



CENTRAL

**CCSU
FOUNDATION**

POLICIES & PROCEDURES

Adopted by the CCSU Foundation, Inc. Board of Directors

September 12, 2025

The CCSU Foundation, Inc.
Policy and Procedures Manual

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Exhibits

All Foundation forms are available on the Foundation's website: www.ccsu.edu/foundation

- A. Deed of a Gift Form: <https://www.ccsu.edu/sites/default/files/2025-08/Deed%20of%20Gift%20%28CCSU%20Foundation%29.pdf>
- B. Investment Policy: [PDF attached](#)
- C. Custodial Fee Policy: [PDF attached](#)
- D. Foundation Expense Reimbursement Policy:
<https://www.ccsu.edu/sites/default/files/2025-01/Expense%20Reimbursement%20Policy.pdf>
- E. Foundation Disbursement Order Form:
<https://cscu.hylandcloud.com/cscuAppNet/UnityForm.aspx?d1=ARyXfQBagCEiPBqA59TOBeygfY6bTE1GoTDMfZGL8RT68khkktrQMxa1r8CyV1As5%2b4gKz6OxRfDY528sDmbm2yyhM%2fb8t0g8WFCJhkOeAspf4pBChaQmtrWGjgAke%2fr2CXUU9blgjyssSHROTXbl7ndFOcPoHVVHYRTIJMZow%2fEqR4GyYuTRAP0jxKS7FlH0qsCRPZ5a2E0djHA2j35g3E%3d>
- F. Foundation Personal Services Agreement:
<https://www.ccsu.edu/sites/default/files/2024-08/CCSU-Foundation-PSA.docx>

G. Foundation Transmittal Sheet:

[https://www.ccsu.edu/sites/default/files/document/Transmittal%20Sheet%202022.
xlsx](https://www.ccsu.edu/sites/default/files/document/Transmittal%20Sheet%202022.xlsx)



Policies and Procedures Manual

1.0 Overview

The CCSU Foundation, Inc. (the “Foundation”) serves as the dedicated philanthropic partner to Central Connecticut State University (University”), advancing its educational mission through the solicitation, investment, and stewardship of private support. Established to enhance the University’s ability to secure and manage charitable contributions, the Foundation operates as a separate legal entity with a clearly defined relationship to the University, governed by state law and a formal operating agreement. This section outlines the Foundation’s mission, structure, and legal framework to provide context for its policies and procedures.

1.1: Mission

As an eleemosynary organization, The Foundation, Inc. (the “Foundation”) was conceived with the principal intent of providing a vehicle through which Central Connecticut State University (“University”) could obtain and invest private contributions to support educational programs, scholarship, and critical needs for students. The overarching goal of the Foundation is to develop the University’s capacity and effectiveness in attracting gift support, and to serve as the principal source of leadership, guidance, and direct assistance in achieving fund-raising goals and objectives. The Foundation is the single and sole philanthropic repository of gifts to the University, and donors view the Foundation and the University as one and the same.

1.2: Role and Scope

The Foundation was created in 1971, at the request of the University, as a vehicle to obtain private contributions to support educational programs and research at the University. Incorporated under the laws of the State of Connecticut, the Foundation is governed by an independent Board which includes members of the faculty, the student body, alumni, and the general public. The University President is an ex-officio member of the Board.

The relationship between the University and the Foundation is subject to Sections 4-37e through 4-37j of the Connecticut General Statutes, which establishes requirements for operation of private foundations which exist to benefit public colleges and universities. This relationship is further defined in an agreement between the University and the Foundation.

The Foundation is a Connecticut nonstock corporation and not an entity of the State of Connecticut. The Foundation is not subject to Connecticut’s Freedom of Information Act, to routine inspection by the

Auditors of State Accounts, or to direct regulation by the State. The Foundation employs independent certified public accountants who conduct an annual audit. Copies of the annual audit are available for public inspection in the University Library.

The Foundation is exempt from tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”). It is classified as a public charity described in Code Sections 509(a)(1) and 170(b)(1)(A)(vi). Gifts to the Foundation are deductible in accordance with income tax law and subject to the donor’s individual circumstances.

2.0 Governance

The Foundation operates under a strong framework of governance designed to uphold its mission, ensure accountability, and promote transparency in all aspects of its operations. The Foundation’s governance structure – anchored by its Board of Directors –provides oversight, sets policy, and safeguards the Foundation’s integrity, fiduciary responsibilities, and alignment with University goals. This section outlines key governance principles and policies, including Board authority and the handling of potential conflicts of interest.

2.1: Board of Directors

The business and affairs of the Foundation are managed under the authority of its Board, and as authorized, by its committees. The Board has the power to do all things necessary or advisable to carry out the Foundation’s affairs in furtherance of its tax-exempt purposes as specified in its Certificate of Incorporation and Bylaws. As such, the content of this manual is subject to additions, changes or deletions by the Board, with or without notice, as the needs of the Foundation, the University, and/or applicable law may require.

2.2: Conflicts of Interest

The Foundation has committed itself to operating its activities in a manner that warrants trust and confidence. The Foundation acknowledges that situations may arise in which a director or officer may find that their interests are in conflict with those of the Foundation and/or that making the proper decision about a particular situation is difficult. It is the goal of the Foundation that all Board decisions are made absent a conflict of interest and that even the appearance of a conflict of interest be avoided. To accomplish this objective, the Board adopted a Conflict of Interest Policy, including an annual disclosure statement.

3.0. Charitable Giving Generally

Charitable giving is central to the mission and operations of the Foundation. The Foundation accepts gifts that align with its charitable purposes and comply with applicable laws and internal policies. This section outlines the general principles governing what constitutes a charitable gift, who may make such gifts, and how gifts may be designated and used.

3.1 Definition of a Donor

Under the Internal Revenue Code, a donor is any individual or entity that contributes directly to a qualified organization, such as the Foundation, or to its legal representative, either through an outright gift or a legally enforceable trust or similar arrangement established for the Foundation's benefit.

3.2 Definition of a Gift

For the purposes of this Manual, a gift is defined as a voluntary, irrevocable, and gratuitous transfer of assets to the Foundation. A gift may take the form of:

- Cash or cash equivalents;
- Marketable securities;
- Tangible or intangible property of value; or
- A legally executed instrument (e.g., fund agreement) that vests a present or future interest in the Foundation.

All gifts are subject to acceptance under the Foundation's Gift Acceptance Policy (See section 4.2).

3.3 Acceptable Sources of Gifts

The Foundation may accept gifts from a wide range of donors, including:

- Individuals
- Corporations and businesses
- Partnerships and limited liability companies (LLCs)
- Private, corporate, and community foundations
- Donor-advised funds (DAFs)
- Public charities
- Estates and trusts
- Other legally recognized entities

3.4 Designation and Use of Gifts

Gifts may be made:

- Unrestricted, for the general purposes of the Foundation;
- Designated, for the benefit of a particular University unit or program (subject to approval);
- Restricted, for a specific use or purpose outlined by the donor (also subject to approval).

Note: Donors may not designate a gift for the benefit of a specific individual.

4.0 Gift Acceptance by the Foundation

The Foundation is committed to responsibly stewarding charitable contributions that support the mission and priorities of the University. To that end, the Foundation evaluates all prospective gifts to ensure they align with its values, comply with applicable legal and ethical standards, and are administratively feasible to accept and manage. This section outlines the policies and procedures governing the acceptance, documentation, valuation, and stewardship of gifts, including criteria for accepting various types of assets and the circumstances under which gifts may be declined.

4.1: Evaluation of Offered Gifts

The Foundation in collaboration with the University will assess the desirability of gifts from potential donors and determine whether to accept a gift as offered. The Foundation may refuse gifts (including disclaiming an estate gift) that are offered for purposes that are inconsistent with the educational mission of the University, that are so narrowly restricted that effective use or administration – either immediately or over time – will be problematic, or gifts with restrictions that, in the judgment of the Foundation or the University, unlawfully discriminate in accordance with federal or state laws.

The following do not constitute gifts and will not be receipted or acknowledged as such:

- Federal, state, and municipal government grants and grants from foreign governments.
- A transfer for the benefit of a specific individual (e.g., money to pay the tuition of a specific individual or to fund the research of a specific professor rather than a University department or program).
- Investment income on previous gifts to the Foundation (e.g., dividends, royalties, rents).
- Interest income earned on gift funds.
- Transfer payments from other Foundation funds, University departmental funds or other University accounts.
- Contract revenues.
- Appraisal fees paid by donors in relation to their gifts.
- Professional services.
- Payment for goods and services. (Note: The only exception to this rule involves payments that are part gift and part non-gift, such as tickets to a University event in which a fair market value of goods/services is received and the remainder of the payment has donative value.)
- A contribution to an entity that is not legally part of the Foundation or the University.
- The right to use real property, such as a vacation home, time-share, or rent-free office space.
- The right to use intellectual property, such as software offered license-free.

