

## UNIVERSITY OF ARKANSAS SYSTEM DIVISION OF AGRICULTURE

### GUIDELINES

#### AGRICULTURAL DEVELOPMENT COUNCIL THE UNIVERSITY OF ARKANSAS FOUNDATION, INC.

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# AGRICULTURAL DEVELOPMENT COUNCIL

The University of Arkansas Foundation, Inc.

## INTRODUCTION

### I. Background

An Endowment and Trust Fund, managed by the Alumni Association, was first established in the 1950s. In January 1971, this Fund was organized into The University of Arkansas Foundation (Foundation), Inc. This development allowed each of the campuses within the University of Arkansas System to have a sub-organization known as a "*Development Council*." The Division of Agriculture (Division), because of its breadth of statewide programs, is considered a campus with its own Development Council, known as the Agricultural Development Council (ADC). The first ADC deposit into The University of Arkansas Foundation, Inc., was made on April 22, 1977.

### II. Purpose

Purposes for the Agricultural Development Council, a constituent entity of The University of Arkansas Foundation, Inc., are as follows.<sup>1</sup>

- To encourage and assist agricultural research and extension, and their collaborative relationship to teaching, including the encouragement of high standards and levels of achievement;
- To advise the Vice President for Agriculture (VPAG) in his capacity as coordinator of agricultural research, extension, and teaching programs for the University of Arkansas, including advice on the relevance and linkage of the above activities to Arkansas producers, agricultural businesses, and other rural citizens;
- To generate and collect and approve the dissemination of financial support for meritorious agricultural research, educational, and development activities; and
- To engage in other selected causes in cooperation with the VPAG to promote agricultural research and extension, and their collaborative relationship to teaching, through the Division.

### III. Location

The University of Arkansas Foundation, Inc. is currently located at 535 Research Center Boulevard, Suite 120, Fayetteville, Arkansas, 72701.

The Agricultural Development Council office shall be located at the discretion of the VPAG and is currently using 206 DTAS, 1371 W Altheimer, Fayetteville, Arkansas 72704 as the mailing address.

**IV. Memorandum of Agreement between Division and ADC**

Because the ADC does not possess the researchers, faculty, staff, or students to meet the expressed intentions of its private donors re: their gifts, the ADC has entered into a Memorandum of Agreement with the Division in which the ADC agrees to make adequate funds available in exchange for the Division conducting, on behalf of the ADC, all research and educational activities as required by the ADC agreement with the donor.

**V. Delegated Authority**

Under the approved ADC Bylaws Article VI, Section 4, adopted October 27, 1995, the VPAG is expressly given delegated authority on behalf of the ADC to make expenditures in accordance with the regulations and forms contained in the Guidelines. Article IV, Section 2 provides the authority for the VPAG to accept donations on behalf of the ADC. References to the VPAG in these Guidelines are in accord with the delegated authority cited herein.

**PROCEDURES**

**I. ADC Projects (Accounts)**

**A. Gifts**

All gifts (including cash and noncash gifts) received for deposit or acceptance by the ADC shall be considered gifts donated directly to the ADC. The VPAG, as delegated by the ADC, shall disperse funds in accordance with donor intentions, or in the case of unrestricted funds, at the discretion of the VPAG.

1. Unrestricted Gifts: For purposes of these Guidelines, unrestricted gifts are those private gifts in which complete discretion as to the use of these gifts vests solely with the ADC, and the donor does not attempt to attach any restrictions on their use.
2. Restricted-Use Gifts: For purposes of these Guidelines, restricted-use gifts are those private gifts in which the donor expressly establishes restrictions on how the donated gift may be used.

*NOTE: Gifts restricted to a specific recipient cannot be accepted into the ADC (e.g.: "A gift for weed resistance research conducted by Dr. X). All gifts must be to a unit."<sup>ii</sup>*

## B. Eligibility

1. Unrestricted gifts and some restricted-use gifts of private funds may be deposited in the ADC. A restricted-use gift of private funds may be deposited in the ADC if the potential benefit to the Division of Agriculture from donated funds is primary to the benefit provided to the donor and if the gift meets all the other criteria below:
  - a. All research, information, product, proceeds, and other property generated from the use of a restricted-use gift must be non-proprietary, and control of such research, information, product, proceeds, and other property must vest with the ADC.
  - b. All expected deliverables, as stipulated in writing or orally, are limited to normal donor stewardship (e.g.: how and when funds were used and/or a statement of earnings) and/or accomplishments made possible by the donated funds (that is neither proprietary nor promised to be shared in advance of a generally available release).
  - c. The donor only states an area of interest/goal for targeting use of the gift and/or a class of eligible recipients for the gift.

