



**Connecticut
State
University**

Central • Eastern • Southern • Western

BR#91-143

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RESOLUTION

ADOPTING

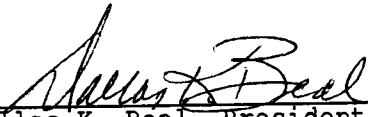
POLICIES GOVERNING CONNECTICUT STATE UNIVERSITY
RELATIONSHIPS WITH PRIVATE FOUNDATIONS

November 1, 1991

BE IT RESOLVED, That the Board of Trustees for the Connecticut State University rescinds Board Resolution #90-31, "Policies Governing Connecticut State University Relationships with Private Foundations" and addendum thereto; and be it further,

RESOLVED, That the Board of Trustees for the Connecticut State University adopts the attached addendum as said policies.

A Certified True Copy:


Dallas K. Beal, President



An Equal
Opportunity
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Connecticut State University
Board of Trustees'
Policies Governing CSU Relationships with Private Foundations

Preamble

The Board of Trustees for Connecticut State University (CSU) recognizes the following foundations as private corporations established to support, promote, and improve CSU or its individual campuses. The margin of excellence these foundations provide to enhance the CSU mission as a comprehensive public university and the related missions of its individual campuses is viewed by the Board as critical to the University's effective and efficient functioning.

The Henry Barnard Foundation, Inc.
CCSU Foundation, Inc.
Eastern Connecticut State University Foundation, Inc.
Southern Connecticut State University Foundation, Inc.
University Foundation of Western Connecticut, Inc.

For the purposes of the following Board policies these foundations will be referred to individually and collectively as "the foundation."

In accordance with Public Act 89-267 of the Connecticut General Statutes, the Board of Trustees accepts full responsibility, and that of its chief executive officer and campus presidents, in assuring compliance with all state and federal laws governing the relationship between the Connecticut State University or its individual campuses and their respective foundations.

Nothing in the following policies is to be construed as an indication that such foundations are anything but private corporations. Accordingly, the Board of Trustees does not assume direct control of their operations.

Nonetheless, as the only legal entity empowered to accept gifts and donations from private sources for CSU and its campuses (Section 10a-150 of the Connecticut General Statutes and Board Resolution 87-192), the Board affirms its responsibility to assure that the principles outlined in law are followed.

I. Responsibility of the CSU Presidents

The President of Connecticut State University, and the Presidents of Central, Eastern, Southern and Western Connecticut State Universities, (referred to individually and collectively for the purposes of the following policies as "the president") shall ensure:

- A. o That the foundation is governed by a board to oversee foundation operations;
- B. o That the membership of the foundation's board includes ex officio non-voting institutional representatives. These representatives shall include:
 - (1) The president of the institution (or his/her designee);
 - (2) A student representative elected by students in accordance with the process outlined below; and
 - (3) A faculty representative elected by faculty in accordance with the process outlined below.

Student and Faculty Elections

- C. o Election of Students to the Foundation Board.
 - (1) Each foundation shall have an elected student representative who shall serve as a non-voting member of the governing board of the foundation.
 - (2) The student representative to the Barnard Foundation shall be elected for a one-year term on a rotating basis from each of CSU's campuses beginning with the following schedule:
 - (A) From Central, Academic 1989-90;
 - (B) From Eastern, Academic 1990-91;
 - (C) From Southern, Academic 1991-92;
 - (D) From Western, Academic 1992-93.
 - (3) The student representative to the campus foundations shall be elected for a one-year term by the respective student bodies.
 - (4) The terms of student representatives on the foundation boards shall terminate with the election of the subsequent student representative.
 - (5) Such student elections shall take place during student campus elections the spring before the academic year in which the representative will serve, but in any case, no later than May 31 of that year.

- (6) The filling of unexpired student vacancies shall take place by special elections held by the respective constituencies outlined above.