4.2 Gift Acceptance Policy

The Foundation welcomes outright gifts and future commitments that align with its mission. Donations may be accepted from individuals, partnerships, corporations, organizations, and other entities, unless such gifts are inconsistent with the Foundation's values, mission, or prohibited by law. The Foundation will

not accept contributions from companies whose products may be harmful to our constituents, or from donors whose requests for recognition conflict with our philosophy of appreciation.

All gifts will be recorded in the donor database by constituency type (e.g., individual, corporation, foundation, organization). When appropriate, relationship credit may also be assigned to another donor.

The Foundation may accept gifts of the following types:

4.2.1: Gifts of Cash, Marketable Securities, and Mutual Funds

4.2.1.1 Cash and Cash Equivalents

The Foundation accepts gifts in the form of cash, checks, qualified charitable distributions (QCDs) from individual retirement accounts, wire transfers, and electronic funds transfers (EFTs). Note: Gifts of private equity will be considered on a case-by-case basis and are subject to due diligence and approval.

4.2.1.2 Marketable Securities

Publicly traded securities may be transferred directly to the Foundation's designated investment firm. These gifts are typically valued based on the average of the high and low market prices on the date of transfer.

4.2.1.3 Mutual Funds

The Foundation accepts mutual fund donations through its established mutual fund account. Donors should coordinate with Foundation staff to facilitate the transfer and ensure timely processing.

4.2.2: Gifts of Real Estate and Tangible Personal Property

At the sole discretion of the Foundation, the Foundation may accept gifts of real estate or personal property provided they can be (i) used in the fulfillment of the University's mission as determined by the President of the University or (ii) sold within a reasonable period of time as determined by the Board. A complete transfer of ownership must occur before the Foundation can acknowledge and recognize any gift of real or personal property.

If the donor restricts the use of the property or the use of the proceeds from the sale of the property, which may include the establishment of an endowed fund, the donor and Foundation must enter into a written agreement setting forth the terms.

4.2.2.1: Real Estate

Before the Foundation can accept a real estate gift, University and Foundation personnel must perform sufficient due diligence on the property, including inspecting the property and determining that there are no environmental hazards that could expose the University or the Foundation to future liability or remediation expenses. The donor will be responsible for obtaining and paying for an appraisal of fair market value and an environmental audit of the property. Prior to accepting the gift, the University and/or the Foundation will review the appraisal and audit and may also consider the existence of special zoning or use

restrictions, mortgages or liens against the property, expenses related to holding the property if it is not immediately sold, and other circumstances that could affect the future sale or value of the property.

4.2.2.2 Tangible Personal Property Generally

The Foundation may accept gifts of tangible personal property, including artwork, books, equipment, and other physical items, when such gifts support the mission of the University and the Foundation, and their acceptance is deemed to be in the best interest of both entities. Due to the unique considerations involved, each proposed gift of tangible personal property must undergo a formal review process to assess its condition, value, potential use, associated costs, legal obligations, and any restrictions placed by the donor. The following procedures outline the proposal, review, and acceptance process for such gifts.

4.2.2.2.1. Proposal Submission

Donors or their representatives must submit a written proposal detailing the nature of the gift, its intended purpose, and any conditions or restrictions attached, along with a completed [Deed of Gift](#) form.

4.2.2.2.2 Review and Evaluation

The University's Vice President for Institutional Advancement serves ex-officio as the Foundation's Executive Director (the "Executive Director"). The Executive Director, in consultation with the University President, the University's and the Foundation's legal counsel and financial advisors, if necessary, will review proposed gifts to ensure they align with the University mission, are feasible to accept, comply with the State of Connecticut Code of Ethics, and do not convey more than an incidental amount of private benefit on others or any private inurement. This review shall also consider any action required by the Connecticut State College and University Board of Regents for Higher Education.

4.2.2.2.3 Acceptance Authority

Final approval for the acceptance of gifts on behalf of the Foundation is the responsibility of the Executive Director.

4.2.2.2.4 Documentation of Gift

Documentation of accepted gifts as determined by the Foundation, including donation agreements, deeds of gift, or other legal instruments, will be maintained.

4.2.2.3 Types of Tangible Personal Property that May be Accepted

4.2.2.3.1 Artwork

Donors wishing to make gifts of artwork will be asked to provide the title, artist, and a photograph of the work. The Foundation will consult the Chair of the University's Department of Art, the Curator of the Art Gallery, or the head of the University's

Inventory and Property Control prior to accepting gifts of art. If accepted, the donor must provide an independent appraisal of the artwork paid for by the donor. Any value used in record keeping is for the Foundation's internal use only and does not represent verification of the donor's appraisal. The Foundation will acknowledge the gift but will not provide a dollar amount in the gift acknowledgment.

In most circumstances, artwork donated to the Foundation will be immediately transferred to the University or sold. The University reserves the right to sell, store, or display donated artwork at its sole discretion.

4.2.2.3.2 Books, Manuscripts and Other Library Materials

The University's Director of Library Services will be consulted prior to accepting gifts of books, manuscripts and other library materials.

4.2.2.3.3 Equipment

All gifts of equipment must be approved by the appropriate Academic Department Head, Academic Dean and by the University's Facilities Management department prior to acceptance by the Foundation.

The value of this in-kind gift will be determined by appraisal and/or other documentation provided by the donor.

4.2.2.3.4 Other Tangible Personal Property

The Executive Director shall consult with the University President and the Board, prior to the Foundation accepting other gifts of tangible personal property (e.g., cars, boat, airplanes, antiques and collectibles, jewelry, etc.). Typically, the Foundation will not accept gifts of cars or trucks for resale.

4.2.3 Gifts of Intangible Personal Property

Gifts of intangible personal property, such as intellectual property, copyrights, patents, trademarks, royalties, and similar non-physical assets, may be accepted by the Foundation on a case-by-case basis. These gifts will be evaluated based on their alignment with the Foundation's mission, potential financial or strategic value, and any associated legal or administrative obligations. Donors must submit detailed documentation describing the nature of the asset, any restrictions or conditions, and, when applicable, an independent appraisal or valuation. Final acceptance is subject to legal review and approval by the Executive Director in consultation with the Foundation Board, University leadership and external advisors as needed. Due diligence will be conducted to ensure that accepting the gift does not expose the Foundation or University to undue risk or liability.

4.2.4 Life Insurance

The Foundation may accept the donation of a life insurance policy if the Foundation is named as the owner and/or beneficiary of the policy. If the Foundation is named as the "owner" of the policy, then either (i) it must be a gift of "paid-up" whole life insurance (i.e., no further premium payments

are due) or (ii) the donor must agree to make an annual cash donation in the amount of the annual policy premium.

4.2.5 Gifts-In-Kind

The Foundation's gift recording procedures and policies require placing a value on all gifts-in-kind for internal record keeping and donor recognition purposes. The Foundation does not provide valuation information to donors and acknowledgement letters do not refer to the value of their gifts. Donors planning to take tax deductions for gifts-in-kind are responsible for obtaining appraisals of the gifts. For information on determining the fair market value of donated property, donors should be referred to IRS Publication 561 or advised to consult with a professional tax advisor.

4.2.5.1 Valuation

The value of a gift-in-kind will be determined in the following ways:

Gifts-in-kind are defined as items such as equipment, software, products, or other tangible or intangible property voluntarily transferred to the Foundation without charge or consideration.

Only the Executive Director or the Board has the authority to accept gifts-in-kind on behalf of the Foundation. In certain instances, it may be more appropriate or desirable for the gift-in-kind to be donated directly to the University based on the nature, intended use, or maintenance requirements of the gift.

Once a gift-in-kind is formally accepted by the Foundation, the donated item(s) become the property of the Foundation. The Foundation retains the right to use, sell, or otherwise dispose of the gift as it deems appropriate unless a specific arrangement has been made with the donor and codified in a written gift agreement.

All gifts of real or personal property which are disposed of within three years from the date of receipt will be reported to the IRS as required in compliance with IRS regulations (Forms 8283 and 8282).

4.2.6 Services

The value of a person's time or service is not considered a charitable contribution and is not countable as a gift-in-kind, regardless of whether the individual assists as a volunteer or as a professional providing a specialized service (e.g., accounting, appraisal, legal, consulting, training, installation.)

