

**MURRAY STATE UNIVERSITY FOUNDATION, INC.
POLICY**

SUBJECT: Ownership of Funds Held by Murray State University Foundation

DATE: January 1, 1991

PURPOSE

The November 17, 1987 operating agreement between Murray State University (University) and Murray State University Foundation, Inc. (Foundation) addressed the ownership of certain funds held by the Foundation and the future management of "University" funds by the Foundation.

As required by the operating agreement, the Foundation has returned University funds, other than gifts and donations, for which documentation existed substantiating that the University should have been the depository of the funds. The Foundation routinely reimburses the University for all funds received, other than gifts and donations, which are obviously intended to be the property of the University.

The Foundation attempts to determine the ownership of gifts and donations received from private and corporate donors according to the 1987 operating agreement, and to identify those funds that are the property of the University in its accounts and records. Absent consultation with the donor, frequently the only source for determination of the donor's intent as to the ownership of the funds is the "payee" on the donor's check.

It is the view of the Foundation that most donors are not aware of the existence of two separate legal entities. When issuing a check to the order of "Murray State University" or "Murray State University Foundation," most donors are not attempting to distinguish between the two entities; their intent is to benefit a particular area or department within the University. The areas receiving these restricted donations rely on them to supplement current operating budgets. Large cash reserves are the exception, rather than the rule.

Because of the difficulty in determining donor intent and the volatile nature of most funds, the Foundation adopts the following policy in determining ownership of funds:

POLICY

1. Funds originally transferred by the University to the Foundation for management purposes under the November 17, 1987 operating agreement will remain segregated as "University" funds in the records of the Foundation.
2. Funds, other than donations, received by the Foundation which are obviously intended to be the property of the University will be endorsed over or reimbursed to the University. Reimbursement will be made within 30 days, if practicable.
3. The criteria for ownership in the 1987 operating agreement will be applied to all donations issued to the order of "Murray State University" or "Murray State University Foundation." Separate accounts will be established according to the determination of the ownership of the funds.
4. The University will be notified of all donations for which a determination of ownership could not be made. Determination of ownership of these funds will be by joint effort of the President of the Foundation and the Treasurer of Murray State University.

Revised September 15, 2014