*NOTE: If the donor details either in writing or orally how the funds will be used (e.g.: establishes research protocols or experimental design) and the donor is a likely commercial beneficiary, such contribution shall not be deposited in the ADC.*

2. In the case of gifts of scholarships, fellowships, professorships, chairs, and similar gifts, control over the use of these funds (in accordance with expressed donor intent at the time of the gift) must vest in the ADC in order for such gifts to be eligible for deposit in the ADC. Scholarships, fellowships, professorships, chairs, or other similar gifts in which the recipient is specifically named by the donor, or in which effective control does not vest exclusively with the ADC, may not be deposited in the ADC.
3. Gifts of private funds for research or educational purposes in which control over the use of research, information, product, proceeds, or other property generated from the use of these funds effectively vests with the donor (either by terms of the MOA or Gift Agreement or by action of the donee or his/her designee) are not eligible for deposit into the ADC. In addition, gifts that include special requirements such as terms for ownership of intellectual property, confidentiality agreements, licensing rights, or non-compete clauses may not be deposited into the ADC.

*NOTE: The use of the word “grant” by the donor to describe a contribution does not, in and of itself, negate the contribution from being considered a gift.*

*NOTE: If there is a likely possibility that contributed funds can be returned to the donor under terms of a MOA, Gift Agreement, or oral understanding such funds cannot be deposited into the ADC.*

4. Noncash gifts may be accepted by the ADC, if approved by the VPAG. In the case of land gifts, a favorable environmental survey must be completed prior to acceptance. All land gift transactions require the assistance of The University of Arkansas Foundation, Inc. legal counsel. Noncash gifts with restrictions similar to those found in [Procedures, I.B.2.](#) are not eligible for acceptance.

### **C. Gift Approval and Documentation**

For deposits of unrestricted or restricted-use gifts into the ADC, either a MOA form or Gift Agreement must be completed (see [Procedures, II.D.](#) and [Procedures, II.E.](#)). Prior written approval by the VPAG (or his/her designee) is required for deposit of gifts funds into the ADC.

*NOTE: Just because donor correspondence says a gift is "unrestricted" does not necessarily mean that it is for ADC purposes. Unless it is in actuality given without limitations or requirements (e.g. "... for unrestricted use in Plant Pathology") the gift may be considered restricted-use. The gift shall be considered “restricted-use”, regardless of whether language states the gift is unrestricted, if the donor notes a substantive restriction (e.g. "... for unrestricted use in cotton breeding research").*

*NOTE: Since an unrestricted gift is a unit level gift, it is up to the unit leader to designate how the gift is deposited. Restricted-use gifts will be deposited in accordance with the stated restrictions.*

### **D. Establishment of ADC Projects (Accounts)**

Funds must be deposited in order to establish an ADC account. A completed, signed [Request to Establish a New Project form](#) must accompany the funds and deposit form or the intra-foundation transfer request.

### **E. Restricted-Use Gift Policy**

Restricted-use funds shall be expended for the purpose intended by the donor and shall not be stockpiled in ADC accounts while the intended work is completed, wholly or partially, using non-ADC funds.

F. *[Postponed]*

**G. Transfer / Movement of Funds**

1. Transfer of Funds: The transfer of funds from one ADC account to another is allowable as long as it is not contrary to donor intent. Such transfer does not require that a check be issued. An [Intra-Foundation Transfer form](#) is required. Such transfers of funds require the approval of the VPAG or his/her designee.

*NOTE: Transfer of funds from a restricted-use account is prohibited.*

2. Movement of Funds: Movement of funds from an ADC account to a Cooperative Extension Service (CES) BANNER fund/org necessitates the issuance of a check. Thus, a payment authorization (PA) (see [Procedures, III.](#)) is required. For deposit to a CES fund/org, the “Mail Check To” section should indicate “Cooperative Extension Service” and a CES invoice with the appropriate BANNER account indicated must be attached.