4.2.7 Planned Gifts

Planned gifts, also known as deferred gifts or bequests, enable donors to support the Foundation through their estate planning. These gifts can take various forms, including but not limited to:

- Cash
- Marketable securities

- Real estate or other tangible assets
- Charitable gift annuities with a \$250,000 minimum threshold
- Charitable trusts or other structured giving instruments
- Life insurance policies or retirement plans naming the Foundation as a beneficiary

Donors can specify the use of their planned gift by codifying their intentions in a legal document, such as:

- A Last Will and Testament
- A trust agreement
- A Gift Agreement executed with the Foundation during their lifetime

4.3 Gift Receipt Policy

The Foundation has the obligation to acknowledge donations made to the Foundation as required by the Code. The appropriate receipt is generated through IA at the time the gift or pledge payment is recorded. The Foundation's receipt shall be an accurate reflection of the donor(s) making the gift (i.e., the legal owner of the donated asset), the description of the donation and the date a contribution was received and shall be prepared in a format considered acceptable for tax preparation purposes. The Foundation's receipt will reflect any benefits received by the donor, if applicable.

4.4 Gift Restrictions and Conditions

4.4.1. Restricted Gifts

The Foundation will honor reasonable restrictions that align with the University's priorities and are legally permissible.

4.4.2 Unrestricted Gifts

Unrestricted gifts provide flexibility in supporting the University's most pressing needs and priorities. Donors are encouraged to consider giving unrestricted support to fund 1990 – Institutional Enrichment, which also receives annual fund donations.

4.4.3 Conditional Gifts

Gifts contingent upon specific events or conditions will be evaluated by the Executive Director in consultation with the University for feasibility and compliance with the University's and the Foundation's policies before acceptance.

4.5 Pledge Policy

The Foundation accepts charitable pledges in accordance with IRS regulations for 501(c)(3) organizations and U.S. Generally Accepted Accounting Principles (GAAP), including FASB ASC 958-605 standards for revenue recognition.

A pledge is a donor's unconditional, written commitment to contribute a specified amount to the Foundation. All pledges must be documented with:

- Donor's name and contact information,
- Total pledged amount and payment schedule, and
- Any donor-imposed restrictions or gift designations.

Unconditional pledges are recorded as contribution revenue and receivables in the period the pledge is made, discounted to present value if payable over multiple years. Conditional pledges, those dependent on a future event or performance, are not recorded until the condition is met, in compliance with FASB ASC 958-605-25.

Pledges are legally enforceable commitments and must comply with all applicable laws, regulations, and Foundation policies. Donors will receive acknowledgment letters confirming their commitments but will not receive a charitable deduction until payment is made, per IRS Publication 526.

Write-offs of uncollectible pledges require approval from the Foundation's Executive Director or designee and are documented in accordance with sound accounting practices and audit requirements.

4.6 Gifts of Marketable Securities

The Foundation accepts gifts of marketable securities in compliance with IRS regulations for 501(c)(3) organizations and U.S. Generally Accepted Accounting Principles (GAAP), including FASB ASC 958-605 for contributions of financial assets.

Donors should transfer securities directly to a Foundation-designated brokerage account. Gifts are recorded at fair market value (FMV) on the date the Foundation gains control of the asset (trade date for electronic transfers or postmark/delivery date for physical certificates). FMV is determined using the average of the high and low quoted market prices on that date.

The Foundation's policy is to liquidate securities promptly upon receipt unless otherwise directed by the Finance Committee, ensuring prudent stewardship and liquidity.

Donors receive a written acknowledgment describing the securities but without a stated value; valuation and tax deductibility are the donor's responsibility, consistent with IRS Publication 561.

All transactions are documented and reported in accordance with IRS Form 8282 requirements, state audit standards, and applicable financial reporting regulations.

4.7 Sponsorship and Event Revenue

Per IRS regulations, a fundraising event is any event conducted primarily to raise funds, and all related income must be properly identified and reported. Sponsorships or event revenue may not be solicited in the name of the Foundation without prior approval from the Vice President of Institutional Advancement or designee, who will determine whether the activity qualifies as a fundraising event.

4.7.1 Donations vs. Sponsorships

4.7.1.1 Donations

A donation (charitable gift) is a voluntary transfer of funds or property made without receiving substantial goods, services, or benefits in return. The full amount of a donation is considered tax-deductible to the extent allowed by law.

4.7.1.2 Sponsorships

A sponsorship is a financial or in-kind contribution where the donor receives a benefit in return, such as event tickets, advertising, signage, or other promotional opportunities. The portion of the payment that reflects the fair market value (FMV) of benefits received is not tax-deductible. Any amount paid beyond FMV is considered a charitable contribution.

4.7.2 Donative Credit and Fair Market Value

Revenue from sponsorships and fundraising events may consist of both charitable (gift) and non-charitable (non-gift) components.

4.7.2.1 Donative Credit

A donor is given donative credit for the portion of the payment that exceeds the FMV of any goods, services, or privileges received by the donor. This amount qualifies as a charitable contribution and is eligible for a tax deduction.

4.7.2.2 Fair Market Value

The FMV represents the value of any goods, services, or privileges provided to the donor (e.g., meals, merchandise, auction items). This portion is not eligible for a charitable tax deduction.

4.7.3 Disclosure Requirements

In compliance with IRS regulations (IRC § 170; Treas. Reg. § 1.170A-13), all invitations, tickets, reply cards, letters, and promotional materials for fundraising events must clearly disclose the FMV of benefits received and the resulting deductible amount. This requirement applies even when events are fully underwritten or when sponsorship recognition is provided.

4.8 Compliance and Ethics

4.8.1 Compliance

All gift acceptance practices will comply with relevant laws, regulations, and ethical standards governing charitable contributions and fundraising practices. The Foundation will collaborate with the University to review compliance with these standards, the University's values and the effective use of donor funds.

- If deemed advisable by the Executive Director, the University's Legal Counsel shall be asked to review proposed gift(s) within the context of the State of Connecticut's Code of Ethics;
- If deemed advisable by the Executive Director, the University's Chief Budget & Compliance Officer shall review proposed gift(s) within the context of any business relationship the University has or may have with the donor;
- If deemed advisable by the Executive Director, the University's Vice President for Regulatory Affairs shall review proposed gift(s) within the context of Board of Regents for Higher Education policy and reporting requirements.

4.9 Gift Refusal Policy

The Foundation may refuse a gift if it believes that accepting such a gift would be incompatible with the mission of the Foundation, conflict with its and the University's core values, or may create a financial, administrative or other burden or otherwise at the sole discretion of the Board. When deciding to refuse a gift, the Board shall consult with the Executive Director and may consult with the President of the University.

4.10 Confidentiality and Donor Privacy

4.10.1 Confidentiality

The Foundation will maintain confidentiality regarding donor information in accordance with applicable laws and best practices.

4.10.2 Donor Privacy

Donor information will be used solely for the purpose of fundraising, acknowledging gifts, providing updates, building relationships, and fulfilling the mission of the Foundation and will not be shared with external parties without explicit consent, except where required by law.

5.0 Fiscal Management Policies

The Foundation is committed to the responsible management of its financial resources in support of the University's mission. To ensure transparency, accountability, and compliance with donor intent, all fiscal activities are governed by clearly defined policies adopted by the Foundation's Board of Directors. These

policies outline the standards and procedures for budgeting, investing, spending, disbursing funds, and managing financial services. Together, they provide a framework for sound fiscal stewardship, ethical decision-making, and adherence to federal, state, and institutional regulations.

5.1 Foundation Investment Policy

The Board's [Investment Policy](#) was adopted on March 2, 2023.

5.2 Budget and Spending Policy

The Board passes a Budget and Spending Policy annually.

Such policy may be amended by the Board at any time in its sole discretion. Currently, for purposes of developing an annual budget, the Foundation's policy on spending shall be applied as follows:

- From Endowed Funds: 5% of the five-year quarterly market value, inclusive of fees.
- From Operating Funds: up to the limit of the balance of the respective fund.

5.3 Custodial Fee Policy

The Board's [Custodial Fee Policy](#) was adopted on June 13, 2014.

A custodial fee will be charged to all funds held by the Foundation computed as follows:

- three-fourths of one percent (0.75%) of the five-year average of the quarterly market value of the fund or \$25.00, whichever is greater,
- for funds which have not been in existence for five years, the quarterly market value of the fund shall be considered to be zero during quarters prior to the creation of the fund,
- the non-performing portion of the fund's net assets (i.e. pledges receivable) are not to be included in the fund's quarterly market value in calculating custodial fees,
- no custodial fee will be charged once a fund is closed,
- no custodial fee is charged against an operating fund in excess of the balance in the fund prior to charging the fee,
- no custodial fee is charged for the fiscal year in which the fund is created,
- the time period for calculating the five-year average will be the same as the time period used for calculating annual spending.

