

# Charitable Contribution System and the SBI Development Fund

## **Policy:**

Student government organizations may receive charitable contributions through the **SBI Development Fund**. Charitable contributions are contributions that are tax-deductible to the contributor. The SBI Development Fund should be used **only** for charitable, i.e., tax-deductible contributions. Examples of contributors are individuals, businesses, partnerships, corporations, etc.

The SBI Development Fund should **not** be used by contributors who are not interested in the tax-deductibility of their contributions, or for contributions from non-profit entities or from government agencies. Student government organizations should deposit these contributions directly in their student government accounts.

## **Procedures:**

### **Charitable Contribution Agreement.**

Charitable contributions to a student government organization **must** be accompanied by a *Charitable Contribution Agreement* form that has been completed and signed by the contributor. The contributor should indicate the amount being contributed and the name of the club or organization for which the contribution is being made. The contributor must sign and date the form. Checks should be made payable to **SBI Development Fund**. The contributor may send the completed form, with their check, to the address on the form. Or, the contributor may give the completed form and their check to a representative of the student government organization; the student government organization representative should then bring the completed form and the check, as soon as possible, to the SBI Accounting Office, 341 Student Union.

### **Receipt and deposit of contribution checks.**

Once the SBI Accounting Office receives the contribution check and completed *Charitable Contribution Agreement*, the check will be deposited and a budgetary account will be established for the student government organization in the SBI Development Fund. A receipt will be delivered to the student government organization as notification that the contribution check has been received and deposited.

### **Contribution Acknowledgment.**

SBI will send a letter to the contributor as acknowledgment of their contribution. The letter will state the amount of the contribution, the intended purpose of the contribution,

and the tax-deductibility of the contribution. The letter should be retained by the contributor for tax purposes. In order for the contributor to receive the maximum tax deduction, *no goods or services can be given to the contributor in exchange for the contribution.*

### **Expenditure of funds.**

When the student government organization wishes to make a purchase from their SBI Development Fund account, they must complete a **Sub-Board I, Inc Development Fund Purchase Requisition**. The requisition **must** be completed and submitted to the SBI Accounting Office **before** making the purchase or **before** ordering goods or services from the vendor, i.e., **funds must be encumbered before a purchase is made**. The requisition must be signed by an officer of the student government. Upon receipt of the requisition, the SBI Accounting Office will issue a **Purchase Order** for approval by two SBI officers. A copy of the approved Purchase Order will be sent to the student government organization. After receiving the copy of the Purchase Order, the student government organization may then place the order or make the purchase.

After the goods or services have been received, the student government organization must complete the **Receiving Report** section of their copy of the Purchase Order. The student government organization must attach to the Purchase Order valid supporting documentation for the purchase. Valid supporting documentation consists of an **original** invoice from the vendor, or an **original** sales slip or cash register receipt, or an **original** signed contract for services. If the student government organization is requesting reimbursement for a purchase made by an individual, they must also provide proof of payment, such as a cancelled check, credit card statement, etc, as verification that the individual being reimbursed actually made the payment to the vendor. If the payment is for a conference, the student government organization must attach proof of attendance (e.g., a copy of the conference program, or a letter from the conference director verifying attendance). The copy of the Purchase Order, with all required documentation attached, may then be submitted to the SBI Accounting Office for payment.

In rare instances when a vendor requires a pre-payment or payment in advance, the student government organization must provide valid supporting documentation of the purchase within ten days.

### **Financial Reporting.**

A student government organization may request a copy of their SBI Development Fund account activity, or may obtain the balance in their account at any time by calling or coming to the SBI Accounting Office in 341 Student Union, 645-2954. SBI will also provide a report of account activity to the student government treasurer monthly.