The Campus Business Officers Group met on Thursday, October 14, 2010, at 8:30 a.m. in 201 Sikes Hall. Present: Charles Tegen, presiding; Alice Evatt, Advancement; Ami Hood, Business & Behavioral Sciences; Jacqui Stephens and Takoma Peppers, Architecture, Arts & Humanities; Diane Tinsley, Research; Kay Shaw, Public Service Activities; Katherine Dobrenen & Amanda Powell, CCIT; Tony Dickerson, Student Affairs; Katie Hill and Sharon Littlejohn, Athletics; Howie Roesch, Engineering & Science; Regina Carroll, Health, Education & Human Development; Todd Barnette, Facilities; Jane Gilbert and Chris Wood, Academic Affairs; Tammy Crane, Cooper Library. Absent: Cindy Long, Board/President/Finance; Leigh Dodson, Agriculture, Forestry, & Life Sciences.

Others present: Steve Crump, Associate Comptroller, Roberta Elrod, Director, Sponsored Programs Accounting and Administration; Mike Nebesky, Procurement Director; Michelle Piekutowski, Associate HR Director; La'Toia Ritter, Budget Analyst; Amy Madden and Kathy Dively, CFO’s Office; Beverly Leeper, Comptroller’s Office; Brent Emerson, Director REPI; Lisa Knox, REPI; and Melissa Kelly, PSA Business Services.

I. Welcome & Introductions (Charles Tegen)
Charles Tegen called the meeting to order and welcomed business officers. Mike Nebesky introduced David Raiger, Aramark, and Rex Graves, Dining and Vending Services Coordinator.

II. CUF’s New Policy on Reinvestment Fee for Gifts to Non-endowment Projects (Alice Evatt)
The CUF Board approved at their June meeting a Reinvestment Fee Policy effective July 1, 2010. “A five percent reinvestment fee will be applied to all non-endowment contributions. The maximum reinvestment fee that will be assessed on any single gift, including pledge payments, is $25,000. The fee percentage is subject to periodic review and may be revised by the CUF Board of Directors.” Waivers, Exemptions, Procedures, and other information related to the fee are outlined in Attachment 1.

III. Catering Overview/Discussion (Rex Graves)
Mike Nebesky introduced David Raiger with Aramark and Rex Graves, Dining and Vending Services Coordinator for Clemson. Clemson University has a 15-year contract with 3 five-year renewals with Aramark. Aramark is the caterer of record for campus events. All events should be catered by Aramark unless an exception is granted by Rex Graves and/or Linda Rice. Campus users have the option of full service catering or Aramark Express catering. Business officers were urged to give Aramark a chance to compete with outside vendors. The website is: http://www.campusdish.com/en-US/CSSE/Clemson/. Waiver forms for Aramark catering are available on the website.

New food services venues on campus include remodeled Fernow Street, Papa John’s at the Hendrix Center and soon a Wendy’s at Schilllerton.
IV. HR Topics (Michelle Piekutowski)
Open Enrollment for employee benefits is the month of October. Employees should make all changes by October 31.
Michelle thanked business officers for assisting with the Benefits Fair. It was a success.
HR has begun the implementation of the Huron recommendations.

V. Budget Update (La'Toya Ritter)
Summer School Revenues: The Budget Office is currently working on the State Budget Summer School revenues distributions. These revenues will be posted by the end of the month.
Performance Credits: Performance credits have been disbursed in your FB departments. Business officers were asked to move these funds into their departmental holding accounts by October 22.

VI. Procurement Update (Mike Nebesky)
Options for turning in copiers as related to their hard drives have been finalized. There is a link on the Procurement homepage under Announcements “Copier Hard Drive Recommendation” with details.
Mike stated there has been some confusion about student/employee travel. If you are chaperoning a student on a trip, charges can be paid with the p-card. If you are bringing a student along with you on a trip, the trip would not qualify as student travel.

BuyWay$ will be upgraded soon. Requested changes will be made to buyWay$ November 7th. The changes are related to the shopping cart/check out process.

Procurement is routinely asked why buyWay$ does not encumber everything. Mike Nebesky asked business officers for input on encumbering purchases under $2500. It was suggested that a focus group be created to review encumbering purchases under $2500.

The Disbursement Grid will be updated with a footnote on the “self-generated/program related” column. The Procurement Update can be found in Attachment 2.

