

SOUTHWEST TENNESSEE COMMUNITY COLLEGE

Subject: Foundations

Effective Date: July 1, 2000

General Statement

This policy is adopted pursuant to TCA 49-7-107 and 49-11-402 (4) which authorizes and empowers the Tennessee Board of Regents to take steps necessary for establishing foundations for the institutions governed by the Board. Southwest Tennessee Community College recognizes the value of its Foundation to the overall development of its college programs. The Southwest Tennessee Community College Foundation provides a direct means for individuals to participate in the generation and management of contributions for the benefit of the college.

Definition of Foundation

The Southwest Tennessee Community College Foundation is a not-for-profit organization existing solely to support and advance the objectives of the college. The Foundation is operated as a tax-exempt corporation chartered within the State of Tennessee.

Foundation/College Relationship

The Southwest Tennessee Community College Foundation is not an operational element of Southwest Tennessee Community College; it is a separate legal entity whose functions are supported financially by private donations. The Foundation/college relationship is derived from a shared interest in the development of Southwest Tennessee Community College. Institutional participation in and guidance of Foundation operations are therefore, appropriate and desirable. It is recognized that to be effective in achieving its purpose, the Foundation must be maintained as a separate entity from Southwest Tennessee Community College even though its identity will be interrelated with that of the college. The accountability of the Foundation and Southwest Tennessee Community College as it relates to the Foundation, however, are concerns common to the Foundation, Southwest Tennessee Community College and the Tennessee Board of Regents.

Source of Policy: Development Taskforce

Related Policy: TCA 49-7-107/49-11-402 (4)

Approved: _____
President

Responsible Vice President for
Administrator: Institutional Advancement
TBR Policy Reference: 4:01:07:02
TBR Guideline Reference: N/A

Date: July 1, 2000

Purpose of Policy

The purpose of this policy is to promote and strengthen the operation of the Foundation that is established for Southwest Tennessee Community College. The following provisions set forth a framework, which enables and enhances a sound and mutually supportive Foundation/Southwest Tennessee Community College relationship.

Provisions

1. A written agreement will be formulated defining and documenting the relationship between Southwest Tennessee Community College and the Foundation. This agreement will describe the services Southwest Tennessee Community College is to provide to the Foundation and their respective responsibilities.
2. The Foundation will determine its own governance structure. To ensure an appropriate level of college participation in foundation governance, however, the President of Southwest Tennessee Community College and /or the President's designee(s) will hold membership on the Foundation's executive body.
3. The Foundation's executive body will adopt an annual financial plan. Staff of Southwest Tennessee Community College will participate in the development of the financial plan to ensure that college objectives are reflected in the allocation of foundation funds.
4. The Foundation will develop policies and procedures concerning its operations. At a minimum, the policies will address solicitation, acceptance, and management/investment and the expenditure of contributions to the Foundation. The policies must incorporate sound business and principles and safeguard compliance with donor intent and conditions. It is recognized that investments by the Foundation are governed by TCA 35-10-101 et seq.

The policy regarding solicitation and acceptance of contributions will provide that prior to acceptance of any gift to the Foundation which requires college support, i.e., staff, financial assistance, storage or other college resources, approval must be obtained from the President of Southwest Tennessee Community College and if applicable, by the Chancellor, in accordance with Board policy.

5. No Southwest Tennessee Community College funds, including contributions to Southwest Tennessee Community College, may be transferred directly or indirectly to the Foundation. It is understood that instances may occur where a donor inadvertently directs a contribution to Southwest Tennessee Community College, which is intended for the Foundation. Procedures will be established to clarify donor intent and thus to place the contribution in the intended account.
6. The Foundation will respect Tennessee Board of Regents and Southwest Tennessee Community College's responsibilities for personnel administration, and a process will be established whereby foundation expenditures for compensation of Southwest Tennessee Community College personnel; i.e., salary supplements and perquisites, are approved in advance by the President of Southwest Tennessee Community College and the Chancellor of the Tennessee Board of Regents on an annual basis.
7. Foundation records and accounts will be maintained by the college; however, they will be maintained separate from college records and accounts and be shown as an agency fund of the college.
8. The Foundation executive body will issue periodic reports on the activities of the Foundation, which will be submitted to the President of Southwest Tennessee Community College and the Chancellor. At a minimum, a comprehensive annual financial report will be issued, prepared in accordance with generally accepted accounting principles.
9. Record and accounts maintained as an agency fund of the college will be audited on the same cycle as the college's audit performed by the Comptroller of the Treasury of the State of Tennessee and will be reported upon as a part of the agency fund of the college.
10. Initial and amended Foundation charters and by-laws to be filed with the Secretary of State will be submitted by the President of Southwest Tennessee Community College to the Chancellor for review.
11. The Chancellor shall have the authority to grant exceptions to this policy when deemed appropriate and necessary.