbursements cannot be made from an ASU Foundation account:

1. Payments cannot be made to ASU faculty, staff, or students for services rendered to ASU. ASU faculty, staff, and students may be reimbursed for out-of-pocket costs from ASU Foundation accounts, with the exception of moving expenses. The costs being reimbursed must be appropriate to the purpose of the account. An original vendor receipt for the item being reimbursed must be provided to the ASU Foundation. The only exception is a case in which both the ASU Foundation and ASU are reimbursing separate portions of a purchase. In this case, the original receipt and documents are to be provided to ASU with copies to the ASU Foundation.
2. Payments cannot be made directly to students for scholarships except for awards and prizes of a nominal amount, a monetary award of \$25 or less, or a non-monetary award (e.g., plaque, pen, clothing) of \$100 or less. Funds may be transferred from an ASU Foundation account to an ASU scholarship fund.
3. Payments cannot be made to independent contractors who are nonresident aliens. Independent contractor payments can be made to U.S. citizens.
4. Payments cannot be made if use tax is owed on the transaction. This includes material and supplies from out-of-state vendors when sales tax has not been charged by the vendor. Also, payments cannot be made by the ASU Foundation if there are any other potential tax issues with the payment.
5. Payments cannot be made if the payment is to an entity located in a foreign country or involves conversion to foreign currency.
6. Sales cannot be made by the ASU Foundation or an ASU department where the sales proceeds are deposited directly to the ASU Foundation, where a sales tax liability occurs. See [FIN 108](#).
7. Due to legal restrictions, the ASU Foundation cannot lend funds to ASU or any ASU department. Lease-purchase financing may be available for equipment purchases.
8. Travel advances.

With the exception of item 7, these prohibited transactions may be paid from an ASU account. Funds can be transferred from an ASU Foundation account to an ASU account to fund these disbursements if necessary. To request the transfer of funds, a properly approved Foundation Request for Disbursement form requesting payment to ASU local accounts must be submitted to the ASU Foundation. The ASU Foundation deposits the funds to the ASU account through Cashiering Services.

Capital Equipment Purchases

Capital equipment purchases may be paid from either an ASU or an ASU Foundation account. The cost of capital equipment charged to an ASU account, however, may not be reimbursed from an ASU Foundation account. It is, however, appropriate to transfer funds from the ASU Foundation to ASU for capital equipment purchases as long as the transfer is recorded in the Financial Management System as gift revenue and not as capital equipment expense reimbursement.

For capital equipment purchased from an ASU Foundation account, a list is forwarded to Property Control for recording as a gift-in-kind on the university accounting system and as a university asset in the property accounting system.

Event Expenses

If the proceeds from an event are deposited into an ASU Foundation account, all direct costs of the event should be funded by that ASU Foundation account. (See [FIN 301-02](#), “Deposits—ASU-Approved, Financially Related Organizations,” for requirements that must be met to deposit proceeds from an ASU-sponsored event with the ASU Foundation.) For example, if an ASU department sponsors a fund-raising and/or an educational banquet and deposits the proceeds in an ASU Foundation account, the direct costs of the event should be funded from the ASU Foundation account, not the department’s ASU account. Direct costs of an event include, for example, printing invitations, postage, and meals. Direct costs may be paid initially through an ASU account; however, these costs, including the ASU administrative service charge, must be repaid from the ASU Foundation account receiving the proceeds from the event.