VII. Financial Update (Charles Tegen)
F&A: Clemson has a provisional F&A rate. Charles Tegen stated that he doesn’t expect the rate to be approved by the federal government until after Christmas.
UBIT: The Comptroller’s office may be contacting business officers for information related to the Unrelated Business Income Tax return.
Travel: The State Travel Report is expected to be issued by November 1. It is also expected that Clemson will be the top agency traveler expenses again this year. Business officers may be asked to respond to FOIA requests if they have top travelers in their budget center.
FY10 Audit: The FY10 financial and compliances audits will be delivered to the Board tomorrow. Charles expressed his appreciation to business officers for their monitoring and communication through the year. As a result there will be no Management Letter and no audit findings.
VIII. Other Matters
Travel Insurance: The question has been raised for a determination on whether travel insurance is an allowable expense on the departmental procurement card. Steve Crump will follow up with Linda Rice.
IRS Audits: The University of South Carolina was one of the institutions chosen for an IRS audit.
CLEAR Certification: The 30-day deadline for Effort Reporting is next week when reports need to be certified.

The meeting was declared adjourned at 10:15 a.m.

Approved: Charles Tegen, Comptroller
1. PURPOSE:

The mission of Clemson University Foundation is to promote the welfare and future development of Clemson University and to receive gifts for the benefit of Clemson University and to prudently manage these funds as well as the disbursement of assets within a policy that encourages the enhancement of the resources of the Foundation. Clemson University and CUF have set goals to increase private support for a variety of purposes now and in the future. Raising funds requires long-term investment in staff to carry out the planning and implementation, and in programs that serve to cultivate and steward gifts. The reinvestment fee will allow CU/CUF to increase private support by strengthening the development enterprise.

2. SCOPE:

The reinvestment fee will apply to non-endowed (current use) funds made to either Clemson University or the Clemson University Foundation.

3. POLICY:

A five percent (5%) reinvestment fee will be applied to all non-endowed contributions. The maximum reinvestment fee that will be assessed on any single gift, including pledge payments, is $25,000. The fee percentage is subject to periodic review and may be revised by the CUF Board of Directors.

Fee Waiver
- Foundation and/or University staff has no authority to waive fees. The only exception as approved by the Board of Directors is to waive fees on grant funds.
- If a gift is made by a foundation that has a written policy stating it will not pay reinvestment fees, the CUF will waive the fee.

If a department or the University desires that the Foundation accept a gift and the donor expressly objects to the fee, the department or university would then reimburse the Foundation for lost revenue from the fee waiver.
Exemptions
a. Those gifts, including documented pledges, executed prior to the effective date of this policy;
b. Non-cash gifts (gifts-in-kind) made to the University that are to become inventoried useable assets of the University;
c. Gifts for University approved capital fundraising priorities.
d. Gifts to annual scholarships, grants-in-aid, student awards and fellowships.

4. PROCEDURE:

Payment
Fees will be deducted from the principal of all non-endowed contributions at the time the gift is received.
- If the department or University is reimbursing the Foundation due to a fee waiver, the gift will be held in a holding account until funds are identified for payment in lieu of the reinvestment fee.
Fees on non-cash gifts are applied upon disposition of the gift and are assessed on the proceeds. Fees for life income gifts and gifts of life insurance premiums are recouped upon maturity.

Disclosure
Disclosure of the fee policy is made to donors on all gift receipts. Written or oral disclosure of the fee to donors is encouraged at the time of solicitation. Fee information should be included in any proposals or gift documents issued to prospective donors.

Approval Date: 6/25/10

Revision History/Date: Original version
The Goal
Raise more flexible private dollars by creating a funding model that will:
• Increase investment in the development enterprise.
• Determine incremental investment based on strategic fundraising success.
• Depend on multiple funding sources.
• Benefit from a new funding source.

The Issue
In an environment of declining state support, endowment stress and emerging needs in the academic core, how do we justify an increased investment in development? And more important, how do we fund it?
Why do we need this new development funding model?

**Answer:** Clemson needs more private and flexible dollars.

It has been documented in the past that Clemson's fundraising enterprise is significantly under resourced compared to other successful public universities. In order to generate more private dollars we need a more robust development enterprise.

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**A Successful Development Enterprise**

A mature, robust and successful development enterprise demonstrates ongoing, significant gift support for both long and short term priorities.
- Cash for current operations
- Endowment Gifts for future stability
- Future gifts that, when mature, will support both current operations and endowment
- Funds to address priority capital projects

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**Clemson's Development Enterprise**

Clemson launched The Will to Lead Campaign in August, with a goal to raise $600 million in support of Clemson's students and faculty by July 2012.

Clemson has a fundraising staff of approximately 30 people, or less than 1/4 the average size of Top 20 institutions.
Our Process
- Initiated by the Clemson University Foundation
- Conceptually agreed upon by the CLF Board at the February 2010 meeting.
- Extensively vetted by staff and donors of various sizes, constituencies and ages.
- Endorsed by University Administration and Volunteer Leadership.
- Consistent with Top 20 peer institutions best practices.