**H. ADC Projects of Former Employees**

Funds deposited into the ADC are the property of the ADC and not the principal investigator or project leader. Upon separation of an employee from the Division, ADC accounts associated with the former employee's project(s) will be placed under the Office of the Vice President for Agriculture to be dispersed as deemed appropriate, consistent with donor intent.

**I. Changes to ADC Projects**

1. To change an authorized signatory associated with a project (e.g., to delete and/or add a signatory), complete [UAFound002.pdf](#).
2. To change project information (e.g., the name or the quarterly interest distribution account for endowed accounts), complete [UAFound003.pdf](#).
3. To close an ADC project, complete [UAFound003.pdf](#).

**J. Inactive ADC Projects**

During the annual review of ADC projects, if an ADC project is found to have had no activity in the past three years from the date of the review, management of the account shall pass to the VPAG who shall manage the account consistent with donor intent (unless alternative terms are specifically noted in approved gift agreements or

if alternative arrangements were previously specified in writing and approved by the VPAG).

#### **K. Electronic Submissions (Email)**

The ADC will accept Payment Authorization (PA), non-cash gift deposit, and Inter-Foundation transfer requests via email in .pdf (Adobe) format. The email address is [ADC@UARK.EDU](mailto:ADC@UARK.EDU). All documents submitted via email must include all supporting documentation (e.g. receipts or invoices) and all necessary signatures (e.g. unit head) to be processed. Incomplete or illegible documents will be returned to the unit and will not be processed.

*NOTE: Two levels of approval are required on all PA forms. PA forms submitted without the necessary signatures will be returned.*

### **II. Gifts and Deposits**

The ADC is equipped to receive gifts for the purpose of supporting the research and educational programs of the Division. Deposits of federal, state, or other public (appropriated) funds in the ADC are prohibited. Monies received as reimbursement for items or services procured using ADC funds (e.g. t-shirts, caps, etc.) may be deposited in the ADC as non-gifts.

*NOTE: All checks must be made payable to the ADC or The University of Arkansas Foundation, Inc., and submitted for deposit into the ADC in a timely manner. Careful attention must be given to the "VOID" dates frequently printed on checks. All checks over \$100 must be sent by the department to the ADC within three (3) business days of receipt.*

#### **A. Acknowledgments**

Timely, contemporaneous acknowledgments for all contributions are prepared by the VPAG and forwarded to the donor. The letter of acknowledgment shall include the statement that “no goods or services were provided in consideration for this gift.” However, if the Division provided any goods or services in consideration for the gift, the Division acknowledgment shall provide a description and a good faith estimate of the value of any goods or services provided by the Division. For pledged gifts, a disclaimer must accompany the acknowledgment which states that “*intent to give is an expression of commitment to make future contributions and carries with it no legally binding obligation.*”

*NOTE: This does not preclude faculty and unit heads from sending appropriate "thank you" letters as well. Such courtesy is encouraged.*

## B. Deposit Forms

Deposit forms have been standardized:

1. Deposits of Gifts: Complete a Gift Disclosure Form [form ADC-01 \(MSWord\)](#) to deposit gifts in the form of cash, stock, checks/money orders, or credit cards.

### a. Section A. Donor Information

- (1) Enter name of donor [e.g., company name or name(s) of individual(s)] and donor's address as recorded on the check.
- (2) Joint gift designation allows spouses to share credit for the gift.
- (3) If donor wants gift to be anonymous, check "Yes" in the appropriate box.

### b. Section B. Project (Account) Information

The ADC project (commonly referred to as the account) number and corresponding project description (commonly referred to as the account name) must be supplied.

### c. Section C. Gift Information

- (1) If the gift is in memory of or in honor of a person, provide the name. Provide the address to which an acknowledgement card is to be sent. (Limit: one designation/acknowledgment per gift)
- (2) If a gift qualifies for a company matching program, check "Yes." If the donor provides a form, send with the gift.
- (3) If the gift is a payment toward a pledge, check "Yes."
- (4) A quid-pro-quo value is required for goods and/or services returned to a donor in exchange for the gift. The fair market value of goods and/or services provided the donor (quid pro quo) must be noted. Please work with the appropriate Division Development Officer to determine these values.

