

## **Community Relations Expenses**

### **Purpose**

The Foundation's governing documents charge the Foundation with promoting the purposes, objectives and educational services of the California State University, Fresno. As required by Title 5, California Administrative Code, the Foundation's Board of Governors has established this policy as a means of implementing this charge. Such policy is consistent with California Code of Regulations Section 42502.

The Foundation administers various agency (trust) funds including Deans' Funds, University Improvement Funds, and others, which may be utilized for expenditures classified as:

- ◆ Public relations
- ◆ Employee relations
- ◆ Community relations, or
- ◆ Development relations

For purposes of this policy, the term "community relations" will be used to refer to all of the above referenced types of expenditures, unless otherwise noted.

Community relations include those functions which are intended to create and/or promote favorable publicity and support for the Foundation and/or the university and their related projects. Community relations is a means for development and growth of both the Foundation and the university, in terms of fulfilling the mission and programs, providing the facilities, people and other resources required by a first-rate university, making its services and resources available to the citizens of our service area, and in promoting the professional growth and enterprise of those who represent the university.

### **Definitions**

Community relations expenditures may include, but are not limited to:

1. Membership and participation in the activities of community groups, including but not limited to service clubs and community-wide organizations of leading citizens in education, business, government, industry, and agriculture, with which a campus or a campus foundation may properly serve the needs of the campus community.
2. Official activities commonly engaged in by campus administrators and reasonable for promoting and maintaining student, faculty, and staff recruitment, morale, and/or development, and for developing and maintaining effective relations with the community. Such activities may include, but are not limited to campus receptions, public ceremonies, and lay advisory committee meeting with various aspects of the campus instructional program such as teacher education, business education, engineering, and any and all of the academic disciplines and programs of the university.

3. Providing essential accommodations and sustenance for official guests of the campus or the Foundation and providing the means for appropriate participation in bona fide activities by the spouse of an officer, employee, or other delegate of the Foundation where such participation is reasonably intended to achieve the community relations objectives of the Foundation or university.

## **Policy**

Community relations expenses are usually reimbursed on the basis of actual costs incurred. Allowable costs are those deemed ordinary, reasonable and necessary for the pursuit of the Foundation's community relations, university relations, community affairs, research and development goals; so long as they are consistent with the Internal Revenue Service standards which apply to nonprofit tax-exempt corporations and within the educational mission of the university.

## **Procedure**

The Executive Director of the Foundation, or designee has responsibility to determine the reasonableness of cost to be reimbursed under this policy as well as consistency with the Internal Revenue Code requirements both as to the allow-ability and adequacy of the documentation. Daily reimbursement of lunches would not be considered ordinary, reasonable and necessary.

The Internal Revenue Service requires the following information:

- ◆ Amount – The amount of each separate expenditure such as meals or receptions
- ◆ Date - Dates for each event or activity
- ◆ Place – Name and address or location of place of each event or activity
- ◆ Purpose - Business purpose for the expenditure or the nature of the business benefit gained or expected to be gained as a result of the expenditure. The nature of the business discussion or activity. Generic purpose statements such as “promotes positive relations”, “community relations” or “employee relations” are not acceptable. Be specific. The purpose must be within the educational mission of the university.
- ◆ Relationship - Names of the persons included, their employer and occupation or title that shows their business relationship to you. When a donor's name needs to be kept confidential, use one of the following appropriate phrases: “confidential, refer to private log” or “confidential, refer to report of contacts”.
- ◆ Receipts - Receipts are required for all lodging expenditures and all expenditures of \$25.00 or more. Receipts should show the amount, date, place and essential character of the expenditure. It is recommended that receipts be obtained for all expenses, where possible.

*Policy on Foundation Community Relations Expenses*

California State University, Fresno, Foundation

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Policy No. H-01.3

All requests for payment must be submitted on a [Community Relations Authorization form](#).

RANDY LARSON

Director of Financial Services

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