Policies for Affinity Groups
updated May 2012

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Policy on Affiliate Organizations
The University of Arizona Alumni Association Board Policy No. __________Affiliate Organizations, 01-24-2009

I. ALUMNI CHAPTERS AND CLUBS

Section 1. Definitions. A “Chapter” is an alumni group of The University in a defined geographic region that supports the missions of The University and the Association through its activities. A “Club” is an alumni group whose members share a common academic, cultural or professional interest and that supports the missions of The University and the Association through its activities. Any group of alumni of The University may request a Charter as an Affiliate organization of the Association by:

a. Organizing. Organizing as an Alumni Chapter or Club of the Association and selecting a board of directors.

b. Officers. Selecting a president, vice president, secretary, treasurer and any other officers they deem appropriate.

c. Committees. Establishing committees as deemed advisable.

d. Bylaws. Adopting bylaws specifying a minimum of quarterly board of directors meetings and two alumni events per year, and requiring that all officers of the Chapter or Club shall be dues paying members of the Association in good standing.

Section 2. Board Approval. If the Governing Board approves the bylaws of the Chapter or Club, a Charter shall be issued to the applicant.

Section 3. Duties toward Association. Each Chartered Chapter or Club shall:

a. submit to the office of the Association, annually on or before July 1 of each year, a roster with the names, addresses and telephone numbers (together with facsimile numbers and email addresses if available) of the Chapter’s or Club’s officers, directors and any advisory group, together with any other reasonably requested information related to the Chapter or Club and its members;

b. comply with those specific policies (including without limitation the “Financial Policy & Procedures for Affiliates”) and such other policies as may be posted from time to time on Association’s Online Resource Guide (http://www.arizonaalumni.com/Clubs/resources); and

c. provide the Association with an email address of a specific contact and the Association shall notify the Chapter or Club of any new or updated policies.

Section 4. Appointment of Representative to Alumni Council. Each Chartered Chapter or Club shall have the right to appoint a representative to the Alumni Council of the Association so long as such representative meets the requirements of an “Alumni Member” and is paying dues to the Association at some level.

Section 5. Amendments to Bylaws. All amendments to the bylaws or other organizational documents of the Chapter or Club must be approved by the Governing Board of the Association before becoming effective.

Section 6. Revocation. The Governing Board of the Association, in its sole discretion, may revoke the Charter of an Alumni Chapter or Club at any time, with or without cause.
II. COLLEGE COUNCILS AND OTHER ADVISORY GROUPS

Section 1. College Councils. Graduates and former students of any College of The University granting a degree may request a Charter as an Affiliate organization of the Association:

a. Organizing. Organizing in any manner they deem advisable to best fulfill the needs of their College, such organization having a board of directors and being comprised of, as a minimum, at least ten alumni from such College who qualify as Alumni Members of the Association.

b. Officers. Selecting a president, vice president, secretary and any other officers they deem appropriate.


d. Requesting a Charter. Submitting to the office of the Association a list of the members of its board of directors and its officers, together with a copy of its bylaws, its organizational documents and a letter requesting a Charter as an Affiliate of the Association, which letter shall be executed by at least ten Alumni Members of the Association.

Section 2. Board Approval. If the Governing Board approves the College Council’s bylaws, a Charter shall be issued.

Section 3. Duties toward Association. Each Chartered College Council shall submit to the office of the Association, annually on or before July 1 of each year, a roster with the names, addresses, telephone numbers, fax numbers and e-mail addresses related to the College Council’s officers, directors and any advisory group, together with any other reasonably requested information related to the council and its members.

Section 4. Appointment to Alumni Council. Each Chartered College Council shall have the right to appoint a representative to the Alumni Council of the Association provided that such representative meets the requirements of an “Alumni Member” and is paying dues to the Association at some level. The name of any proposed representative shall be submitted to the nominating committee by the dean of the applicable college with an indication of approval by the office of the dean. The nominating committee shall be responsible for making a determination of eligibility to serve.

Section 5. Amendments to Bylaws. All amendments to the bylaws or other organizational documents of the College Council must be approved by the Governing Board of the Association before becoming effective.

Section 6. Limitation. The Association may not issue more than one College Council Charter for each College of The University within which a degree is granted unless the College Council making application is distinct from an existing Chartered Council and the Association determines that the granting of the additional charter will not result in the College’s having an inequitable representation on the Alumni Council.

Section 7. Revocation. The Governing Board, in its sole discretion, may revoke the Charter of a College Council at any time, with or without cause.