- (5) If the gift is received in response to a solicitation or proposal, a copy of the solicitation or proposal must be sent with the deposit.
- (6) If agreements, oral or written, exist with donor stipulations on how the gift will be used, a copy of a Memorandum of Agreement ([Procedures, II.D.](#)) or Gift Agreement ([Procedures, II.E.](#)) detailing the stipulations must be included.

#### d. Signatures

The approval signature of the Principal Investigator who is the designated steward of the project is required. An original signature is required for the "*Authorized Signature*" line in accordance with the unit's established protocol. For example, the signature of a unit head is required for gifts received for respective unit.

#### 2. Noncash Gifts (Gifts-in-Kind): Complete [form PMGS-97-3](#)

Gifts of equipment and other tangible items will be recorded through the ADC if the donor intends for item(s) to be sold in the immediate future with proceeds supporting Division programs and initiatives.

#### 3. Nongift Deposits:

The ADC can only accept non-gift revenue that is a reimbursement of ADC expenses. Please contact the ADC Office at [ADC@UARK.EDU](mailto:ADC@UARK.EDU) or 479.575.2251 for assistance.

### C. **Processing Deposits**

1. Complete the Gift Disclosure Form (see [Procedures, II.B.](#)).
2. Submit the completed Gift Disclosure Form along with the check(s) and one copy of the check(s) and either a MOA or Gift Agreement to the Agricultural Development Council at a location designated by the VPAG. Currently, deposits may be submitted to 206 DTAS, 1371 W Altheimer, Fayetteville, Arkansas 72704, or hand delivered to 206 DTAS.

*NOTE: It is strongly recommended that checks submitted for deposit from entities on-campus be hand-delivered to the ADC.*

D. **Memorandum of Agreement:** Complete Form [ADC-05 \(PDF\)](#)

An original Memorandum of Agreement is required for all unrestricted and restricted use gifts deposited into the ADC, except as noted in [Procedures, II.E., Gift Agreement](#).

1. In the absence of any documentation (written or electronic) from the donor indicating donor intent on use of the gift, the Memorandum of Agreement (MOA) form (which includes an internal review and approval routing box) must be completed in full, including a signature of the donor. The project (account) name and number must be listed. The unit head must provide an original signature within the internal review and approval routing section indicating an understanding of and agreement to the proposed terms. The unit head signature also indicates that the proposed MOA has been reviewed and meets the criteria of these [Guidelines](#).
2. If the donor has provided documentation (written or electronic) clearly indicating donor intent on use of the gift, or if the gift is in response to a Division solicitation, the documentation or solicitation may be submitted to the ADC office for review to determine if it can substitute for a fully executed MOA. If approved, the need for the donor signature will be waived and only the original signature of the unit head is needed on the MOA (indicating an understanding of and agreement to the proposed terms). The unit head signature also indicates that the proposed MOA has been reviewed and meets the criteria of these [Guidelines](#). The project (account) name and number must be listed.
3. The original Memorandum of Agreement (MOA) form must be submitted to the VPAG for his/her consideration. The original will be included in the ADC files. Once documentation is received, the VPAG or designee may enter into a new Memorandum of Agreement with the donor should modification or further clarification be needed before funds can be deposited.

*NOTE: Funds shall not be deposited until a Memorandum of Agreement meeting the conditions above is received and approved by the VPAG or designee, except as provided in [Procedures, II.E., Gift Agreement](#).*

*NOTE: The VPAG is the authorized signatory for Memoranda of Agreement for the Agricultural Development Council.*

E. **Gift Agreement**

1. Gift Types

A written gift agreement, as described herein, shall be used in order to outline the purpose of a restricted-use gift, if the purpose is to:

- Create an endowment
- Name any physical space
- Name a program or unit
- Make a multi-year pledge

## 2. Development of the Gift Agreement

All gift agreements for use by the ADC are to be generated by the Director of Development for the Division, the Directors of Development for Cooperative Extension, or the Director of Development for Bumpers College, and approved by the donor and the VPAG. Gift agreements will conform to a standardized ADC format. Changes to the format may be allowed, subject to the review of and approval by the VPAG.

