REVENUE AND EXPENDITURE POLICIES OF THE
LOUISIANA STATE UNIVERSITY HEALTH SCIENCES FOUNDATION

The LSUHS Foundation was established in 1997 with the following mission:

“The LSU Health Sciences Foundation in Shreveport, a 501 (c)(3) non-profit entity has as its sole mission to support, enhance and assist the LSU Health Sciences Center in Shreveport in its many endeavors. In this capacity The Foundation will (1) expand the awareness of the Health Sciences Center’s many contributions to medical research, education of medical professionals and quality health care; (2) develop and enhance financial support for endeavors of the Health Sciences Center in Shreveport; and (3) provide the means through which financial support is received and administered.”

The revenue and expenditure policies, which follow, are approved by the Board of the Foundation and will be monitored by the Foundation staff and Board. Each year at the time of the annual audit, the auditor will conduct the audit in the context of testing these revenue and expenditure policies.

**LSUHS FOUNDATION REVENUE POLICY**

The charter of the LSUHS Foundation (Foundation) is that of a "gifts" foundation. The Foundation is only authorized to accept donations which are consistent with the mission statement of the Foundation. All funds accepted by the Foundation must be consistent with this basic concept. There can be no direct cause and effect relationship involved in the acceptance of funds by the
Foundation. The Foundation will not accept any contribution if there is a requirement, either in writing or implied, from the donor that specific activities be performed by anyone associated with the Foundation or LSUHSC in order to receive the gift.

The following policy should be made to the LSUHS Foundation.

1. All donations should be made to the LSUHS Foundation. Checks and other types of financial instruments should be payable to either “LSUHS Foundation,” or directly to an individual fund within the Foundation, if the fund name is preceded by the “LSU” prefix. Letters of transmittal from the donor specifying the intent and purpose of the funds should accompany the Funds Transmittal Form unless the intent and purpose of the funds are obvious from the check. In situations where letters of transmittal are impractical, donor cards or similar appropriate devices may be substituted.

In cases where the donation is not made in the Foundation's proper name, or directly to the fund account’s name, some form of documentation expressing the donor's intent must accompany the Funds Transmittal Form indicating that the funds were meant for the Foundation and/or a program functioning within the Foundation.

2. In no case shall funds payable to the University be accepted by the Foundation. The Foundation is not a part of state government and has not been authorized by the University or the State of Louisiana to accept funds that are construed to be the property of University or any of its organizational units.

3. The request to establish an account in the Foundation shall be accomplished by completion of the attached Request for New Foundation Account. This form indicates
the suggested name of the account as well as the fund type, purpose, guidelines, and intended use of the fund. It is important to recognize that once the fund type, purpose, guideline, and intent is established they can not be altered without the expressed written consent of the donor(s) and action of the board. All subsequent donations to the fund will be sent to the Accountant of the Foundation who will establish procedures for the proper management of the funds. Funds Transmittal Form will be used to document all funds transmitted to the Accountant for deposit.

4. Each account shall be separate for bookkeeping and recording purposes. Monthly statements of activity will be provided to the account custodian reflecting the current fund balance and any revenue or expense activity occurring during the month.

5. Accounts established in the Foundation will be categorized as either endowed or non-endowed.
   a. An endowed account indicates the intent of the donor(s) to establish a corpus of funds whose principal amount (donations) can not be invaded. In this case two accounts shall be established, one for the principal amount, the other for interest earnings relating to both the principal and interest account balances combined. The interest account will reflect these earnings and be governed by the intent, guidelines and purpose statement as established for the endowed account.
   b. A non-endowed account indicates the intent of the donor(s) to establish a fund whose principal and interest earnings may be utilized in support of the original
purpose, guidelines and intent of the fund. The fund will be accounted for in a
single account and monthly statements of the current balance as well as revenue
and expense activity will be made.

1/17/2001
GENERAL POLICY STATEMENT:

The LSUHS Foundation was officially recognized by the Board of Supervisors of the LSU System on December 12, 1997. That body set forth types of expenditures which could be made directly to University employees. In recognition of the Foundation, the Board approved the following resolution:

Be it further resolved, that the LSU Board of Supervisors approves, in accordance with La. R.S. 42:1102(22)(c) and 1111(A), the receipt of University employees of the following benefits from the LSU Health Sciences Foundation:

1. Payment of supplementary compensation including but not limited to the provision of money, housing, transportation, services, and membership in public and private organizations, provided all such supplementary benefits received are reviewed and approved by the appropriate Chancellor and/or the President.

2. Payment of entertainment expenses within such budgetary and under such guidelines as may be authorized by the appropriate alumni, foundation or support group.

3. Payment of unreimbursed travel expenses actually incurred on authorized travel for LSU.

4. Payment for or donations of improvements to university as authorized by the Board of Supervisors.

In accordance with the above stated resolution, this expenditure policy has been approved by the Board of Directors of the LSU Foundation.
I. GENERAL EXPENDITURE POLICY STATEMENT

A. All expenditures incurred through the Foundation shall serve to advance the mission statement of the Foundation and shall be within the intent, guidelines and purpose as designated by the donor(s). In no case shall an expenditure be contrary to or inconsistent with the established intent, guidelines and purpose of the fund.