Section 8. Other College Advisory Groups. Notwithstanding the absence of a Charter, if a College of The University granting a degree does not have a College Council or the mutual benefit to College and the Association can otherwise be shown, the office of the dean may submit the name of a proposed representative of another established advisory group of the College to serve on the Alumni Council. Any such proposed representative shall meet the requirements of an “Alumni Member” paying dues to the Association at some level. The nominating committee shall be responsible for making a determination of eligibility to serve.

III. PAST CHAIRS COUNCIL
Section 1. Establishment. The Past Chairs Council shall consist of all Past Presidents and Past Chairs of the Association who desire to participate. The President of such Council shall be the Past Chair of the Governing Board serving on the Governing Board. This Council is organized to promote the purposes of the Association any may undertake such activities as the Past Chairs Council deems appropriate.
Arizona Public Service Orientation

The following are excerpts from the Arizona Public Service Orientation that UA employees are required to complete during their first week of employment at the U of A. The entire online orientation can be found at the following site: http://www.hr.arizona.edu/arizona_public_service_orientation

This is being presented to you as a leader in order for you to understand the rules that UA employees have to abide by, which can, in turn, affect requests made to UA employees by leaders. Additionally, there are some sections that do directly pertain to you as a leader, and therefore, having this document can provide some guidance. You are strongly encouraged to contact a UA employee for any questions that you may have pertaining to these matters.

The Law in Brief

Arizona state law requires that all state employees receive a public service orientations that covers policies and laws relating to the proper conduct of business for a public employee. This orientation covers issues relating to: bribery, conflicts of interest, contracting with the government, disclosure of confidential information, discrimination, financial disclosure, gifts and extra compensation, incompatible employment, political activity, public access to records, open meeting laws, conduct after leaving one’s position with the government and misuse of public resources for personal gain.

Public Access to Records and Information

The University of Arizona is governed by Arizona public records law. The purpose of the law is to allow the general public, whose tax dollars support the University, to scrutinize the way we do business. Upon request, inspection of or copies of most records must be provided except for two categories which are not open to the public. Inquiries may be made to the Custodian of Records name below.

Student Records

Family Educational Rights and Rights and Privacy Act of 1974 (FERPA) requires that student records be confidential with the following exceptions. If you receive a request for access to records or information, it may be helpful to seek advice from the Custodian of Records on whether to release the information. To obtain access to records and information, make a written request to the official custodian of records.

- Certain academic departments need access.
- Public or directory information-name, address, degree program, telephone number may be disclosed unless the student requests otherwise.
- A parent who provides 50% or more financial support to a child who is a student may have access to the student’s records. If the parent provides less than 50% support, the student must authorize access to her/his records. Custodian of student records: Office of Curriculum and Registration.

Employee Records

Human Resources records of employees are private. Arizona Board of Regents Policy 6-912 prohibits the release of human resources information except as noted below. Custodian of employee records: Human Resources.

Special considerations:
• Employees and students have the right to access their own files.

For additional information, refer to:

Arizona Revised Statutes 39-121 (et seq.)
FERPA Compliance Manual
Arizona Board of Regents policy 6-912; Access to Employee Records (PDF)
Classified Staff Human Resources Policy Manual #4160

Illegal Discrimination

Illegal discrimination occurs when choices or decisions are made on the basis of a certain protected characteristics such as race, religion, sex, sexual orientation, national origin, age, or disability. For example, during a job interview, you may not ask if a person is married, has children or is disabled. You may state the essential functions of the position and ask if the applicant can perform them with or without an accommodation.

Sexual Harassment

Sexual harassment is a form of sex discrimination and is prohibited by university policy.

Complaints of illegal discrimination, including sexual harassment, should be made to the Equal Opportunity and Affirmative Action Office, the institutional office responsible for complaint investigation and resolution.

Affirmative action programs

As a federal contractor, The University of Arizona must have an affirmative action plan. Hiring authorities may take “protected status” into consideration when making hiring decisions in order to increase representation in positions where a protected class is underrepresented providing the applicant is qualified for the position.

For additional information on illegal discrimination, sexual harassment or affirmative action refer to the University’s Equal Opportunity and Affirmative Action Office.

Conflicts of Interest

Awarding Contracts/Purchasing Decisions

Arizona law lists prohibitive conflicts and states that you must disclose in writing and refrain from contracts and decisions when a conflict involving a substantial interest exists. A conflict of interest disclosure form is available from Procurement and Contracting Services.