## 3. Endowment Gifts<sup>iii</sup>

Endowment funds may be deposited with the ADC. Endowments are excellent opportunities for leaving a legacy and providing naming opportunities to honor or memorialize individuals, organizations, or corporations. Endowments make resources available perpetually, maintaining important financial stability for the University of Arkansas System Division of Agriculture while also granting a lasting impact to an area of interest for the donor. Endowments can be funded by cash gifts (outright or pledged) or planned gifts (e.g., irrevocable bequests in will or living trusts, charitable gift annuities, charitable remainder trusts, charitable lead trusts, gifts of property or real estate, gifts of marketable security, etc.). Gifts to create an endowment must meet the minimum thresholds:

Endowed Award	Minimum: \$5,000
Endowed Scholarship	Minimum: \$25,000
Endowed Lectureship	Minimum: \$50,000
Endowed Faculty Fellowship	Minimum: \$100,000
Endowed Internship	Minimum: \$100,000
Endowed Extension Program	Minimum: \$250,000
Endowment for Professional Improvement	Minimum: \$1,000,000
Endowed Professorship	Minimum: \$1,000,000
Endowed Chair	Minimum: \$2,000,000
Endowed Research Program	Minimum: \$2,000,000
Endowed Department	Minimum: \$5,000,000

#### 4. Signature Approval

Signatures are to be obtained only after the document has been thoroughly reviewed by appropriate Division or College parties and by the donor in draft form. Signatures required include that of the donor(s), the Unit Head, the Dean (in the case of scholarships or other College gifts deposited into the ADC), and the VPAG. Under usual procedures, a final gift agreement must be signed by the donor(s) prior to obtaining the signatures of Division or College administrators.

#### 5. Gift Agreement Terms

Gift Agreement terms shall become effective only upon agreement and proper execution by the donor and appropriate Division or College administrator(s). A gift agreement requiring the approval of either the Foundation and/or the University of Arkansas Board of Trustees is not final until officially approved by the appropriate body.

#### 6. Processing Signed Gift Agreements

Three original gift agreements shall be generated. One signed original of the agreement will be provided to the donor, the second original shall be maintained in the files of the ADC, and the third original shall be maintained in the files of the VPAG. Copies should be sent to the unit and to the Foundation.

#### 7. Restriction Policies

The use of donated funds for a purpose other than stipulated by the donor is prohibited. Clauses in proposals, gift agreements, or solicitations contrary to Division, Foundation, or University System policies are prohibited. The terms of any gift should be as flexible as possible to permit the most productive use of the funds, while clearly stating the intent of the donor. No fellowship or scholarship gifts may be accepted if the terms of the gift in any way include a commitment for the future acceptance, employment, or provision of funds to or for any specific student recipient. The donor of a gift may not be involved in the final selection of students or faculty members who will receive funds related to the gift. Preferences for relatives or descendants in the awarding of scholarships, fellowships, or in the use of donated funds are not permitted.

*NOTE: The ADC rejects all written or oral ancillary terms or agreements to either the Memorandum of Agreement or the Gift Agreement that are not codified in either the Memorandum of Agreement or Gift Agreement as detailed herein, or as part of an authorized written amendment to the same. Authorization amendments must include the assent of the VPAG.*

### III. Payment Authorizations

#### A. PA Forms

All units must use the [Payment Authorization form, UAFound 020 \(PDF\)](#) to request payments. All forms must be typed; handwritten forms will not be accepted. The following are the components of the Payment Authorization Form:

1. Development Council/Campus: The correct campus/development council is "ADC."
2. 1099 Payee: Select box when payment constitutes taxable income for payee.
3. Check Payable To: The organization or individual to whom the check is to be issued.

*NOTE: If an individual or organization is to receive payment or reimbursement for more than one item, it is preferred that all invoices/receipts be combined so that only one check need be issued.*

4. Mail Check To/Special Handling Instructions: Should a unit want to pick-up the check directly from the Foundation office, select "pick-up." Otherwise the check will be mailed to the address listed under the "Mail Check To" section. If expedited handling is needed, the appropriate Federal Express category should be listed.