D. o Election of Faculty Members to the Foundation Board.

- (1) Each foundation shall have an elected faculty member who shall serve as a non-voting member of the governing board of the foundation.
- (2) The faculty representative to the Barnard Foundation shall be elected for a one-year term on a rotating basis by each of CSU's campus faculty senates from the respective faculties beginning with the following schedule and rotating annually thereafter:
 - (a) From Central, academic 1989-90;
 - (b) From Eastern, academic 1990-91;
 - (c) From Southern, academic 1991-92;
 - (d) From Western, academic 1992-93.
- (3) The faculty representative to the campus foundation shall be elected from the corresponding campus faculty by the corresponding faculty senate for a one-year term.
- (4) The terms of faculty representatives to the foundation boards shall terminate with the election of the subsequent faculty representative.
- (5) Such faculty elections shall take place during faculty senate elections during the spring before the academic year in which the representative will serve, but in any case, no later than May 31 of that year.
- (6) The filling of unexpired faculty vacancies shall take place by special election held by the corresponding constituency.

The President further shall ensure:

- E. o That the foundation board annually file with the president and the Connecticut State University Board of Trustees, during the fall semester of each year, an updated list of members and officers of the foundation board of directors;

- F. o That the salaries, benefits and expenses of officers and employees of the foundation be paid solely by the foundation, and that the foundation board annually approve such salaries assuring compliance with all federal IRS requirements;
- G. o That any potential conflict of interest by CSU employees is avoided in foundation operations and transaction, and in the relationship between the foundation and the institution;
- H. o That the foundation use generally accepted accounting principles in its financial record-keeping and reporting;
- I. o That any person soliciting funds or any other thing of value for donation to the foundation, at the time of such solicitation and in any receipt for or other written confirmation of such donation, clearly and conspicuously disclose that the funds or other things of value donated are to be provided to the foundation as distinct from the university or specific foundation accounts, and that the identity of the donor may be kept confidential by written request of the donor;
- J. o That no officer or employee of the university shall receive a salary, fee or loan, or any compensation or other thing of value from the foundation, or withdraw funds from the foundation for any purpose, without written approval from the president. Such approval shall include the terms of such compensation or withdrawal. The president shall ensure that the foundation annually file with the president and the executive committee of the Connecticut State University Board of Trustees during the fall semester of each year, and in a format approved by said board of trustees, all foundation salaries, consulting fees, loans and perquisites paid or given by the foundation to CSU employees;
- K. o That such written approval may be issued in advance to the designated employee for reimbursements of recurring expenses of no more than \$500 per quarter, and that the president shall receive quarterly reports of the amounts disbursed and the purposes for which they are used; recurring expenses are defined as those pertaining to routine university relations activities (e.g., legislative breakfasts, luncheons, etc.);
- L. o That under subsections J and K of this section (I.) if the President of Connecticut State University is the officer or employee in question, the written approval shall be that of the Chairman of the Board of Trustees;
- M. o That under subsections J and K of this section (I.) if the President of a CSU campus is the officer or employee in question, the written approval shall be that of the CSU President.

- N. o That the transfer of gifts and donations from the foundation to the university is consistent with Section 10A-150 of the Connecticut General Statutes and CSU Board Resolution 87-192, and that quarterly foundation records of such transfers include dollar amounts or approximate value, purposes, and recipients of such transfers;
- O. o That the foundation board adopt an approval process for authorization of expenditures of unrestricted funds, or changes in such planned expenditures;
- P. o That the foundation board adopt a written investment policy and that the policy address the distribution of investment income and related costs.

II. Responsibility of the CSU Board of Trustees

The Board of Trustees for the Connecticut State University shall ensure that the President of Connecticut State University, and the respective presidents of Central, Eastern, Southern, and Western Connecticut State Universities conform to Section I. of these policies. The Board also shall:

- A. Approve the letters of agreement between Connecticut State University and its constituent campuses with the corresponding foundations;
- B. Have its Executive Committee review annually during the fall semester of each year, the foundation salaries, consulting fees, loans, and perquisites paid or given by the foundation to CSU employees as outlined in Section I.J. of these policies.

