



**UW-Madison Administrative Policy**  
**Policy # 131**  
**Gift Funds Policy**

Effective Date: December 12, 2017  
Last Updated: July 30, 2018  
Last Reviewed: July 30, 2018  
Next Review: July 30, 2019

<b>Functional Owner</b>	Director of Financial Information Management
<b>Executive Sponsor</b>	Associate Vice Chancellor & Controller
<b>Policy Contact</b>	Gift Management Accountant, 608-262-0726 or Gift Management Mailbox <a href="mailto:giftmgt@bussvc.wisc.edu">giftmgt@bussvc.wisc.edu</a>

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### **Policy Summary**

The University of Wisconsin-Madison (the University) defines a gift as a donation in the form of money. This policy defines the principles for interacting with the Wisconsin Foundation and Alumni Associations (WFAA), legally known as the University of Wisconsin Foundation, in the receipt and use of gifts made to the WFAA in support of the University.

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### **Policy Application**

This policy applies to all University of Wisconsin-Madison personnel involved in the receipt and use of gifts made to the WFAA in support of the University. Campus and divisional leadership have a responsibility to ensure individuals accepting and/or using gift funds are fully informed, and understand gift acceptance and use procedures.

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### **Rationale**

The University of Wisconsin-Madison has a responsibility to assure appropriate stewardship of gifts made to the WFAA in support of the University, to ensure compliance with state laws and the University of Wisconsin System Board of Regents policy regarding the expenditure of state and gift funds, and to respect the nature of the WFAA as a distinct, separate legal entity from the University.

The services and support to be provided by the WFAA and the University, including any fundraising activities, are outlined in a separate, operational agreement between the University and the WFAA that is reviewed annually.

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### **Policy Detail**

#### **I. Gifts Received**

The primary role of the WFAA is to solicit and accept gifts in support of the University of Wisconsin-Madison, and then to invest and protect those gifts so they may be used for the intended purpose.

The WFAA accepts only those gifts that meet all of the following criteria:

- A. The gift must provide funding for activities, such as professorships, scholarships, building projects, fellowships, and other activities in support of the research, instruction

and service mission of the University. The donor may restrict the use of funds to a specific program area or purpose.

- B. No detailed technical or fiscal reports are required as a condition of the gift. The unit or faculty member involved may provide the donor with a brief summary of the results of supported activities and a statement that expenditures were made in accordance with the intent of the gift. If detailed fiscal or technical reports are required, the payment is deemed to be a payment for research or other services performed by the University and must be awarded to the Board of Regents of the University of Wisconsin System, rather than to the WFAA.
- C. The gift does not grant the donor with rights to, or impose any restrictions with respect to patents, copyrights and other intellectual property rights that result from activities supported by the gift.
- D. The gift contains no restrictive provisions, such as delays or advance notice concerning publication or dissemination of data and information derived from activities supported by the gift.
- E. The gift is irrevocable by the donor.

WFAA will only accept gifts in support of the University of Wisconsin-Madison that are eligible for tax-deductible gift treatment under Internal Revenue Service rules and that meet the five criteria stated above. Any gifts not meeting the gift criteria stated above will not be accepted by the WFAA. All accepted gifts must be acknowledged in writing.

Funds derived from University revenue producing activities, such as fees for services or use of University facilities, revenues from ticket sales, merchandise sales, and similar activities, from grants, contracts or other arrangements under which goods or services are provided by University personnel, belong to the University and all such funds must be deposited directly with the University into appropriate accounts. Such funds must not be deposited with the WFAA or transferred to the WFAA as a means of avoiding state law requirements and restrictions on the use of state funds.

## **II. Gift Expenditures**

As a general principle, gifts provided to the WFAA shall be expended by way of fund 233 projects (or 533 for Intercollegiate Athletics). Upon request from the University, WFAA will make a gift of funds to the University to be deposited into a fund 233 or 533 project. All such deposits will be presented to the Board of Regents for incorporation into the University's regular budgeting and accounting system.

Once gifts disbursed by the WFAA are deposited into a University fund/appropriation, those gifts are governed by all State of Wisconsin and Board of Regents requirements and restrictions regarding expenditures.

Only under circumstances in accordance with the University of Wisconsin-Madison and WFAA policy and procedures should the WFAA be requested to pay funds directly to a vendor for a University program or purpose. Direct payment requests that appear inconsistent with this policy or related procedures will be referred by WFAA to the Dean/Director's Office and/or the Vice Chancellor for Finance and Administration or their designee for resolution.

### **III. Gift Project Financial Position**

Gift funds should be readily available to cover expenses charged on fund 233 gift projects. To responsibly manage and analyze fund 233 balances, gift revenue should be added to projects in a timely manner. It is inappropriate for the University to carry a negative cash balance in fund 233. In addition, fund 233 project cash balances should not be in deficit at June 30 each fiscal year end. In order to achieve this, gift funds are to be requested from WFAA at a minimal frequency of quarterly, unless funds are not necessary due to a lack of expense activity.

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### **Consequences for Non-Compliance**

Non-compliance with this policy or related procedures may result in additional controls being placed on access to WFAA funds, and/or discipline through established employment policies.

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### **Supporting Tools**

[Accounting Services, Gifts web page](#)

[WFAA Advancement Resources web page](#)

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### **Definitions**

**1. Gift:** Donations in the form of money that meet the five criteria listed in this policy.

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### **Responsibilities**

**Dean's Office:** Serves as a liaison between the campus department and Gift Management Accountant, and provides signature as authorized approval of a Gift.

**Division of Business Services Accounting Services Director of Financial Information Management:** Reviews and provides signature as an authorized official for Gifts agreements between the University of Wisconsin-Madison and the donor, when necessary.

**Gift Management Accountant:** Responsible for the oversight, including monitoring and reporting donations received by the University of Wisconsin - Madison.

**Office of Legal Affairs:** At the request of the Gift Management Accountant or Dean's office, reviews Gift agreements of a donation for potential legal issues.

**Risk Management:** Assures that equipment and other goods are appropriately insured in cases of Gift in Kind donations.

**Tax Compliance Manager:** Advises and reviews donor tax forms when necessary.

**UW-Madison Campus Personnel:** Works with the donor to obtain appropriate Gift documentation. This individual completes the Gift Check Routing Form and WFAA Check Request Form to provide to its Divisional Dean/Director's office for signature.

**Wisconsin Foundation and Alumni Association (WFAA):** WFAA is an independent Wisconsin nonstock corporation organized and incorporated in 1945, for the purpose of stimulating voluntary private support from alumni, parents, friends, corporations, foundations and others for the benefit of UW-Madison.

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**[Link to Related Policies](#)**