*NOTE: On-campus units' mailing addresses may be used instead of complete postal addresses.*

*NOTE: When electing to send payment through Federal Express, the recipient's phone number is required. Also, please provide the physical mailing address since P.O. Box addresses cannot be used.*

*NOTE: The Foundation will directly debit the account(s) listed on the Payment Authorization form for the cost of the Federal Express mailing.*

5. Taxable Payment Requirement Section: When taxable payments are applicable (taxable income to be reported on a 1099 form), this section must be completed. The Social Security number and home address for the individual receiving the taxable payment must be provided (taxable payments to University employees may not be processed through the ADC). Further, it is important to note whether the individual is a Non-Resident Alien.

6. Date/Total Check Amount Lines: The date the form is initiated and the total for which the check is to be issued must be supplied.
7. Check Remittance Line: A brief description of the expense (as with a memo line of a check).
8. "*Charge To*" Section: The form provides for six lines for recording expenditures to be delineated by project ID, project description, amount, account number (also known as the [Account code \(PDF\)](#)), and invoice number/date (where applicable). If additional lines are needed, additional forms may be attached.
9. Purpose of Expenditure: The purpose of expenditure must provide a detailed explanation of the need for the expense. Appropriate examples of a "*Purpose of Expenditure*" are listed below (this is not intended to be an exhaustive listing; italicized phrases serve only as illustrations):
  - Field supplies for work with variety testing
  - Lab supplies for insect research
  - Vet supplies for parasite research
  - Office supplies for poultry breeding research
  - Software for use in departmental office
  - Membership dues for "*Sam Jones*"
  - Reference book on "*Using Windows*"
  - Retirement party for "*Sam Jones*"
  - Computer repair services
10. Contact Person RE: Expenditure: List the person who completed the form (the person who should be contacted in case of questions).
11. Signatures: The account signatory line is reserved for any individual listed as an account representative. The "*School/College Review*" line is reserved for the approving manager (requires original signature). The authorized signatories are listed below (exception: when the account signatory is also the approving manager, he/she must obtain his/her supervisor's approval as "*School/College Review*").
  - Department – Department Head
  - Center – Center Director
  - County Staff – District Director
  - Administrative Staff – Associate Vice President or designee
  - CES Support Unit – Associate Director for Finance and Administration
  - Family Consumer Sciences – Associate Director, FCS
  - 4-H and Youth – Associate Director, 4-H and Youth

- Program and Staff Development – Associate Vice President
- Community & Economic Development – Assistant Director, CED

*Note: Two different signatures are required (i.e.: two levels of approval).*

## **B. PA Processing**

The Payment Authorization must be accompanied by an original invoice or scan of the original and/or receipt and two additional copies. Only clear, legible receipts will be accepted. Payments cannot be made if the invoice/receipt cannot be read. The original invoice/receipt, unless needed with the payment, will be attached to the original payment authorization by the ADC and submitted to the Foundation for processing. The second copy of the invoice/receipt is forwarded, along with the original, to the Foundation and will be enclosed with the check when it is delivered to the payee or is returned to the Office of the Vice President for Agriculture. The third copy is retained in the ADC files.

*NOTE: If submitting electronically, extra copies are not required.*

*NOTE: For personal reimbursements, only the original and one copy are needed. The resulting payment will be sent to the payee with no additional documentation.*

*NOTE: Invoice(s) and/or receipt(s) must be taped to a piece of paper (8 ½" x 11"). As many invoices/receipts should be included on the same page as possible. Please do not place tape over text.*

*NOTE: An itemized meal receipt (unless the requester provides a written note that such a receipt was not available) and form [PMGS-95-2-1 \(PDF\)](#) (Reimbursement for Group Meals / Refreshments) are required for meal reimbursements. If seeking reimbursement for a group meal for which you have paid the tab for any Division employee on travel status (defined as away from their work home town/city), form [PMGS-95-2-2 \(PDF\)](#) (Certification of Provided Meal) must also be submitted that is signed by each such Division employee on travel status certifying that a reimbursement for the same meal will not be submitted through BASIS/BANNER.*