5.4 Expense Reimbursement Policy

The Board's [Expense Reimbursement Policy](#) was adopted on December 6, 2024.

5.5 Policy on Restricted Purchases

The use of Foundation funds is restricted to funding activities that further the Foundation's tax-exempt purpose and the University's institutional goals. Unless approved by the Executive Director, the following are examples of expenditures that are considered inconsistent with this goal, and will not be approved:

- Farewell gifts or gifts of appreciation to university employees;
- Lavish or extraordinary ‘thank you’ or appreciation gifts to donors;
- Entertainment (e.g., meals or other events) of University personnel with no current or prospective donors present;
- Flowers, edible arrangements, or other perishable gifts for current or former University employees.

5.6 Policy on Appreciation Gifts for Constituent

The Foundation follows the Internal Revenue Code regarding quid pro quo contributions and token items for donors, ensuring that any gifts provided do not violate tax regulations and that their value is properly accounted for. However, the Foundation recognizes that it is appropriate to purchase modest gifts for constituents in appreciation for extraordinary charitable donations or volunteer service to the University. Such gift items must be justified as beneficial to both the University and the individual and generally require the advance approval of the Executive Director. The preferred vendor for purchasing appreciation gifts is the University bookstore. Foundation funds shall not be used for University employee retirement recognition gifts.

5.7: Policy on Procuring Financial Services

The Foundation shall conduct periodic review of all outsourced financial services (e.g., banking, credit card processing, certified public accountant (CPA), investment management services, etc.) at least every five years, or sooner if the Finance Committee deems appropriate.

5.8 General Policy on the Disbursement of Funds

The Foundation is committed to the responsible stewardship of funds in accordance with its mission, donor intent, and applicable legal and regulatory requirements. All disbursements from Foundation accounts must align with the purpose of the fund, reflect prudent fiscal management, and support the educational, scholarly, and community-focused goals of the University. This section outlines the policies and procedures governing various types of payments made from Foundation funds—including awards, prizes, scholarships, stipends, and other payments to individuals. All requests are subject to review for compliance, reasonableness, and alignment with the Foundation’s charitable status under IRC § 501(c)(3), as well as applicable federal, state, and institutional policies.

5.8.1 Awards

An award is financial support based on achievement, performance, or other criteria. The grantor does not specifically state that the money should be used for educational expenses. Example: Departments and schools honor students at award ceremonies held at the end of an academic year. Awards are typically given to students at that time. The Foundation will disburse awards directly to students if they will enroll the following semester.

5.8.2 Prizes

A prize is recognition based on competition or other criteria, such as awarding first, second, and third place in a contest. All prizes or awards given to employees must be processed through payroll

to ensure proper tax withholding and reporting on Form W-2, in accordance with 26 CFR § 1.74-1. Under this regulation, all prizes and awards from employers in connection with employment are considered taxable income, and non-cash prizes are taxed at their fair market value. Limited exclusions apply only to certain awards for achievements in fields such as science, arts, or civic service, but these do not apply to awards connected to employment.

Prizes awarded to students who are not employed by the institution are not processed through payroll and may instead be reported as taxable income on Form 1099-MISC or through scholarship reporting, depending on the award. If a student is a student worker but the prize is not related to their employment, the prize is also not paid through payroll and is handled like a non-employee student award. Payroll reporting is required only when the prize is tied directly to the individual's employment.

5.8.3 Scholarships

Scholarships are financial awards intended to offset the cost of a student's education for the current or upcoming academic year. Recipients are selected by Enrollment Management based on criteria specified for each fund. Once selected, the Foundation transfers scholarship funds to the University, which applies the award to the student's account in accordance with University policy.

The total scholarship award for any student may not exceed the student's Cost of Attendance (COA), as defined by the University, and must comply with all federal financial aid regulations.

Scholarships are considered part of a student's total financial aid package and are subject to Title IV regulations under the Higher Education Act (20 U.S.C. § 1070 et seq.) and Department of Education rules (34 CFR § 668.2; § 668.16; § 673.5). The University ensures that scholarship awards, when combined with other aid, do not exceed the student's demonstrated financial need or COA, in accordance with 34 CFR § 673.5(c).

Tax Treatment: Under IRC § 117, scholarships and grants are excluded from taxable income only if used for qualified tuition and related expenses (tuition, fees, required books, supplies, and equipment). Amounts used for other purposes, such as room and board or non-required expenses, are considered taxable income and must be reported accordingly.

5.8.4 Stipends and Honoraria

Under limited circumstances, Foundation funds may be used to pay stipends and honoraria.

Payment of stipends or honoraria must be approved in advance through the [Expense Reimbursement Policy](#). Stipends and honoraria are considered taxable and will be reported on IRS Form 1099.

5.8.5 Payments to Individuals (Excluding Awards, Prizes, Scholarships, Stipends and Honoraria)

When spending Foundation funds, fund administrators must exercise sound judgment, fiscal prudence, and ethical decision-making. All disbursement requests are subject to review for reasonableness. Requests deemed inappropriate or questionable will be escalated to the Executive Director of the Foundation or designee, as well as the fund approver, for review.

Foundation funds may not be used for any activity or purpose that:

- Jeopardizes the Foundation's charitable status under IRC § 501(c)(3);
- Supports a political campaign or candidate;
- Pays for lobbying or efforts to influence legislation;
- Personally benefits an individual or provides private inurement;
- Creates liability exposure for the University or the Foundation;
- Is not a customary or reasonable business expense; or
- Violates standards of fiduciary responsibility or prudent management of charitable assets.

Additionally, funds from one restricted account in the Foundation cannot be used to pay for tickets to a fundraising event associated with another restricted fund in the Foundation.

In compliance with state reporting requirements, the Foundation provides an annual report of all disbursements to the President of the Board of Regents and the Auditors of Public Accounts. This report is open to public inspection upon submission.

5.8.5.1 Expense Reimbursement Paid to a University Employee or Other Individual

At times it is appropriate for a University employee or other individual to incur costs which may be approved for reimbursement using Foundation funds. Ideally, these situations are identified prior to their occurrence and prior authorization is given by a fund approver (an individual authorized to commit Foundation funds.)

When requesting reimbursement for expenses incurred, a Disbursement Order must be submitted online. [Foundation forms](#) can be found on the Foundation website.

The [Foundation Expense Policy](#) can be referenced for more details and eligibility on filing for reimbursements.

Questions regarding any anticipated expenditure can be directed to the Foundation Office.

5.9 Disbursements

The disbursement of funds from the Foundation must be handled with transparency, accountability, and strict adherence to donor intent, institutional policies, and applicable legal and regulatory standards. Whether for scholarships, departmental initiatives, athletics, or other approved purposes, all disbursement requests must follow established procedures to ensure proper documentation, review, and authorization. This section outlines the processes for disbursing both scholarship and non-scholarship funds, including timelines, approval thresholds, and specific requirements for expedited or high-value transactions. The Foundation is committed to timely and accurate payments while upholding the highest standards of fiscal responsibility and ethical conduct.

5.9.1 Scholarship Disbursements

All Foundation scholarships are disbursed directly to the University for application to individual student accounts. Disbursements are typically made on a reimbursement basis in two annual payments: one in January for Fall and Winter Session scholarships, and one in June for Spring and Summer scholarships. Although scholarships are credited to student accounts prior to the start of each semester, actual disbursement occurs after the add/drop period has ended to ensure students remain enrolled and eligible for the awards they have received.

5.9.2 Non-scholarship Disbursements

Requests for disbursement of Foundation funds are to be prepared by the department or office requesting payment and submitted to the Foundation online through the Disbursement/Reimbursement submission process link. The [submission link and these forms](#) can be found on the Foundation website.

5.9.3 Disbursement Cycle

Once disbursement orders complete the full OnBase submission workflow, they are transferred to the Foundation's billing platform, Bill.com. This initial process typically takes 10 to 14 business days. Disbursements are issued on a weekly basis through Bill.com. Each Thursday, disbursement requests enter a secondary workflow for review and approval (or denial) by Foundation staff. Approved requests then move to a final executive-level review on Fridays before being submitted to the bank for payment.

To be included in the weekly payment cycle, completed disbursement orders must be received by 12:00 noon on the preceding Wednesday. Please note that the full payment process may take up to 14 days from the date of final approval in the billing system, not from the date of initial submission or receipt.