Definition of substantial interest: Any interest that is not a remote interest as defined by law and university policy. Substantial interests generally involve pecuniary or proprietary interests. For example:

• Substantial interest in stock would be ownership of more than 3% of the shares of a company and/or more than 5% of your income is derived from this interest
• If you work in the area of scholarships and have a son or daughter applying for a scholarship, you may not serve on the committee that reviews your child's application.

Contracts are subject to cancellation if conflict of interest is determined.

For additional information on conflicts of interest refer to:
Policies on Gifts from Vendors
Employees are permitted to accept **nominal** gifts and/or promotional materials from vendors. There is no specified dollar limitation.

Purchasing directors should be consulted to determine if a gift is acceptable. For example:

- Occasional lunches, free note pads, pens, etc. are acceptable
- Expensive event tickets, airline tickets, and gifts of office furniture are **not** nominal and cannot be accepted

Refer questions to Procurement and Contracting Services.

Contracting by the Government

**Contract/Acquisition Process**

Contracts of $35,000 and over must be made through a formal bidding process. A set of required specifications is developed and made available to potential bidders with sufficient time for them to bid. Procurement and Contracting Services has established procedures to guide University employees who need to set up these requests for services.

Special consideration:

(Arizona Board of Regents policy 3-103)

- Only a limited number of people have authority to sign a contract binding the University. A person signing a contract without appropriate authority could be legally held personally responsible for the contract.
- Procurement and Contracting Services establishes procedures which must be followed at all times.

Refer questions to Procurement and Contracting Services.

Personal Use of University Resources

Personal use of theft of university property and resources can result in disciplinary actions, including termination and/or criminal prosecution.

Departments may have additional policies or practices prohibiting personal use of University equipment. Examples are:

- Use of copy of machine.
- Long distance phone charges.
- Mail services.
- Stealing University property.
- Copying, computer use and software.

For additional information, refer to:

University Handbook for Appointed Personnel 2.07
Classified Staff Policy Manual #414.0
Whistle Blowing

Whistle blowing is protected under Arizona statute as well as university policy. Employees may not be disciplined for disclosing information to a public body regarding a violation of law, gross waste of public funds, or abuse of authority.

Employees wishing to report such activity should do so to the University president, provost, vice president, vice provost, dean or non-academic department head.

For additional information regarding protection from reprisal for making a good faith disclosure of alleged wrongful conduct refer to Arizona Board of Regents policy 6-914 (PDF).

Political Activities

As a University employee, you can lawfully:

- Run for public office.
- Campaign for others on your own time.
- Lobby on your own time, but you must distinguish your interest from that of the public agency, you must represent only your position and not suggest you represent the position of The University of Arizona.
- A public employee, except faculty, may not serve on the Legislature without resigning the public position or taking a leave of absence. Faculty may serve without resigning their position.

For additionally information, refer to:

- Arizona Board of Regents policy 6-905 (PDF)
- University Handbook for Appointed Personnel 210.0
- Classified Staff Policy Manual #412.0

Institutional Lobbying

Lobbying is defined as attempting to influence the passage of defeat of any legislation. The University of Arizona is required by state to register its designated public lobbyist and all authorized public lobbyists with the Secretary of State. All lobbying on behalf of The University of Arizona must be coordinated through those individuals. There is an exemption in the law for persons who appear before the Legislature on their own behalf in support of or in opposition to legislation. Such individual lobbying must be coordinated on personal time without institutional subsidy or support.

For additional information on lobbying, refer to:

- Arizona Revised Statues 41-1231 (et. seq.)

Open Meeting Laws

Arizona Board of Regents (ABOR)

Meetings of the Arizona Board of Regents are subject to the State’s open meeting law. The Board must therefore:

- Post agendas 24 hours in advance.
- Make all decisions and take all actions in the open sessions of meetings. (ABOR may hold closed sessions for certain discussion purposes. No votes or actions however can be taken in these sessions.)

For additional information, refer to:
University Meetings

University meetings are not subject to the open meeting law unless they involve a committee appointed by the ABOR or a committee that advises the Board.

By tradition, Faculty and Academic Senate meetings are open to the public. Meetings in which discussion occurs regarding individual students’ educational information, individual personnel matters, and other topics which are confidential in nature must be conducted in closed meetings.
Contracts

1. Affinity groups aren’t really legal entities. They only exist as affiliates of the UAAA, which is the true legal entity. This is why UAAA officers sign all checks and oversee the checking account, and also why only UAAA officers (Pres, CFO, etc) can sign contracts. Leaders are not legally authorized to bind the affinity group into any contracts as a result of this.

