

NU Foundation Funds Online (NUFFO) Fund Usage Guidelines

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Fund Usage – Capital Improvement

Last Updated: June 25, 2018

The University of Nebraska Foundation (UNF) has developed the following non-exclusive list of permissible expenses for which capital improvement funds may be used if appropriate for the project, unless otherwise limited by restrictions in the fund governing document. Typically, the purpose statement within the agreement will state: “This Fund shall be used for capital improvements related to [project].”

Capital Improvement for the purposes of these Guidelines includes both new construction and/or renovation of existing structures. The purpose of this list is to ensure consistent application and use of funds in conformance with donor intent. Any request for clarification or other comments should be directed to the University of Nebraska Foundation Office of the General Counsel.

- Architectural planning, design, and engineering
- Site planning and preparation, including construction staging and parking relocation
- Infrastructure
- Facility development
- Real estate acquisition, including sales commissions, recording fees, transfer tax, and other transactional costs
- Environmental and geotechnical assessment
- Surveying
- Insurance
- Fees and assessments for the building permit, other permits, licenses, and inspections required by local building code and regulations
- Construction supplies and materials
- Professional services, including construction management, legal, finance, fundraising, and other consultation services
- Furniture, fixtures, artwork, and other furnishings
- Equipment, computers, and related software and warranties and ongoing service or maintenance plans



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- Storage and transit of existing furnishings and equipment impacted by construction
- LEED certification
- Landscaping, irrigation, and signage (including donor recognition)
- Ongoing renovation, repairs, and operational expenses incurred after completion of the facility
- Renovation of reallocated and vacated facilities

Policy on Direct Payment of Vendors. Unless otherwise prohibited by University of Nebraska policy or Nebraska law, the university shall pay its vendors directly and seek reimbursement from the appropriate foundation fund. Direct payment of vendors allows the university to use its sales tax exemption. However, if a foundation fund is used to pay a vendor directly, the invoice must include any required sales tax, since the foundation is not exempt from paying sales tax.

Fund Usage – Faculty Support

Last Updated: October 5, 2018

Professorships and chairs create a margin of excellence by empowering the University of Nebraska to recruit and retain a high-quality faculty. Professorships and chairs provide salary and support for recipients’ teaching, research, and creative activities. Recipients are appointed in accordance with Board of Regents Policy RP-4.3.4 Approval of Appointments to Endowed Chairs and Named Professorships, and UNF may require evidence of the appointment before authorizing expenditures from a professorship or chair fund.

UNF’s board of directors adopted a resolution on June 21, 2018, to establish and implement a standard rubric for consistent administration of professorships and chairs. It states, in part, that:

1. Professorships, chairs, and other similar named-position funds may be used as set forth below, unless such use is expressly prohibited by its governing document.
 - a. Salary for the recipient, including all proportional fringe benefits and salary expenses (e.g. retirement, FICA, health insurance, life insurance, unemployment compensation, workers compensation, and leave payouts).
 - b. Expenses related to the recipient’s teaching, scholarly research, and creative activities (collectively, “programmatic support”); provided, however, that if the recipient is a University of Nebraska administrator, such programmatic support may also be used for the benefit of the recipient’s academic unit. Examples of permissible expenses include:
 - i. Salary and fringe benefits of non-tenure-track research, post-doctoral, clinical, and visiting professors and associates
 - ii. Salary and fringe benefits for graduate research and graduate teaching assistants
 - iii. Travel and related expenses



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- iv. Equipment, computers, and related software
 - v. Professional conference registration and presentation materials
 - vi. Professional membership dues
 - vii. Scholarly books and periodicals
 - viii. Administrative support
 - ix. Teaching, clinical, or research release time
 - x. Summer support for faculty holding nine-month appointments
 - xi. Reasonable start-up expenses incurred immediately prior to the recipient's appointment
 - xii. Other expenses directly related to enhancing the recipient's research and creative activities
- c. Recruiting expenses for a new recipient if the position is vacant.
2. In the event a departing recipient fails to fully expend their allocation of programmatic support, UNF's chief financial officer or designee shall work with the University of Nebraska to avoid any undue benefit to the new recipient.

UNF has reviewed all professorship and chair funds to determine whether their governing documents expressly prohibit any of the uses described above. An express prohibition is an affirmative written statement by the donor specifically excluding one or more generally acceptable uses of a professorship. If a governing document is silent on a particular use, then that use is permitted. While the governing document is the final authority, the University of Nebraska may rely on guidance issued by UNF's general counsel and chief financial officer.

If you have questions about the use of professorship funds, please contact:

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Fund Usage – Research

Last Updated: May 30, 2013

The University of Nebraska Foundation has developed the following non-exclusive list of permissible expenses for which research funds may be used unless otherwise limited by restrictions in the fund governing document. The purpose of this list is to ensure consistent application and use of funds in conformance with donor intent. Any request for clarification or other comments should be directed to the University of Nebraska Foundation Office of the General Counsel.

- o Summer salary and fringe benefits for faculty with less than 12-month appointments
- o Salary and fringe benefits of non-tenure-track research, post-doctoral, clinical, and visiting professors and associates
- o Travel and related expenses



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- Equipment, computers, and related software
- Professional conference registration and presentation materials
- Professional membership dues
- Scholarly books and periodicals
- Salary and fringe benefits for graduate research and graduate teaching assistants

Research funds held by the foundation shall not be used for Facilities and Administrative (F&A) costs. RP-6.6.8 Use of Gifts to Replace Public Funds Prohibited states:

The donation of gifts to the University of Nebraska Foundation for the benefit of the University shall be applied for the improvement of academic programs of the University in accord with donor intentions, and will not be used to replace fiscal support of such programs from public funds.