5.9.4 Payments up to and including \$25,000

The Executive Director reviews all expenditures up to and including \$25,000, and the signature of one of the Foundation's authorized officers is required.

5.9.5 Payments of \$25,000 or more

The Executive Director reviews all expenditures over \$25,000, and the signature of two of the Foundation's authorized officers is required.

5.9.6 Quarterly Reporting of Expenditures over \$40,000

The Executive Director shall report quarterly to the Board on all expenditures of \$40,000 or more.

5.9.7 Expedited Processing

Expedited payment requests should be avoided whenever possible. If a rush payment is necessary, it must be accompanied by a memo from the responsible party providing a clear justification for the urgency of the request.

5.9.8 Athletic Disbursements

All disbursements related to the intercollegiate athletics program require the signature of the Director of Athletics. By approving these requests, the Director certifies that the expenses comply with all applicable regulations of the National Collegiate Athletic Association (NCAA), the Northeast Conference, and Central Connecticut State University. In addition, all policies and guidelines governing the disbursement of Foundation funds, as outlined elsewhere in this publication, also apply to Athletics-related expenditures.

5.9.9 Compliance with State Legal Standards

All gift-related expenditures must comply with applicable Connecticut state laws, ethical standards, and public accountability.

6.0: Administrative Policies

The Foundation is committed to operating with integrity, transparency, and accountability in all aspects of its administration. These administrative policies establish clear guidelines for the governance, financial operations, legal compliance, and ethical conduct of the Foundation's directors, officers, employees, and agents. They are designed to ensure that all activities undertaken on behalf of the Foundation uphold donor intent, protect the Foundation's nonprofit status, comply with applicable laws and regulations, and support the mission of Central Connecticut State University. The following sections outline key policies related to document execution, financial controls, donor recognition, data security, records management, ethics, whistleblower protections, and non-discrimination.

6.1 Policy on Executing Contracts, Documents, and Certificates in the Name of the Foundation

The Chair, Vice Chair, Secretary, Treasurer, and the Executive Director or designee, or any one of them acting individually, are hereby authorized to do and perform such acts, including execution of contracts, documents and certificates, as said officers shall deem necessary or advisable to carry out the purposes of the Foundation. As necessary, the Executive Director may recommend the Board adopt a resolution related to the execution of contracts, documents and certificates.

Authorized signers shall be elected or appointed by the Board of Directors annually. The Board of Directors may revoke signing authority at any time. Any person who is no longer entitled to sign contracts, documents and certificates will be notified by the Foundation in writing by the Chairman or designee.

6.2 Check Signature Policy

The Foundation Board officers and the Executive Director are authorized to sign checks issued to or on behalf of the Foundation. The signature of one of the above-named officers is required on all issued checks for amounts up to \$25,000. The signatures of two of the above-named officers are required on checks

issued for \$25,000 or more. Additional Directors may be authorized by resolution of the Board to sign checks from time to time.

The Board may revoke check-signing authority at any time. The Executive Director or designee will oversee the proper notification of the Foundation's bank(s) whenever authorized signature changes are made.

The signing of blank checks is strictly prohibited. The [Check Signature Policy](#) is linked here for more information.

6.3 Policy on Authorized Credit Card Use

The Executive Director is authorized to be issued a Foundation credit card and has sole discretion on other Foundation credit card users. The President of the University and the Vice President of Institutional Advancement or designee shall be authorized cardholders on a corporate credit card associated with the Foundation. Cardholders may use issued cards for official Foundation business only. Use of the card for personal purposes is strictly prohibited. Improper use of a corporate credit card may result in the revocation of cardholder privileges, and the Foundation will pursue all criminal and administrative remedies available. With the Divvy card, there are no benefits accrued.

6.4 Donor Recognition Policy

The Foundation may recognize donors in accordance with IA's [Stewardship Plan](#). A listing of the societies and their members shall be made available on the Foundation's website and may be included in select University publications and in the Foundation's Annual Report.

6.5 Donor Privacy & Security Standards Policy

The Foundation will only share personal information with the companies that it engages to provide the services it needs to fulfill its mission of service to the University. The Foundation requires that these companies protect financial and other personally identifiable information and use it only to provide the contracted services. All financial and other personally identifiable information collected by the Foundation or its contracted agents will be managed and maintained in accordance with standards issued by:

- **FERPA (Family Educational Rights and Privacy Act)** – In higher education, governs access to student records (important for alumni data).
- **State of CT Data Breach Laws** – All U.S. states have breach notification requirements if donor data is exposed.
- **CASE Standards (Council for Advancement and Support of Education)** – Provides ethical principles and guidelines for donor and alumni data management.
- **AFP (Association of Fundraising Professionals) Code of Ethical Standards** – Requires respect for donor privacy, confidentiality, and intent.
- **APRA (Association of Professional Researchers for Advancement)** – Publishes ethical guidelines for prospect research and donor data handling.
- **PCI DSS (Payment Card Industry Data Security Standard)** – When handling online gifts or credit card donations.

Donor information and financial circumstances shall be held strictly confidential.

6.6 Records Retention Policy

The effective management of records is essential to the integrity, transparency, and accountability of the Foundation. As a nonprofit organization entrusted with donor contributions and responsible for the stewardship of public and private resources, the Foundation must maintain accurate and complete records that document its governance, operations, and financial activities. This policy establishes standards for the retention, storage, access, and secure disposal of records to ensure legal compliance, operational efficiency, and protection of sensitive information. All Foundation personnel and agents are expected to adhere to these standards in the creation, handling, and management of organizational records.

6.6.1 Purpose

The Foundation is committed to maintaining records in compliance with all applicable federal and State of Connecticut laws, including the Connecticut State Library's Records Retention Schedules issued under Connecticut General Statutes §§ 11-8 and 11-8a, Internal Revenue Service (IRS) regulations for tax-exempt organizations, and nonprofit sector best practices. This policy ensures that records are maintained, stored, and destroyed appropriately to support operational needs, demonstrate accountability, and comply with legal obligations.

6.6.2 Scope

This policy applies to all records created, received, or maintained by the Foundation, regardless of format (paper, electronic, audio/visual, email, or other digital media).

6.6.3 Guiding Principles

6.6.3.1 Compliance

Records shall be retained in accordance with the State of Connecticut General Retention Schedules (S1–S10), IRS requirements, and other applicable regulations.

6.6.3.2 Confidentiality

Records containing personally identifiable information (PII), donor information, or financial details will be safeguarded to prevent unauthorized access.

6.6.3.3 Accessibility

Records shall be organized and stored in a manner that allows timely retrieval in the event of audit, donor inquiry, or litigation.

6.6.3.4 Secure Disposal

Records past their retention period will be destroyed securely (e.g., shredding, secure deletion of electronic files), consistent with nonprofit best practices.

6.6.4 Record Retention Schedule

6.6.4.1 Governance Records

- Certificate of Incorporation, Bylaws, and Amendments – Permanent

- Board and Committee Minutes – Permanent
- Board Policies and Resolutions – Permanent

6.6.4.2 Financial Records

- Annual Financial Statements & Audit Reports – Permanent
- General and Subsidiary Ledgers – Permanent
- Financial records (deposits, invoices, disbursements, bank reconciliations, etc.) – 7 years
- Investment records (reports relating to investment performance, investment manager operations, market valuations, etc.) – 7 years
- Insurance Policies and Claims – Permanent

6.6.4.3 Tax Records

- IRS Application for Recognition of Exemption (Form 1023), Tax Exempt Determination Letter from IRS and all correspondence with the IRS - Permanent
- IRS Form 990 and supporting schedules – Permanent
- Payroll Tax Records – 4 years minimum under IRS rules
- Charitable Solicitation Filings – 7 years

6.6.4.4 Donor & Grant Records

- Donor Agreements and Restrictions – Permanent
- Gift Records & Acknowledgments – 7 years after last activity
- Grant Applications (awarded) – 7 years after grant completion
- Grant Applications (not awarded) – 3 years

6.6.4.5 Personnel & Employment Records

- Employee Personnel Files – 7 years after termination
- Payroll records (processed and paid disbursements, W-2 & 1099 forms – 7 years
- Retirement and Pension Records – Permanent

6.6.4.6 Legal & Contractual Records

- Deeds - Permanent
- Contracts & Leases – 7 years after expiration
- Legal Correspondence – 7 years (longer if required for active matters)
- State Charitable Solicitation Registrations or Exemptions - Permanent

6.6.4.7 Electronic Records & Communications

- Emails related to governance, financial, or donor matters – Retain per applicable category above
- Routine/administrative emails – Dispose when no longer needed

6.7 Ethics Policy

The Foundation endorses and subscribes to the [CASE Statement of Ethics](#) for institutional advancement professionals as developed under the leadership of the Council for Advancement and Support of Education.