*NOTE: If a payment authorization submission contains more than one page of invoices/receipts, the three copies/sets should be collated.*

*NOTE: Invoices must not be sent forward until the item(s) have been received.*

## IV. Expenditures

### A. Approved Uses

Approved uses of ADC funds for Division business purposes may include, but are not restricted to the following:

1. Purchases of equipment, materials, supplies, and activities for extension, research and teaching purposes not otherwise prohibited herein.
2. Professional society dues, journal subscriptions, professional meetings, workshops, seminars, and required continuing education. All journals or materials received are the property of the ADC.
3. Official functions for public relations, development, scheduled on-site working meals/luncheons, or non-employee awards and recognition purposes.
4. Memorial flowers or contributions to memorial funds (such contributions shall not exceed \$100)
5. Coffee service when such service is for guests/stakeholders

*NOTE: A description identifying the business purpose of a scheduled working meal/luncheon, as well as a list of attendees must be provided for consideration of payment/reimbursement (form [PMGS-95-2-1](#)). An ad hoc meal/luncheon (see [Procedures, X. Definitions](#)), especially when involving Division personnel only, is not an approved use. (Please see the “rare occasions” exception found in [Procedures, IV.B.11.](#)).*

*NOTE: Retirement event expenses likely to exceed \$2,000 in total cost, including meals and rentals, must have the prior written approval of the appropriate Associate Vice President for Agriculture before any expense may be obligated.*

*NOTE: Safety apparel or apparel that must be worn as a condition of employment, including helmets, jackets, boots, goggles, and other like apparel, may be purchased using ADC funds only after receiving written approval from the Unit Head. Such apparel may not be worn or adaptable to general usage as ordinary clothing. Reimbursement requests for items purchased without the required pre-approval will be denied.*

*NOTE: Memorial flowers must be for stakeholders, donors, employees, or immediate family of the same.*

*NOTE: Contributions to memorial funds must be for donors or immediate family of donors. Such contributions cannot be made for current employees.*

*NOTE: An award or recognition gift for non-employees cannot exceed \$400 in fair market value.*

**B. Prohibited Uses**

Without prior approval of the Vice President for Agriculture, expenditures of restricted or unrestricted gift funds for the following are prohibited.

1. Direct payment of salaries/wages of faculty, staff or students
2. Direct or indirect payment of overtime for individuals not eligible for such under the State Pay Plan
3. Political contributions or support of other political activities
4. Payment of spouse travel
5. Use of ADC funds for personal gain
6. Use of ADC funds to establish scholarships/fellowships in one's own name
7. Gratuities that exceed 20%
8. Civic club dues
9. Payment for sabbatical salary and living expenses
10. Helmets, jackets, boots, goggles, and like apparel that are neither safety apparel or apparel that must be worn as a condition of employment and can be worn or adaptable as ordinary clothing
11. Except on rare occasions that may qualify for “de minimus exception” (i.e.: Administrative Professionals Day, retirement, major holidays, etc.), ad hoc meals involving Division personnel only
12. Alcohol to be consumed during normal working hours and/or at any event which is primarily a student (graduate/undergraduate) event. Also meals which include alcohol during normal working hours.
13. Gifts and/or other expenses for baby showers, weddings, wedding showers, birthdays, and similar life events except as specifically noted above

14. Gifts to federal, state, or local officials except as in compliance with applicable official ethics rules
15. Direct payments of student fees and reimbursements for parking tickets, traffic fines, etc.
16. Any ADC transaction involving a potential conflict of interest or nepotism
17. Gifts to employees including, but not limited to, retirement, going away, or incentive gifts

*NOTE: Use of ADC store credit accounts or ADC credit cards is prohibited. Purchases may be made through purchasing cards (p-card) administered by either AES or CES, as appropriate, and processed through BASIS/BANNER. Any reimbursements of BANNER accounts charged for approved p-card purchases shall be through ADC payment authorizations. (See [Procedures, I.G.2.](#)) Reimbursement of BASIS accounts are handled automatically using the ADC project that is linked to the particular BASIS CCN.*

*NOTE: No Division employee seeking ADC reimbursement shall include a non-Division guest(s) at an ad hoc meal primarily for the purpose of evading the prohibition language above.*

*NOTE: Notwithstanding any other provision within these Guidelines, no expenditure will be made for expenses considered a taxable fringe benefit to a Division employee.*

*NOTE: Reimbursement for expenses older than 60 days from the incurrence of the expense is not allowed.*

#### **C. Foundation Policy / IRC Section 501(c)(3)**

ADC expenditures in violation of Foundation policy are strictly prohibited. Likewise, ADC expenditures not consistent with the Internal Revenue Code Section 501(c)(3) status of the Foundation are also strictly prohibited.