2. The UAAA will review contracts for financial exposure, risk exposure, and from a trademarks and licensing (T&L) standpoint. Based on these factors (which vary by contract), the UAAA has the right to not enter into contracts that do not properly eliminate or mitigate such risks or that violate T&L policies. The affinity group’s board members should decide among themselves if the terms of a contract meet their needs and objectives. If the board determines that a contract is in line with such needs and objectives, it should forward it to their consultant so that they can forward it on to UAAA officers for approval. Again, UAAA reviews these contracts from a financial risk management and T&L standpoint.
Policy on Service of Alcohol

Alcoholic beverages may only be served:

- In a manner that is consistent with all local, state, and federal laws and regulations.
- As part of an event that offers food service and non-alcoholic beverage service.
- By a hired, qualified, and insured third-party alcohol server:
  - If the event is held at a hotel, restaurant or other facility with a valid liquor license then this requirement is met.
  - If the event is held in a location other than a hotel, restaurant or other facility that maintains a valid liquor license, such as a private home, office or park, then a licensed bartending service or caterer with a minimum of $1 million of liquor liability insurance must be used and evidence of such insurance in the form of an insurance certificate naming the UA Alumni Association, The University of Arizona, the State of Arizona, and the Arizona Board of Regents as an additional insureds must be provided to you Alumni staff liaison. The certificate must also contain the addresses of all four insureds (see below)
  - For events paid for using UA Foundation accounts, see the UA Foundation Liquor Policy at [http://www.arizonaalumni.com/Clubs/resources](http://www.arizonaalumni.com/Clubs/resources) and incorporated in the Association’s policy by reference. If funds from the UA Foundation are used to pay for the alcohol, then the insurance certificate referenced above must also name the UA Foundation in its coverage.
  - For events taking place on the UA campus, see the UA policy and procedures on service of alcohol, and alcohol guidelines at [http://policy.web.arizona.edu/alcohol.html](http://policy.web.arizona.edu/alcohol.html) and incorporated in the Association’s policy by reference.

Alcoholic beverages may not be served:

- In a manner that promotes the service of the alcoholic beverages as “all you can drink.”
- “Self-service” style or by any other uncontrolled means.
- At programs designed to attract current or prospective students who may be under 21 years old.

At any Association event, the distribution to minors or of alcoholic beverages to anyone who is intoxicated is strictly prohibited.

Please contact your affiliate consultant should you have any questions.

Addresses of Insureds

The University of Arizona Alumni Association  
1111 North Cherry Avenue  
Tucson, AZ 85721

The University of Arizona  
Tucson, AZ 85721

The State of Arizona  
Tucson, AZ 85721

The Arizona Board of Regents  
Tucson, AZ 85721
Clarification in the Association’s Alcohol Policy

The Association’s insurance carrier requires that the insurance certificate actually names the UA Alumni Association in the certificate. This will also include naming the University of Arizona, the State of Arizona and the Arizona Board of Regents in the certificate; and if UA Foundation funds are being used to purchase alcohol then the UA Foundation would also need to be named in the insurance certificate.

This clarification would only pertain to those instances where an alumni chapter is having an event at a location that would require the use of licensed and insured bartender or caterer. In other words, these would be events taking place other than at a restaurant, hotel, or facility that has its own valid liquor license, such as a private home or park. This is more likely to be exception rather than the rule since the vast majority of our chapter events do take place in restaurants, hotels, or other retail establishments. However, it is important that you are aware of this information in case this applies to one of your events.

Thank you for your cooperation and understanding as we work through these important issues.
Electronic Communications Policy

The UA Alumni Association works closely with alumni affinity groups to provide effective electronic communication designed to reach and engage UA alumni in their local markets.

The monthly UA Alumni Association e-newsletter is being reformatted to have a new regional focus (monthly regional e-newsletter). This unique e-newsletter “look” will provide an additional opportunity each month for alumni affinity group to update alumni about local events and activities.