6.8 Whistleblower Policy

It is the policy of the Foundation, in conjunction with the Auditors of Public Accounts: (1) to investigate any matter involving corruption, unethical practices, violation of state laws or regulation, mismanagement, gross waste of funds, abuse of authority, or danger to the public safety (collectively, “violations”) occurring in or with respect to this Foundation; (2) to prohibit any officer or employee of the Foundation from taking or threatening to take any personnel action against a Foundation employee who transmits information concerning any such matter; (3) that a Foundation employee who is found to have knowingly and maliciously made false charges concerning any such matter shall be subject to disciplinary action by the Foundation up to and including dismissal; and (4) to provide a copy of this policy to all employees of the Foundation and to periodically notify the employees of the Foundation of the existence of this policy.

The establishment of this policy is mandated by Section 4-37j (Public Act 98-68) of the Connecticut General Statutes. This section authorizes the Auditors of Public Accounts to receive information concerning such violations occurring in foundations established to benefit state agencies.

Anyone having such information may report to the Auditors of Public Accounts by calling (860) 566-1435 or toll free (800) 797-1702

or by mail to:

Auditors of Public Accounts

18 Trinity Street

Hartford, CT 06106-1628

Attention: Whistleblower Unit

Such information should include the following (to the extent known):

- The name and title of the person/persons about whom the complaint is made,
- The name of the foundation involved,
- The name of the university involved,
- As much information about the alleged violation(s) as possible

Such information should state whether the informant observed the violation(s) and, if so, whether he/she is willing to sign a sworn statement. If he/she did not personally observe the violation(s), include the names and addresses of witnesses to the violation(s).

It is requested that informants furnish their name, address and phone number but complaints may be made anonymously provided the names of witnesses are provided.

6.9 Policy on Non-Discrimination

The Foundation is committed to providing an educational and employment environment that is free from discrimination and/or harassment based on protected characteristics, and/or retaliation, including retaliation under applicable federal and state laws for engaging in protected activity. To ensure compliance with federal, state, and local civil rights laws and regulations, and to affirm its commitment to promoting the goals of fairness and equity in all aspects of its education program or activity, the Foundation has developed this policy based on the CCSU Discriminatory Harassment, Nondiscrimination, and Title IX Policy (the “Policy”) that provides for a prompt, fair, and impartial resolution of allegations of protected characteristic discrimination, harassment, and/or allegations of retaliation. The Foundation values and upholds the equal dignity of all members of its community and strives to balance the rights of all individuals when resolving allegations during what is often a difficult time for all involved.

It is the policy of the Foundation that unlawful discrimination be prohibited. In all its activities, the Foundation will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, developmental disability, physical disability or other handicap in any manner prohibited by the laws of the United States or of the State of Connecticut.

The Foundation will not tolerate sexual misconduct against students, staff, faculty, visitors or constituents of the University, whether it comes in the form of intimate partner violence, sexual assault, sexual exploitation or sexual harassment, as defined in the policies of the Board of Regents for the Connecticut State Colleges and Universities or the statutes of the State of Connecticut. The Foundation is committed to pursuing all criminal and administrative remedies for complaints of sexual misconduct or sexual harassment.

All Foundation directors, employees and volunteers are expected to conduct themselves, both in word and in deed, in a manner that is consistent with this policy.

This policy of non-discrimination will not be limited to employment practices but will extend, as well, to services and programs provided by the Foundation.

7.0: Fund Administration

Effective fund administration is essential to ensuring donor intent is honored, financial stewardship is maintained, and the long-term goals of the Foundation and University are achieved. The Foundation oversees the establishment, documentation, and management of all funds, whether endowed, operating, or crowdsourced, to support scholarships, programs, awards, and other initiatives aligned with the

University's mission. This section outlines the policies and procedures related to fund agreements, endowment requirements, crowdsourced giving, naming opportunities, and reporting. These guidelines are designed to foster consistency, compliance, and transparency in the administration of charitable contributions.

7.1 Fund Agreements

Fund agreements shall be established when a donor commits to endowing a scholarship, award, program or any other major gift that requires details and follow up. This written document must include the name of the fund, the purpose for which the gift is made and, if applicable, a timeframe (generally not to exceed 5 years) for reaching the \$25,000 threshold for endowing a fund. The fund agreement shall also include the general terms and policies of the Foundation, how and when the initial and subsequent contributions may be received, the criteria for how the spendable earnings of the fund are to be used, and how the fund will be administered. The Foundation may also execute a fund agreement to formalize a gift of any amount if that gift necessitates the creation of a new endowed or operating fund. The fund agreement will include successor language to address how the endowed fund may be used should changes occur in the organization of the University and impact the program(s) the donor originally intended to support. Once the language is finalized, the fund agreement will be signed by the donor(s) and a duly authorized representative of the Foundation.

The University or the donor may request revision to an existing fund agreement, previously referred to as a MOU as needs arise, interests change or to comply with currently applicable law.

7.2 Fund Endowment Requirements

As of this publication date, the minimum donation required to fully capitalize an endowed fund is \$25,000. Funds fully endowed under previous, lower endowment thresholds are grandfathered and not subject to this minimum. University faculty, University staff members, and emeritus faculty can start an endowed fund with a minimum of \$10,000. Operational scholarships, as part of the endowed scholarship, have a minimum of \$1,500 per year, until the corpus of the fund matures and spins off enough to fund its own scholarship in perpetuity.

Once donor intent is memorialized in a Gift Agreement, the fund is endowed and, consistent with the terms of the agreement any future payments not expressly identified for other purposes (e.g., donations made to fund scholarships for immediate distribution, donations made to other endowed funds, or tickets purchased for an event to benefit another fund, etc.) will be credited to the endowed account.

Contributions toward the endowment threshold shall show as fund balance on the fund's income statement; accrued interest and realized/unrealized gains/losses shall not be considered when determining whether a fund has met the endowment threshold.

7.3 Crowdsourced Agreements

The Policy on Administration of Crowdsourced Funds governs the process for soliciting and administering funds to which multiple parties contribute various amounts, for which there is no Fund Agreement with any particular donor(s). It guides those who administer the crowdsourced funds in the future.

7.3.1 Pre-Solicitation Process

The University stakeholder intending to conduct a crowdsourced fundraising event must contact the Executive Director or designee in the University's Institutional Advancement Department ("Institutional Advancement").

The Executive Director or designee shall meet with the stakeholder to discuss and document broad potential uses of the crowdsourced funds for future reference. The solicitation materials shall be carefully drafted and the purposes for which the funds will be applied shall be broad enough so it is unlikely for any foreseeable reason that the Foundation's Board of Directors will need to revise the purposes in the future. Institutional Advancement shall decide whether the fund will be endowed based on the total amount raised within a 6-month period. If the funds raised exceed \$25,000, Institutional Advancement shall consider the establishment of an endowed fund.

The following will be considered:

- Whether there is an existing fund for the same purpose, in which case no new crowdsourced fund will be established.
- Whether each individual donor is identifiable. All gifts must be accompanied by donor contact information (name, address, phone, email) to adhere to IRS and Foundation policies. For example, one person cannot collect funds from others and give a single gift in their name.
- The decision regarding the crowdsourced fund's naming shall be discussed prior to the fundraising launch.
- A crowdsourced fund cannot be named after an individual, unless it is a memorial fund named after the deceased.

7.3.2 Solicitation

The Executive Director or designee shall review all solicitation language to be used in the crowdsourced fundraising event to assure it satisfies one of the following intentions:

- If the crowdsourced fund exceeds \$25,000 and Institutional Advancement recommends to establish an endowed fund, with approval of the Executive Director of the Foundation, the fund shall be (i) an endowment and only the fund's annual earnings shall be expended annually in accordance with the Foundation's spending policy as amended from time to time, and (ii) restricted as to the purposes of the solicitation (i.e., for scholarships, programming or purchases with specific criteria). The crowdsourced fundraising solicitation shall contain the language at 7.3.3 below. In the event of the circumstances under 7.3.3 below, the Foundation's Board of Directors may modify the purposes and use of the funds.
- If the crowdsourced fund does not raise \$25,000 within 12 months of the launch, the fund shall be (i) expendable by the Foundation on a current basis, and (ii) restricted as to purpose and use (i.e., for scholarships, programming, or purchases with specific criteria). In this case, the Foundation may fully expend the funds on a current basis in accordance with

the Foundation's applicable policies. The crowdsourced fundraising solicitation shall contain the language at 7.3.3 below. In the event of the circumstances described 7.3.3 below, the Foundation's Board of Directors may modify the purposes and use of the funds.

