



**MINUTES OF THE
DONOR ACCOUNTABILITY COMMITTEE
INAUGURAL MEETING**

**April 7, 2017
2:30 P.M.**

**Humboldt State University
Nelson Hall West 213**

Present:

Gary Blatnick (via ZOOM)
Mark Hemphill-Haley
Craig Wruck

Absent:

Guests:

Duncan Robins
Lola Alto

The Advancement Foundation Donor Accountability Committee meeting was held on Friday, April 7, 2017, at 2:30 P.M. at Humboldt State University Conference Room NHW 213.

1. Call to order

The inaugural meeting was called to order at 2:35 PM by Committee Chair Gary Blatnick.

2. Visitor comments

There were no visitor comments.

3. Committee Roles and Responsibilities

Chair Gary Blatnick welcomed the group and noted that the Donor Accountability Committees will focus on the Foundation's responsibility to its donors. He suggested that the Committee will serve as the voice of the donor and the conscience of the Foundation to ensure that the donor intent is met.

The Committee discussed ways to enhance reporting to donors and the need to educate the campus and those responsible for the use of charitable contributions as to their oversight responsibilities and their obligation to ensure that contributed funds are used as donors intended. Executive Director Craig Wruck noted that Federal and State laws provide the minimum required standards and that enhanced donor accountability will build donor trust.

Wruck reminded the Committee that the Board of Directors requested each committee to develop a statement of its roles and responsibilities for consideration by the Board at its next meeting. He presented a draft for the Committee's consideration.

After discussion, it was agreed that a revised draft would be posted for further input by Committee members and that the consensus document will be presented to the Board of Directors.

4. Guidelines Regarding Charitable Purposes

The committee discussed issues involving the discretionary use of donor designated funds (temporarily restricted funds) to pay for expenses that cannot be paid for from State funds including hospitality expenses such as meals, small personal gifts including condolence flowers and gift cards which can be used as cash. Although the use of charitable funds for such purposes is governed by Federal and State laws, as well as policies and procedures of both the California State University and Humboldt State University, there is nevertheless significant discretion as to specific expenditures.

Federal tax law requires that Foundation funds be used only for "charitable purposes" and restricts expenditures that provide private benefit to an individual. Compliance with these laws and regulations is essential in order to maintain the Foundation's tax-exempt status and the donor's charitable contribution deduction.

Wruck reported that authority to expend Foundation funds is delegated to various University employees. Foundation policy makes these "signing authorities" responsible for ensuring that expenditure is in keeping with the purpose and allowable expenditures of the account and for ensuring that donor intent is honored. A CSU internal audit last fall identified weaknesses in the University's control of Foundation discretionary funds. In response the Foundation has begun issuing regular written reminders to signing authorities making them aware of their responsibilities. Wruck noted the need for continuing education to ensure proper use of donor funds.

The Committee suggested highlighting the importance of donor intent when using discretionary funds. Staff will develop suggested guidelines for the use of discretionary funds for consideration by the Committee.

The Committee discussed the expenditure of donor funds for condolence items. Campus practice has been inconsistent as to the use of donor funds for such purposes. It was suggested that staff explore creation of a specific fund dedicated to building a culture of caring for condolence purposes, perhaps in collaboration with the Staff Council or Human Resources.

The meeting was adjourned at 3:32 PM