

**Humboldt State University Foundation**  
**Guidelines for Use of Discretionary Contributions and Revenue**  
**Adopted October 18, 2019 and Amended March 27, 2020**

The Foundation accepts discretionary contributions and also generates discretionary revenue. It solicits and accepts two types of discretionary contributions: unrestricted contributions where the donor has not specified the use of the funds and restricted contributions where the donor has specified a program or department but allows the recipient to choose the specific purposes for which the funds are spent. It generates discretionary revenue through an annual administrative charge on all gifts received as well as a management fee on the endowment.

**I. Use of Discretionary Contributions**

In pursuit of its charitable purposes, the Foundation can use its funds to make direct distributions to the University, purchase goods or services for the University, or pay expenses on behalf of the University.

The following principles should guide the use of discretionary contributions. In general, discretionary contributions must be used in the following order of priority:

- For purposes central to the mission of the University
- To make a material difference in the outcome of a program or initiative
- In sustainable ways avoiding the creation of on-going unfunded needs

The Foundation expects the use of discretionary contributions to adhere to the following guidelines:

**Guideline One**

Provide flexibility when other resources are unavailable, or to create or sustain programs difficult to fund in other ways

**Guideline Two**

Accomplish one or more of the following:

- Augment the capacity of a University program or initiative
- Capitalize on a special or unique opportunity
- Leverage additional resources for the University
- Address a critical or urgent issue

### **Guideline Three**

Priority should be given to uses meeting one or more of the following:

- Engage those most impacted by an issue in developing and executing the program
- Encourage meaningful collaboration across programs, departments, and sectors
- Provide seed funding with the potential to become sustainable
- Demonstrate a good return on investment (e.g. are cost effective with potential for significant impact)

## **II. Use of Discretionary Revenue**

It is the intent of the Foundation that these funds be used to further the primary goals of the Foundation, including raising charitable funds, overseeing the use of charitable funds, effectively stewarding donors, and alumni and community outreach. In addition, it is the intent of the Foundation to maintain a prudent reserve as outlined in its Reserve Policy.

The Foundation Executive Director has authority to utilize Revenue Funds in a manner consistent with this policy, in close consultation with the Chair of the Foundation Board. Use of Revenue Funds should be reviewed at all Executive Committee meetings and at all Board meetings. The projected use of funds should be discussed with the Executive Committee and full Board prior to the start of the fiscal year; however, unplanned expenditures are understood to be necessary.

The following principles should guide the use of the Foundation's Revenue Funds in the following order of priority:

### **Guideline One**

Fund the Foundation's reserve as outlined in its Reserve Policy, as well as ongoing expenses for supporting the work of the Foundation Board, such as meeting materials, equipment, etc. Fund any business services charge or salary reimbursement required by the University.

### **Guideline Two**

Fund efforts to raise additional charitable funds, steward donors, and engage alumni and the community. This may include equipment, travel, consultations, software, and similar. It may also include salary reimbursements for state employees engaged in development or alumni relations.

### **Guideline Three**

Fund any other important University priorities, as requested by the University President in consultation with the Foundation Executive Director and Board Chair.