7.3.3 Modification

Under current law, future modifications to the purposes set forth in this type of fundraising require donor consent absent a court order. Crowdsourced solicitations shall contain the language below to establish a record of putting donors on notice that their contributions are subject to modification:

Solicited funds will be used for the purposes stated, but in the event the purposes become unlawful, impracticable, impossible to achieve or wasteful, the Board of Directors of The CCSU Foundation, Inc. (the "Foundation") in consultation with the President of Central Connecticut State University (the "University"), giving due consideration to the intention, objectives and purposes of the funds, may use the funds for a purpose or purposes as similar as possible to the original intent of the solicitation. Solicited funds shall be administered in accordance with the laws of the State of Connecticut and the policies and procedures of the University and the Foundation then in effect.

7.3.4 Solicitation Process

Institutional Advancement shall track the names, addresses and contribution amounts of the donors to the extent possible. If ever needed, the Foundation may request this information for its records.

7.3.5 Fund Numbers

- If the purpose of the crowdsourced fund is general institutional support, donated funds shall be categorized in the Chart of Accounts as fund 1XXX .
- If the purpose of the crowdsourced fund is scholarships, donated funds shall be categorized in the Chart of Accounts as fund 2XXX .
- If the purpose of the crowdsourced fund is student support, donated funds shall be categorized in the Chart of Accounts as fund 3XXX.
- If the purpose of the crowdsourced fund is academic program support, donated funds shall be categorized in the Chart of Accounts as fund 4XXX.

7.3.6 Scholarship Awards

When a crowdsourced fund dedicated to scholarships reaches the endowment threshold and an endowed fund is created, the first scholarship award will be made when it has matured and can fully fund an award in accordance with the Foundation's approved Spending Policy. In no case shall the Foundation accept supplemental donations to fund an immediate/annual award in the name of a crowdsourced fund.

If crowdsourcing efforts do not meet the endowment threshold, or if the fund is designated as non-endowed, all contributions shall be fully expendable upon receipt.

7.3.7 Crowdsourced Fund Agreements

A Crowdsourced Fund Agreement shall be entered between the University (Division Head) and the Foundation to memorialize the use and administration of the crowdsourced funds solicited according to the process herein to guide those who administer the Foundation and the funds in the future.

This Fund Agreement shall be retained in the records of the Foundation in accordance with the Foundation's Records Retention Policy.

7.4 Naming Opportunities

The [Policy on Board of Regents for Higher Education \(BOR\) Recognition and Naming of Facilities & Academic Programs](#) indicates which spaces must be approved by the Board of Regents and those where the University, specifically the President, has final approval authority. and are subject to the approval of the University President. Any proposed naming of buildings, spaces, programs, or positions must undergo appropriate review to ensure alignment with institutional values, recognition standards, and applicable governance procedures.

The Foundation will recognize donors and/or their designees by assigning their chosen name to an endowment fund, annually supported scholarship, award, program, or physical space, provided the donor contributes a specified minimum amount toward the designated purpose. The naming of physical spaces or objects must comply with all relevant policies established by the University and its governing bodies.

7.5 Annual Reports

The Foundation produces two types of annual reports. First, the Foundation publishes a comprehensive Annual Report that provides an overview of the Foundation's financial performance, philanthropic impact, and activities during the preceding fiscal year. In addition, donors who created endowed funds may receive a personalized annual fund report, which includes the year-end balance of their specific fund and other relevant information regarding the fund's financial activity and use. These reports are intended to promote transparency, stewardship, and continued engagement with the University's mission.

8.0: Depositing Revenue

All cash or check payments designated for the Foundation must be hand-delivered to the Foundation Office in the lower level of the Central Welcome Center within one business day of receipt. The receiving department or office is responsible for completing and submitting a [Foundation Transmittal Sheet](#) with all deposits.

8.1 Depositing Cash and Check Revenue

8.1.1 Cash Handling Procedure

Cash is strongly discouraged. If cash must be accepted, it must be hand-delivered to Foundation Office and counted in the presence of the delivering individual. The accompanying Transmittal Sheet must accurately record the total amount submitted.

8.1.2 Checks

All checks must be made payable to “CCSU Foundation, Inc.” and submitted with a completed Transmittal Sheet. Departments must also provide any related correspondence or documentation necessary to classify the funds properly as gifts or other revenue.

8.1.3 Internal Controls

These procedures align with sound business practices and internal control standards to ensure proper custody of funds, timely deposits, and thorough audit documentation.

9.0 Amendment of this Policy and Procedure Manual

This Policies and Procedures Manual may be reviewed and amended at the sole discretion of the CCSU Foundation, Inc. Board of Directors to reflect changes in applicable laws, best practices, or industry standards. Updates will be made as necessary to ensure continued alignment with the Foundation’s mission, goals, and governance responsibilities.

Adopted by the CCSU Foundation, Inc. Board of Directors on September 12, 2025 subject to final review and approval by the Foundation’s legal counsel.

Exhibits:

- Investment Policy
- Custodial Fee Policy

CCSU Foundation, Inc.
INVESTMENT POLICY STATEMENT

INTRODUCTION

This document establishes the Investment Policy for the CCSU Foundation, Inc. (the “Fund”) invested assets. The Board of Directors for CCSU Foundation, Inc. (“Board”) is responsible for managing the investment process of the Fund in a prudent manner regarding preservation of principal while providing reasonable returns.

The Board has arrived at this Investment Policy through careful study of the returns and risks associated with various investment strategies in relation to the current and projected needs of the Fund. This Policy has been chosen as the most appropriate policy for achieving the financial objectives of the Fund.

The Board has adopted a long-term investment horizon such that the chances and duration of investment losses are carefully weighed against the long-term potential for appreciation of assets. The Investment Committee, along with staff and advisors, are expected to propose revisions in the guidelines at any time the existing guidelines would impede meeting the Fund’s investment objectives. This document should be reviewed by the Investment Committee at least every 2 years with any proposed revisions submitted to the board for approval.

RESPONSIBILITIES

The oversight responsibilities of the Investment Committee include regular reports to the Board, periodic review of investment performance, development of investment policies, monitoring and evaluating the performance of the Investment Manager and recommending action to the Board for failure to perform as expected; oversight of implementation and monitoring of the spending policy with responsibility to recommend changes to the Board. With respect to the investment process, specific responsibilities to be performed with the advice and assistance of appropriate professional advisors include:

- Ensuring that current spending requirements are supported while also preserving the purchasing power.
- Achieving an optimum level of return within commensurate levels of risk.
- Developing a sound and consistent investment policy including asset allocation, asset class diversification and investment manager diversification.
- Monitoring and evaluating results to ensure that policy guidelines are being adhered to and that policy objectives are being met; and
- Reporting on the status and performance of the Fund on a regular basis.

CONFLICTS OF INTEREST

The Investment Committee should avoid any management groups where conflicts of interest exist. A conflict of interest would exist where any person who is associated with the Fund such as a Trustee, Investment Committee Member, or Employee would benefit directly or indirectly from an investment made by the Fund.

INVESTMENT OBJECTIVES

The overall financial objective of the Fund is to preserve and grow its real value to support student scholarships, academic programs, and other needs of Central Connecticut State University ("University"). The Fund should provide a level of support for the University's activities consistent with the Fund's purchasing power being maintained over time by generating a total real return that exceeds the spending rate plus the long-term historical average of inflation.

ASSET ALLOCATION

The purpose of establishing a long-term strategic policy for the Fund is to construct a target set of investments, based on long-term return, risk and correlation assumptions that properly balance the need for liquidity, preservation of purchasing power, and risk tolerance. The Investment Committee, with appropriate input and assistance from staff and professional advisors, shall periodically examine the policy portfolio targets and consider adjustments to the asset allocation as may be appropriate. Changes to the policy portfolio ranges will be reviewed and approved by the Board.

In addition to being diversified across asset classes, the Fund will seek to be diversified within each asset class. This will provide reasonable assurance that the investment performance of any single security, issuer or class of securities, or investment manager will not have a disproportionate impact on the total Fund performance.

The current policy portfolio for the Fund is as follows:

Asset Classes as a Percent of Total Assets:

<u>Asset Class</u>	<u>Target</u>	<u>Allowable Range</u>
Equities	55%	50% - 75%
Fixed Income*	21%	20% - 50%
Multi-Asset/Inflation Protection	5%	0% - 10%
Alternatives	19%	0% - 20%

* Fixed income includes a money market account with a target allocation of <1% and an allowable range of 0% - 2%.

