I.9 Procedures for Establishing New Funds

1. **Determine the Type of Fund to be Established and the Purpose of the Gift**
   Determine the type of fund the Donor, Fund Originator or University Representative wishes to establish (restricted/endowed) and determine for what purpose the gift is to be used (restricted/unrestricted) given the size of gift and donor intent.
   **Examples:**
   - Restricted to benefit the English Department; Unrestricted in use
   - Endowment to benefit English Department; Unrestricted in use
   - Restricted to benefit the Biology Department; Restricted to be used to purchase equipment
   - Endowment to benefit the Biology Department; Restricted to be used for scholarships

2. **Prepare the Appropriate Paperwork and Backup for Pre-Authorization**
   Prepare the appropriate Gift Agreement (GA) or Administrative Agreement (AA) and the New Project Set-up Form (NPSUF) (see explanations of when to use forms and important information below) to be submitted with appropriate backup to the UA Foundation for authorization. Appropriate backup includes a copy of the check or pledge agreement if non-named/non-endowed fund, copy of redirect letters, and/or any other handwritten or electronic information from the Donor, Fund Originator or University Representative.
   - **Gift Agreement (GA)**, adopted in July of 2006,
     - **When to Use**
       A GA is required for the establishment of all new (see exception below) named and endowed funds and replaces two other agreements, the Donor Agreement and the Administrative Agreement for these type funds.
       i. **GA form** is used when a donor is creating the named or endowed fund.
       ii. **Fund Originator GA form** is used if the university is choosing to create the named or endowed fund, not the donor.
       iii. **Exception** - If a gift establishing a named or endowed fund is a result of a bequest and all of the information regarding donor intent and any restrictions is clearly provided for within the written will a GA does not need to be completed. In this case an AA can be completed in its place with the bequest used as backup. However, if the Trustee or
The Executor of the Estate has an option, through the written will, to be involved with the set up of the fund or he/she has the desire to make sure the provisions in the written will are followed and wishes to sign an official document a GA can be completed.

- **Review and Pre-Authorization**
  A GA must be reviewed and pre-authorized by the UA Foundation before being sent to the Donor or Fund Originator (i.e. Dean/Director/Department Head/Provost/Chancellor) for signature.

  Without the pre-authorization to sign the GA could be subject to rejection by the UA Foundation. It is understood that several drafts of the GA might pass between the Development Office and the Donor/Fund Originator before it gets to the point at which the agreement is ready for final review by the UA Foundation and signature by the Donor/Fund Originator. The Donor/Fund Originator should be advised at that point that the UA Foundation needs to review and authorize the agreement for signature.

- **Submitting the Final Draft for Review and Pre-Authorization**
  Unless questions arise in which UA Foundation input is necessary, only the final drafts (i.e. all information is complete, and documents have been printed and proofed) of the GA, NPSUF and all backup, which the Development Office deems ready for signature, should be submitted electronically to the UA Foundation for pre-authorization.

- **Administrative Agreement (AA)**
  - **When to Use**
    An AA is required when a new fund is established that is not named or not endowed, i.e. a general support fund for the history department. However, if a Donor who is establishing a non-named, non-endowed fund wishes to sign an official document a GA can be prepared and will then take the place of the AA.

  - **Review and Pre-Authorization**
    AA must be reviewed and pre-authorized by the UA Foundation before being sent to the University Representative (i.e. Dean/Director/Department Head/Provost/Chancellor) for signature.

    Without the pre-authorization to sign the AA could be subject to rejection by the UA Foundation. It is understood that several drafts of the AA might pass between the Development Office and the University Representative before it gets to the point at which the agreement is ready for final review by the UA.
Foundation and signature by the University Representative. The University Representative should be advised at that point that the UA Foundation needs to review and authorize the agreement for signature.

- **Submitting the Final Draft for Review and Pre-Authorization**
  Unless questions arise in which UA Foundation input is necessary, only the **final drafts** (i.e. all information is complete, and documents have been printed and proofed) of the AA, NPSUF and all backup, which the Development Office deems ready for signature, should be submitted electronically to the UA Foundation for pre-authorization.

- **New Project Set-up Form (NPSUF)**
  - **When to Use**
    A NPSUF must be submitted each time a new fund is requested. **Note:** A gift must actually be deposited in order to set up a new fund. In the case where the gift is not in hand, but is expected to be in hand within 2-4 days a memo stating when the gift is expected should accompany the NPSUF and the paperwork will continue to move forward.

3. **Review and Authorization of Appropriate Paperwork by the UA Foundation**
   Once the GA or AA and NPSUF including all backup are sent to the UA Foundation for review and authorization the UA Foundation will review and respond with the “ok to sign” or any changes within two (2) working days.

4. **Obtaining Signatures on the Final GA or AA**
   Once the “ok to sign” authorization is received from the UA Foundation, a final copy of the GA or AA should be printed by the campus and presented to the Donor or Fund Originator and/or University Representative for signature. The signed original should then be forwarded to the UA Foundation for signature by the UA Foundation President.

5. **Distribution of Final GA or AA**
   Once the UA Foundation President has signed the agreement, the original fully executed agreement will be retained in the UA Foundation files. In addition, the following distributions will be made by UA Foundation staff:

   - **GA**
     - A **paper copy** of the fully executed agreement will be mailed from the Foundation directly to the Donor along with a letter from the Foundation President;
     - An **electronic scanned PDF copy** of both the GA and the letter will be sent from the Foundation to the appropriate Development Office for their files and campus distribution;
• An **electronic scanned PDF copy** of both the GA and letter will be saved by the Foundation in Raiser’s Edge (RE) in the donor’s constituent record under the media tab.

• **Fund Originator GA**
  • A **paper copy** of the fully executed agreement will be mailed from the Foundation directly to the Fund Originator along with a letter from the Foundation President;
  • An **electronic scanned PDF copy** will be sent from the Foundation to the appropriate Development Office for their files and campus distribution.

• **AA**
  • A **paper copy** of the fully executed agreement will be mailed from the Foundation directly to the Campus Representative along with a letter from the Foundation President;
  • An **electronic scanned PDF copy** will be sent from the Foundation to the appropriate Development Office for their files and campus distribution.

6. **Completing the New Fund Set-up in RE and FE**
   Once the new fund is authorized by the UA Foundation, the NPSUF will be forwarded by UA Foundation staff to UA Foundation Accounting for the new fund set-up in Raiser’s Edge (RE) and Financial Edge (FE) and the Development Office will be notified by UA Foundation Accounting of the new fund number.

7. **Exceptions to the Process as Outlined Above**

   **When the donor has not identified a clear purpose.**
   In most cases all paperwork (NPSUF and GA or AA including backup) should be submitted at the same time. However, there may be instances where a gift is received and deposited, a NPSUF is completed but the donor, for various reasons, is unable to give the Development Office enough information to complete the GA or AA at the same time. The following process will be followed:

   • The Development Office will make every attempt to meet with the donor and complete the GA or AA no later than 90 days after the NPSUF has been processed.

   • A report will be generated each month by the UA Foundation and forwarded to each Development Office showing funds without a completed GA or AA.

   • At the end of 90 days, if the paperwork is not completed, a letter will be sent to the donor from the UA Foundation encouraging them to finalize the details of their gift with the Development Office.
• A GA or AA must be executed within 1 year for gifts up to $1 million.

• At the end of 1 year, funds will revert to the Chancellor's unrestricted fund.

• Special exceptions can be made for gifts >$1 million.