III. Full Private Audits

The President further shall ensure:

- A. o That if the foundation has in any of its fiscal years, receipts and earnings from investments totaling \$100,000 or more, it shall have completed on its behalf for such fiscal year a full audit of the books and accounts by an independent certified public accountant;
- B. o That if the foundation has receipts and earnings of less than \$100,000 in each fiscal year during three of its consecutive fiscal years, it shall have completed on its behalf a full audit of the books and accounts for every third year by an independent certified public accountant; and that for the two years that the full audit is not required, the foundation shall submit to the President a financial statement as provided by sub-section 7 of section 2 of Public Act 89-267;

- C. o That the foundation conduct its first full audit for the fiscal year following the effective date of Public Act 89-267 (October 1, 1989) except that the Barnard Foundation shall conduct its first full audit for the previous fiscal year;
- D. o That each audit be conducted in accordance with generally accepted auditing standards and include financial statements, a management letter, and an audit opinion which addresses the conformance of the operating procedures of the foundation to the provisions herein, and recommends any corrective actions needed to ensure such conformance;
- E. o That the audit report disclose the receipt or use by the foundation of any public funds in violation of the provisions herein;
- F. o That the foundation provide a copy of each audit report to the president, who shall in turn submit copies to the Board of Trustees, the Board of Governors for Higher Education, and the Auditors of Public Accounts;
- G. o That each financial statement include the total receipts and earnings from investments and the amount and purpose of each receipt of funds by the university from the foundation;
- H. o That the President and chief fiscal officer of Connecticut State University or president and chief fiscal officer of the respective CSU campuses shall review each audit report;
- I. o That the president sign a letter indicating that he/she has reviewed the audit report and transmit a copy of the letter and report to the Auditors of Public Accounts, who shall have access to the relevant working papers compiled by the certified public accountant in the preparation of the private audit and may conduct an audit of the books and accounts of the foundation as provided in sub-section (b) of section 3 of Public Act 89-267 if the audit report indicates:
 - (a) Funds for deposit and retention in state accounts have been deposited and retained in foundation accounts; or
 - (b) State funds, personnel, services or facilities have been used in violation of the policies outlined herein.

IV. Letter of Agreement

The President shall further ensure:

- A. o That there be a written agreement between the university and the foundation;

- B. o That the agreement, which shall follow a format as provided for by the Connecticut State University President, shall:
- (a) Address any use by the foundation of the university's facilities and resources including, but not limited to, office space, storage space, office furniture and equipment, utilities, photocopying services, computer systems and the maintenance by the university of the books and records of the foundation;
 - (b) Provide that the university shall have no liability for the obligations, acts or omissions of the foundation;
 - (c) Require the foundation to reimburse the university for expenses the university incurs as a result of foundation operations if the university would not have otherwise incurred such expenses, and that the foundation may provide an additional general reimbursement for overhead expenses to be negotiated between the foundation and the university; and
 - (d) Provide that if the foundation ceases to exist or ceases to be a foundation:
 - (1) The foundation shall be prohibited from using the name of the university;
 - (2) The records of the foundation, or copies of such records, shall be made available to, and may be retained by the university; and
 - (3) There are procedures for the disposition of the financial and other assets of the foundation.

V. State Accounts

The Board of Trustees prohibits the channeling of state funds into foundation accounts. Accordingly, the president must ensure that the following funds be deposited and retained in state accounts:

- A. o All funds or other things of value received through proposals or other means with an obligation for service primarily to the donor by the university including, but not limited to, research, training, education or public service activities, (except those funds or things of value given to the foundation by a charitable trust which, on or before October 1, 1989, does not permit the giving of its funds or other things of value to a state agency);

- B. o Gifts and donations, including cash, endowments, stock, real estate, personal property or other property of value, made to the university; and
- C. o Funds received directly from the foundation by the university.

11/1/91