Constituent Feedback
- "We need to grow somehow."
- "I understand what has to happen and this seems to be the simplest way to achieve the outcome needed."
- "It's the cost of doing business."
- "We need to grow, so this is a good way to accomplish that."
- "Some donors (I'd likely be one of them) might tack on an extra 5% at the time of the gift to ensure the target amount is readily available for its intended purpose."

Reinvestment Fee Policy
- A 5% reinvestment fee will be applied to all non-endowed (current use) gifts or pledge payments.
- The maximum fee assessed on any single gift or pledge payment is $25,000.

Waivers
- There will be no waivers unless approved by the CLF Board or the gift is made by a foundation that has a written policy stating it will not pay administrative fees.
- If a donor expressly objects to the fee, the department or University must agree to pay the fee if the gift is to be accepted.
### Reinvestment Fee Policy

**Exemptions**
- Those gifts, including documented pledges, executed prior to July 1, 2010.
- Non-cash gifts (gifts-in-kind) made to the University that are to become inventoried, useable assets of the University.
- Gifts for University approved capital fundraising priorities.

**Procedure**
- Fees will be deducted from the contribution at the time the gift is made.

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### Communication

"5% of each gift given to most non-endowment funds will be reinvested to help support Clemson's efforts to increase private gifts."

**Implementation**
- Revised internal capturing and reporting of fundraising information.
- Monthly assessment to eligible gifts/funds of reinvestment fee expense.

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### Development Enterprise Commitment

- Increased accountability
- Established specific goal metrics for key components of the Development Enterprise
- Increased flexible unrestricted dollars
- Continued ROI of $10 for every $1 spent based on a three year rolling average
Procurement Services Information
CBOG October 14, 2010
This update is posted at: www.clemson.edu/cfo/procurement under the Announcements section on left hand side of screen.

Old Information:

1. **Direct Payment Exemptions:** Procurement recently updated the list of procurement exemptions on our website, to remove some that don’t apply, clarify a few others, and add a couple of new ones that we saw a need for based on transactions in buyWays. Please be sure you know what the exemption means before you use it. If you are not sure, ask us. We are seeing people choosing exemptions because it sounds okay, but in reality it is the wrong exemption or really not an exemption at all. If an exemption is chosen, it is up to the person that chooses that exemption to be able to justify using that exemption (same as pre-buyWays!). Procurement is going to start increasing our monitoring of exemption use, but please don’t take these for granted.

New Information:

1. **Copier Hard Drives:** We have finalized the options for turning in copiers as related to cleaning their hard drives. There is a link on the Procurement homepage under Announcements called “Copier Hard Drive Recommendations” that contains specific information for the various brands of copiers we have on campus. Please refer to that for specific information on how to handle your hard drives to ensure copiers are not released by Clemson that may contain sensitive information. While some of the options come with an additional cost, the cost is relatively cheap when compared to the risk of leaving sensitive information on a copier hard drive.

2. **Student / Employee Travel:** Please ensure people are aware of the differences between Employee and Student travel. While under student travel, employees are allowed to travel and pay for that travel with a p-card, if they are “chaperoning” the student. We are starting to see more employees taking a trip, bringing a student along and deciding it is student travel. You must decide what the purpose of the trip is. It would be very rare that one employee and one student would ever qualify as student travel. When in doubt, assume it is employee travel and do NOT use your p-card.

3. **buyWays Changes:** On November 7th, SciQuest will put out a new release for buyWays. Some big changes are coming to the user interface, specifically regarding the whole shopping cart / check out process. This has been one of the more difficult parts of buyWays for users to pick up. We’ve received the feedback that it is not intuitive. Well, changes are coming that will improve this process. More information will be put out through the buyWays bullets and distro, but just be aware that there will be changes coming to buyWays come November 7th.

4. **buyWays and Encumbering:** Currently, the University only encumbers purchases $2500 or more. This has been the process from even before buyWays. With buyWays in place, and the added emphasis on managing budgets, we are routinely asked why does buyWays not encumber everything? The answer is that encumbrance maintenance on small purchases would be too difficult, especially year end. We are looking for feedback on this process. Is it worth looking at changing? Do users want this to change and start encumbering everything or even at a lower level than $2500? Maybe just Fund 20?

5. **“Self-generated / Program Related”**: After discussion last month on this topic, the Disbursement Grid will be updated with a footnote to the “self-generated / program related” column that states — “Program related expenses are defined as expenses related strictly to the specific program/event for which the revenues were generated (i.e. a conference, vendor show, training session, etc...). Program related expenses are NOT the expenditure of excess revenues over program related expenses made from a revenue generating activity.