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Section: Administration

Policy No: 2.3

Fund Purpose and Guidelines Policy

PURPOSE: To establish general policy to ensure the purpose of any funds established meet the charitable mission of the College Heights Foundation or Western Kentucky University and that any restrictions, guidelines, or preferences on funds may be administered accordingly

POLICY: This policy is to provide guidance and limitations on how account administrators or donors can direct fund spending purposes and scholarship criteria in guidelines to ensure any purposes or restrictions meet the charitable mission of the College Heights Foundation or Western Kentucky University.

Account administrators utilizing Foundation funds may be any employee of the Foundation or Western Kentucky University. The Foundation may establish separate projects in the financial accounting system and donor database to accept and disburse gifts that support its charitable mission outlined in the Articles of Incorporation. The account administrator, in conjunction with any supervisors and the CFO of the Foundation as necessary, shall be responsible for ensuring any expenditures from the fund meet its defined purpose and approve all transactions.

Donors have the option of giving to support the general mission of the College Heights Foundation or Western Kentucky University through unrestricted giving or giving a gift with specific preferences and restrictions in support of a college, department, school, program, center, unit, or individual fund.

Donors may request certain criteria language be included in a gift agreement that more clearly defines and directs the purpose of a particular gift. However, while donors may have good intentions when suggesting certain restrictions or preferences, we must keep in mind that the greater the number of restrictions or preferences, the greater the likelihood that institutional needs may change over time, the number of potential eligible applicants for a given scholarship will be reduced, or the greater likelihood that a fund may not be able to be fully utilized in any given year. In addition, certain restrictions or preferences may violate University policies and/or state and federal law. Therefore, it is critical that Foundation staff

communicate these limitations on requirements and preferences to donors, clearly, appropriately, and early in the giving process.

Donors may denote their funds be utilized for a particular college, department, program, specific areas of research or other areas of support as determined by the head of those areas. This may include, but not be limited to, professorships, chairs, scholarships, student assistantships, internships, travel to conferences and other professional organization events, study abroad opportunities, equipment or other priorities of the program.

Donor restrictions on scholarship criteria may include, but not be limited to, the following:

- i. Schools or departments
- ii. Specific programs within schools or departments
- iii. Majors, minors, areas of concentration, certificates
- iv. Specific areas of research, leadership, volunteer service
- v. Other areas of support (i.e., Athletics, Band, extracurricular activities)
- vi. Minimum GPA requirements
- vii. Classification levels (i.e., Freshman, Senior)
- viii. Geographic areas and/or high schools
- ix. Renewability of scholarship awards
- x. Financial Need or merit based

Donors may not specifically direct any funds based solely on any protected classes which may violate state or federal law such race, color, national origin, gender, or religion. However, there are options if a donor wishes to include consideration of these characteristics. The Foundation will include language that supports WKU's goal of promoting a diverse student body as a critical component to its educational mission so long as the effect of this scholarship does not discriminate against any other students from receiving equal consideration of financial aid funds from the pooling effect of available scholarship opportunities.

No scholarship guidelines will be accepted if the conditions established by the donor are designed to direct the scholarship to a familial relative. An individual donor may also not retain control over the gift of funds or how they are used by directly selecting any recipient as those gifts may not be charitable or qualify as a tax deduction to the donor. Corporations, foundations, and other organizations establishing a scholarship program may implement specific criteria and directly select recipients provided the scholarship selection process is fair and competitively awarded based on a pool of qualified applicants.

Other final fund purpose restrictions or guidelines must be approved by the President of the College Heights Foundation.