Fund Usage – Student Support

Last Updated: April 20, 2011

The University of Nebraska Foundation has developed the following glossary of common terms governing student support funds to provide guidance to the staff of the University of Nebraska and the foundation in the administration of these funds. These definitions will serve to ensure consistent application and use of funds in conformance with donor intent. Direct any request for clarification or other comments to the University of Nebraska Foundation Office of the General Counsel.

Annually or otherwise: A fund agreement may include the language “This fund shall be used annually or otherwise for one or more scholarships...” Unless otherwise stated in the fund agreement, a scholarship or fellowship may be awarded in any combination of the fall, spring, and summer semesters consistent with policies established by the University of Nebraska campus offices of financial aid.

Award or Prize: An award or prize is financial support paid directly to a student. Awards or prizes may constitute taxable income to recipients under the Internal Revenue Code.

Criterion/Restrictions: A criterion is a binding expression of donor intent defining the pool of candidates eligible for a scholarship or fellowship. A person with spending authority may not award the scholarship or fellowship to a student who does not meet the criterion. For example, the statement "Candidates shall be residents of Nebraska" means that, if no Nebraska resident qualifies for the scholarship or fellowship, then it cannot be awarded. See also: **Preference**.

Fellowship: The foundation follows the Board of Regent’s policy (RP-5.8.1) in defining the terms fellow and scholar. Grants-in-aid to graduate students requiring no service are termed fellowships. Fellowships are generally applied directly to a student’s university account for tuition, fees, books, and required supplies. Fellowship support in excess of a student’s tuition, fees, books, and required



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supplies (for example, fellowship support applied to room and board) may be considered taxable income under the Internal Revenue Code.

Financial Need: If a fund requires or gives preference to a student who demonstrates financial need, the appropriate campus financial aid office shall determine whether a student has financial need as determined by federal financial aid guidelines.

Maximum Scholarship and Fellowship Amounts: Unless otherwise specifically allowed under the terms of the fund agreement, scholarships and fellowships generally should not be awarded in amounts exceeding the cost of the recipient’s tuition, fees, books, and required supplies, regardless of whether the recipient is part-time or full-time enrolled. Support in excess of a student’s tuition, fees, books, and required supplies (for example, scholarships or fellowships applied to room and board) may be considered taxable income under the Internal Revenue Code.

Preference: Preference is a nonbinding expression of donor intent defining the pool of candidates eligible for a scholarship or fellowship. A spending authority shall make their best effort to identify candidates who meet the preference. For example, the statement "Preference shall be given to residents of Nebraska" means that, between two qualified candidates, the one who is a Nebraska resident should be awarded the scholarship or fellowship. However, if no Nebraska residents qualify, then the scholarship or fellowship may be awarded to a non-Nebraska resident who meets all other criteria. See also: **Criterion**.

Regularly enrolled: A fund agreement may include the language “This fund shall be used annually or otherwise for one or more scholarships to regularly enrolled undergraduate students...” Unless otherwise stated in the fund agreement, candidates for scholarships and fellowships shall be enrolled or intending to enroll and shall be in *good academic standing and be making satisfactory academic progress* as those terms are defined by the university and may include students who are less than full-time enrolled.

Renewal: A fund agreement may include the statement “All scholarships awarded hereunder may be renewed upon continued maintenance of all criteria herein.” In such event, preference shall be given to renewing a past recipient’s scholarship or fellowship if the recipient continues to meet the criteria set forth in the fund agreement.

Scholarship: The foundation follows the Board of Regents policy (RP-5.8.1) in defining the terms fellow and scholar. Grants-in-aid to undergraduate students requiring no service are termed scholarships. Scholarships are generally directly to a student’s university account for tuition, fees, books, and required supplies. Scholarship support in excess of a student’s tuition, fees, books, and required supplies (for example, scholarship support applied to room and board) may be considered taxable income under the Internal Revenue Code. The foundation has further defined scholarships to include grants-in-aid requiring no service made to students enrolled in professional disciplines (e.g. law, medicine, dentistry, pharmacy, etc).



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Spendable Amount: The spendable amount for scholarships and fellowships is only reported **annually** as of March 1. For example, the spendable amount reported as of March 1, 2017, is the amount available to be awarded for the 2017-2018 academic year.

Spendable Net Income: If a fund is an endowed fund, its principal is considered a permanent endowment and is kept intact and invested in accordance with the foundation's investment policies, with the spendable net income generated therefrom available for the purpose of the fund. Spendable net income refers to the permitted annual spending amount for the endowed fund as determined in accordance with the foundation's investment and spending policy. A copy of the foundation's current investment and spending policy is available upon request. For scholarships and fellowships, if the fund agreement *requires* reinvestment of excess spendable net income (applicable to endowed and quasi-endowed funds only), the foundation shall automatically reinvest all remaining spendable net income with the principal of the fund as of February 28 of each year. If the fund agreement *permits* but does not require reinvestment of excess spendable net income, the fund's spending authority must notify the foundation in writing specifying the amount of excess spendable net income to be reinvested. If the foundation receives no written notification of reinvestment, excess spendable net income shall remain available for expenditure.