B. All expenditures must be within the available fund balance of the account charged with the expenditure.

C. All expenditures must be appropriately documented by original receipts. They will be reviewed and approved with a signature by the account custodian, the department head or Director if applicable and the relevant dean or his/her designee. The approved request for payment form will be submitted to the Foundation accounting designee, that will issue the check. The Executive Director of the Foundation will sign the request for payment form and the check. If the expense is over $500.00 a second signature is required from a designated board member or officer.

D. Under no circumstance will purchases be of a personal nature or benefit.

E. All expenditure vouchers will be submitted no later than ninety (90) days after the actual transaction date or the last day of travel for expenditures relating to travel.

II. PAYMENT FOR THE PURCHASE OF GOODS AND SERVICES

A. The account custodian will exercise due diligence in the purchasing of goods and services on behalf of the Foundation. Properly completed and approved Request for
Payment form supported by original receipts and other forms of appropriate
documentation must accompany each request.

B. If payment is to an individual rather than a vendor, proof of payment made by the
individual to the vendor is required. It is strongly suggested that whenever possible
payments be made directly to the vendor as compared to an employee purchasing the
commodity and seeking personal reimbursement for the expenditure.

III. PAYMENT FOR PROFESSIONAL SERVICES AND HONORARIUM

A. All payments for professional services and honorariums must reflect in specific and
adequate detail the service being provided by the individual or entity. The request must
also document the appropriateness of the expenditure to the account being charged.

Request for Payment Form shall be used to request payment for these types of
expenditures.

B. The request for payment must reflect the individual's social security number and address
for 1099 reporting purposes. All payments of this type will be reported to the Internal
Revenue Service as 1099 income.

C. The request for payment must clearly indicate the purpose of the purchase and how it
relates to the fund being charged.
IV. PURCHASE OF EQUIPMENT ITEMS

A. For purposes of this policy equipment is defined as a single item whose cost is greater than $250. This would apply to items that are not a replacement or add on component of another equipment item. Equipment invoice payments and/or reimbursements shall use Request for Payment Form.

B. The account custodian is expected to exercise due diligence in the purchase of equipment items. Steps should be taken by the custodian to substantiate the appropriateness of the purchase.

C. Equipment items purchased through Foundation funds will be donated directly to the LSUHSC. The Health Sciences Center Purchasing Department will be notified on an annual basis of all such purchases for inventory and tagging purposes. At purchase point, the University assumes control and ownership of all equipment items. Any transfer of an equipment item to another institution will be consistent with University equipment transfer policy. The annual reporting requirement to the Purchasing Department applies to all equipment purchases except those purchased with Unrestricted funds.

V. ENTERTAINMENT

A. The Foundation recognizes the need to support expenditures of this nature, but maintains the position that such expenditures must be consistent with the Foundation's mission statement.

B. Entertainment for faculty, staff, students, or visiting guests can be paid for with Foundation funds, however the entertainment expense shall be supportive of Foundation
and Health Sciences Center goals and objectives. The dean of the relevant school will approve the expense.

C. Request for Payment Form shall be used to request payment for such expenditures. The form or the accompanying documentation must indicate those in attendance at the function in addition to the general information requirements pertaining to all requests for payment.

VI. TRAVEL

A. LSUHSC Travel Voucher will be used to document and detail travel expenditure reimbursements. All expenses relating to a particular trip must be included on each travel voucher. Such voucher may indicate payment directly to the individual traveler, a travel agency, or another entity as directed by the traveler.

B. In the case where travel expenses exceed those authorized by the University travel vouchers all accompanying receipts must be included with the Foundation reimbursement request.

C. In general the Foundation does not provide travel advances nor will it pay for airline ticket purchased in advance, hotel room deposits, or registration fees paid in advance. In exceptional cases, consideration will be given to requests for advances when in the judgement of the Executive Director of the Foundation the situation merits provision of the advance.

D. The Foundation will reimburse the traveler for expenditures incurred by the traveler as they relate to and were a required expense of the travel. Such reimbursement will
include, but not be limited to airfare, including first class airfare, other forms of transportation costs, hotel room and tax charges, registration fees, auto rental, taxi charges, parking fees, and reasonable gratuities.

1. Meals while on travel status will be reimbursed at actual documented receipt amounts or a maximum meal allowance consistent with the current Louisiana Travel Guide regulations issued by the Louisiana State Travel Office. It is the traveler's responsibility to document adequately his/her personal meal expense should the payment include more than the traveler's meal expense.

2. If the traveler is performing allowable and appropriate entertainment while on travel status he/she must follow the entertainment requirements as outlined in section V.

3. If the traveler uses a personal auto for University approved business related travel, the traveler will be reimbursed for mileage at the current level allowed by the Internal Revenue Service.

E. Under no circumstances will the Foundation reimburse expenses of a strictly personal nature while on travel status.

1/17/2001