Adherence to Policy Targets and Rebalancing

The long-term strategic policy established represents a long-term perspective. As such, rapid unanticipated market shifts or changes in economic conditions may cause the asset mix to fall outside of the policy range. Generally, these divergences should be of a short-term nature. Rebalancing of account assets (including mutual funds and alternative assets) will occur periodically upon recommendation of the investment advisor. Rebalancing of alternative fund investments (such as collective investment trusts or hedge funds) will occur as soon as reasonably practicable, taking into consideration the investment buy/sell provisions of each alternative asset class. Rebalancing asset allocations to strategic targets is essential for maintaining the risk profile adopted by the Investment Committee. The Fund's actual asset allocation will be monitored regularly relative to established strategic targets. The Investment Committee recognizes adjustments may be constrained by practical limits with respect to liquidity and transaction costs but will make efforts to rebalance as appropriate.

Guidelines for Equity and Fixed Income Managers

The objective for the Equity and Fixed Income Investment Manager(s) is to outperform a clearly defined benchmark. Decisions as to individual security selection, security size and quality, number of industries or holdings, current income levels, turnover, and the use of options or financial futures are left to broad manager discretion, subject to the usual standards of fiduciary prudence.

The Equity and Fixed Income Manager(s) implements this Investment Policy through investments in mutual funds and other pooled asset portfolios. It is the responsibility of the Investment Manager(s) to provide a prospectus for each investment.

Some funds may utilize shorting strategies as outlined in the prospectus. Further, certain mutual funds may participate in securities lending as determined by the prospectus. Such investments are acceptable investments provided they conform to the diversification restrictions set forth by the Investment Company Act of 1940, as amended (the "1940 Act") below.

Additionally, the funds may invest in derivative instruments within a portion of their portfolios. Portfolios may purchase derivatives, generally using only a fraction of the assets that would be needed to purchase equity or fixed income securities directly. As a result, the derivatives could be backed by a wide range of asset classes including but not limited to: U.S. and foreign equities, U.S. and foreign fixed income securities of different types and maturities, mortgage-backed or other asset-backed securities, securities rated below investment grade, non-U.S. equities, limited partnerships, currencies, commodities, and repurchase or reverse repurchase agreements. The investment goal of such a strategy would be to add diversifying investments with an historical record of risk-adjusted excess return relative to investment's the benchmark index while minimizing the portfolio's exposure to investments with historic volatility that is equal to or above market average.

Guidelines for Hedge Funds

The hedge fund portion of the portfolio may consist of various index-listed as well as over-the-counter securities including but not limited to: common or preferred stock issued by U.S. and non-U.S. corporations, debt securities issued by U.S. and non-U.S. corporations, governments, or government-sponsored agencies, asset backed securities, convertible bonds, warrants and exchange-traded funds. The hedge fund portion of the portfolio may also consist of various index-listed or over-the-counter derivative instruments including but not limited to: forward contracts, futures contracts, options, swaps and swap options. Derivatives may be valued based on the price of underlying debt or equity securities or the level of economic variables such as interest rates, inflation rates, currency exchange rates, or commodity prices. In addition to purchasing securities outright hedge funds may employ specialized investment techniques, such as short-selling and using leverage.

Derivatives

For the purposes of this Policy, a derivative is an instrument that derives its value, usefulness and marketability from an underlying instrument (the "Primary Security") which represents direct ownership of an asset or a direct obligation of an issuer. Derivatives may provide a cost effective, efficient and time sensitive method for implementing investment objectives, adjusting allocations, and affecting other aspects of this investment policy.

Derivative instruments are permissible in the Plan's portfolios to the extent that they comply with all the policy guidelines and are consistent with the Plan's risk and return objectives. In addition, any investment in derivatives must meet the following conditions:

- Derivatives may be used if the vehicle is deemed by the manager to be more attractive than a similar direct investment in the underlying cash market, or if the vehicle is being used to manage risk of the portfolio.
- Derivatives may be used in the management of the portfolio when their possible effects can be quantified; shown to enhance the risk-return profile of the portfolio; and reported in a meaningful and understandable manner.
- Listed derivatives, including futures, swaps, and options will be liquid instruments traded on major exchanges. Alternatively, their over-the-counter equivalents will be executed with major dealers.
- Within a reasonable range of market scenarios, a portfolio's derivatives positions will not increase risk levels beyond that permitted by that portfolio's guidelines when no derivatives positions are used.

As a fundamental operating principle, any restrictions on the underlying assets apply to a respective derivative. This includes percentage allocations and credit quality. The purpose of the use of derivatives is to enhance investment in the underlying assets, not to circumvent portfolio restrictions.

The general policy guidelines set forth above are designed to control risk related to the use of derivatives, as well as ensure that all parties understand the risks that may be assumed. The primary risks related to the use of derivative products that are to be limited include; i) the risk that the derivative does not behave as expected in response to a given set of conditions; ii) the risk that conditions do not develop as expected while the derivative strategies are in effect; iii) the risk that a counter-party to a derivative position is unable to honor a commitment; and iv) the risk of substantial price volatility and leverage in the derivative position.

Leverage

Leverage exists if i) the maximum possible loss exceeds the then current value of the investment; or ii) the systematic volatility of an investment is expected to exceed that of a Primary Security that itself complies with applicable Plan guidelines. (Systematic volatility is a measure of the extent to which an investment moves in lockstep with an applicable broad market index of Primary Securities.)

A total asset class is leveraged if i) the maximum possible loss exceeds the then current value of the asset class portfolio; or ii) the systematic volatility of the asset class portfolio is expected to exceed that of a portfolio of Primary Securities that itself complies with applicable Plan guidelines and whose characteristics are consistent with the asset class characteristics assumed in the Plan's asset-liability study.

Leverage is permitted within the individual accounts of an asset class as identified below; however, an asset class may not be leveraged, (e.g., the total U.S. equity portfolio).

Guidelines for Private Equity

Private equity investments will consist of primary limited partnership interests in corporate finance and venture capital funds. In addition, secondary partnership and co-investment deals are acceptable. Corporate finance investments may include leveraged buy-out, industry consolidation, growth or fundamental business change,

acquisitions, refinancing and recapitalization, mezzanine investments and distressed and turnaround strategies. Venture capital investments include start-up companies and companies developing new business solutions and technologies. New technologies may include semi-conductors, telecommunications, software, biotechnology, computers, and medical devices. Investments may be made to domestic and international partnerships.

Volatility

Consistent with the desire for adequate diversification, the investment policy assumes that the volatility of the combined equity investment will be similar to that of the market opportunity available to institutional investors with similar return objectives. The volatility of fixed income portfolios may be greater than the market during periods when the portfolio duration exceeds that of the market.

Execution of Security Trades

The Fund expects the purchase and sale of its securities to be made in a manner designed to receive the combination of best price and execution. The Board recognizes that mutual fund shares are purchased and sold at the net asset value next determined after receipt of the order, and that accordingly, best price and execution may not be applicable to such transactions.

Adoption of Investment Policy Statement

ADOPTION OF INVESTMENT POLICY STATEMENT

The Board of Directors of the CCSU Foundation, Inc. has reviewed, approved, and adopted this Investment Policy Statement, dated 3.2.2023, prepared with the assistance of SEI Investments Management Corporation.

Michael Kelly

Signature

3.2.2023

Date

The CCSU Foundation, Inc.

Custodial Fee Policy

Be it resolved that the CCSU Foundation, Inc. adopts a revised Custodial Fee Policy as follows (changes highlighted in boldface):

three-fourths of one percent (0.75%) of the five-year average of the quarterly market value of the fund or \$25.00, whichever is greater,

for funds which have not been in existence for five years, the quarterly market value of the fund shall be considered to be zero during quarters prior to the creation of the fund,

the non-performing portion of the fund's net assets (i.e. pledges receivable) are not to be included in the fund's quarterly market value in calculating custodial fees,

no custodial fee will be charged once a fund is closed,

no custodial fee is charged against an operating fund in excess of the balance in the fund prior to charging the fee,

no custodial fee is charged for the fiscal year in which the fund is created,

the time period for calculating the five-year average will be the same as the time period used for calculating annual spending.

Motion (Futtner/Torsiello): to adopt the changes to the custodial fee policy.

Vote: There being no further discussion, the motion was approved unanimously.

Approved at the June 13, 2014 meeting of the Board of Directors of The CCSU Foundation, Inc.