#### **V. Bidding Procedures**

Telephone or written bids are not required for items that cost less than \$5,000. Documentation of three telephone bids is required for purchase of equipment or other items in the cost range of \$5,000 - \$25,000. Documentation of three written bids is required for purchase of equipment or other items in excess of \$25,000. Prior written approval from the VPAG is required for any variance from this procedure. All purchases with a value of \$5,000 or more will require the prior written authorization of the unit head and the appropriate Associate Vice President for Agriculture. No invoice shall be processed without the concurrent submission of the written authorization.

## VI. **Vehicles, Trailers, and ATVs**

All purchases of vehicles, trailers, and ATVs shall be processed through the respective AES or CES business office, as appropriate. Any reimbursements of BASIS/BANNER accounts charged for vehicles, trailers, and ATVs shall be through ADC payment authorizations. (See [Procedures, I.G.2.](#))

## VII. **Travel**

All travel shall be processed through the respective AES or CES business office, as appropriate. Any reimbursements of BASIS/BANNER accounts charged for travel shall be through ADC payment authorizations. (See [Procedures, I.G.2.](#))

## VIII. **Disposal of ADC Property**

Without the prior approval of the Vice President for Agriculture, disposal of ADC property (including items that are purchased through the ADC or items donated to the ADC) must follow a bid process. The sale of the item(s) must be publicly announced with a minimum bid amount established. The minimum bid amount should be at or near a fair market value as determined by published value guides, licensed appraisers, recommendations from reputable dealers, or documented queries on comparables. The highest bid that is at or above the established minimum bid amount will be awarded.

## IX. **Credit Card Donations**

For credit card donations to an ADC account, please go to <http://donations.uaex.edu/>.

## X. **Definitions**

*Ad Hoc Meals/Luncheon:* Meals that are not scheduled and are not on the Division premises. Lack of evidence of prior scheduling, invitations, and a published agenda would tend to indicate the ad hoc nature of the gathering.

*Division Premises:* Research and Extension Centers, Stations, Extension County Offices, the Extension State Office, the System Office, and campus buildings housing Division units.

*Noncash Gifts:* Gifts of equipment and vehicles, products and commodities, animals, plants, land, and securities; but not cash, checks, credit card contributions, or payroll deductions.

*Non-gift:* Income generated from auctions, t-shirt sales, and the like. Acceptable non-gifts are reimbursements for expended ADC funds as well as funds received with a negative gift component such as silent auction item sold below fair market value.

*Non-Public Sponsor:* Non-public sponsors are corporations, foundations, organizations, individuals, et cetera not meeting the definition of public sponsor.

*Occasional:* Not regular or frequent.

*Proprietary:* Exclusive or effectively exclusive control of research, information, or other property for the benefit of the donor.

*Public Domain:* Unprotected information or work. If copyright or patent protection does attach, such legal protections shall be in favor of the ADC and its designees, and such work product shall not be for the exclusive or near exclusive use of the donor, but shall be generally available for use by the public through licensing and other legal agreements.

*Public Sponsor:* Public sponsors are those supported by public monies including federal, state, county or municipal agencies, and foundations, and other organizations supported in part or whole by public funds.

*Taxable Fringe Benefit:* A form of pay (including property, services, cash, or cash equivalent) in addition to the stated pay for performance of services for which special tax treatment is required. Such benefits are includable in gross income unless specifically excluded under the IR Code.

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<sup>i</sup> Cited from the approved Bylaws of the Agricultural Development Council, The University of Arkansas Foundation, Inc.

<sup>ii</sup> For purposes of these *Guidelines*, “unit” means unit, section, or department.

<sup>iii</sup> Revised by the ADC May 17, 2010.