Whether through e-newsletters, event notifications or e-blasts, alumni communications via the web and e-mail must be delivered in a coordinated manner in order to maximize visibility, increase efficiencies, reduce clutter, and to broaden the potential for response. It is also important that the Alumni Association serve as the distribution platform for most chapter e-communication. Doing so will:

- Ensure consistency of the overall branding and mission of the Alumni Association in order to connect alumni not only to the local affinity group, but to the parent organization as well. This is critically important as the “Wildcat for Life” brand continues to expand.
- Maintain an acceptable frequency of e-mail distribution. If alumni receive too many e-mails from the Association or affinity groups, they may begin to consider our communications to be “spam” and delete them without reading.

In short, coordinating electronic communications helps everyone! Your cooperation is requested and appreciated by the Alumni Association. The general guidelines for preparation and distribution of e-communications are below:

Monthly Regional E-newsletters

- If you wish to include upcoming event information in the monthly regional e-newsletter, send your consultant the information by the 15th of each month.
- We will be specifically targeting your area each month, so it is important that we have your chapter’s upcoming event information in it.
- This is an opportunity to promote your upcoming events to all alumni in your area.

Alumni Association E-Blasts

- Your Alumni Association staff consultant must receive event or notification details at least seven days in advance of when your group would like the e-mail blast sent so that it can work it through the Association’s editing and testing processes.
- The staff consultant will provide a sample of the e-blast for your group leader to approve or disapprove.
- The staff consultant will not send more than one e-blast in a month for your group. Please plan ahead and carefully choose what you would like to be sent or combine all events in one e-mail.
- E-blasts are not distributed on Fridays, Mondays, or during the weekends (opt-out rates increase on those days). In addition, e-blasts will not be sent during the first week of each month because that week is reserved for the Alumni Association’s regional e-newsletters.
Local Group E-mails or Event Notifications

- When a local group e-mail is sent, you must include text encouraging alumni to join the Alumni Association’s membership program. The text to use is included below. You also must include a link to the Alumni Association’s Web site, www.arizonaalumni.com.
- We recommend that you limit the amount of e-mail that you send to your distribution list (at most twice per month).
- Please add your staff consultant to your e-mail distribution list so that they are aware when you have sent an e-mail and what is contained in your message.

Monthly E-mail Schedule

First Week: Monthly Regional E-newsletter (can include information about your chapter)
Second Week: Alumni Association E-blast for Your Affinity Group is Available
Third Week: Monthly Membership E-newsletter
Fourth Week: Alumni Association E-blast for Your Affinity Group is Available

If you need to send an e-mail to your affinity group or send an event notification to your group’s e-mail distribution list, we recommend sending only one per week and only during the second and fourth weeks of the month so that it offsets Alumni Association e-mails in weeks one, three and four.

Web site

- Your Web site must include a) supplied text to encourage alumni to join membership in the Alumni Association; b) the Alumni Association logo; and c) a link to the Alumni Association’s Web site, www.arizonaalumni.com.
- Don’t forget to include your chapter’s referral code (if applicable).

Supplied Membership Text
Visit the leader online resource guide site for approved text regarding membership.

Supplied Alumni Association Logo
Visit the chapter leader online resource guide to find an approved Alumni Association logo for your group’s use.
Event Reporting

It is the duty of the affinity group to keep the Alumni Association informed of any and all address changes of its members.

To aid in this, the following must be submitted following each chapter event

- Sign-in sheet
- Event recap

There are four reasons why we ask this of you.

1. To have up-to-date information on alumni from your area
2. To track what alumni are attending events
3. To see how the Alumni Association can help with future events
4. To act as a record for future chapter leadership to refer back to
Financial Policy & Procedures for Affinity Groups

Purpose
These financial policies and procedures for affiliated groups were written to comply with University and Foundation policies and Federal and State regulations. Adherence to these standards is also intended to help ensure the financial stability and integrity of The University of Arizona Alumni Association and its affiliated groups.

Scope
These financial policies and procedures apply to all affiliated groups of The University of Arizona Alumni Association.

Definitions
“Affiliated groups” includes alumni chapters and other constituent organizations; many of these have bank accounts, mostly checking accounts, for which the Association’s tax identification number is used to satisfy banking requirements.

“Association” is The University of Arizona Alumni Association.
“Foundation” is The University of Arizona Foundation.
“GAAP” is Generally Accepted Accounting Principles.
“University” is The University of Arizona.

Scholarship Accounts

Requirement
Affiliated groups shall maintain their scholarship accounts with the University of Arizona Foundation.

The Policy regarding gifts to the University is maintained electronically at the following site: http://www.arizona.edu/~fso/deptman/8/812gifts.html. The policy revision, referenced at that site and to be implemented soon, states in Section 11 that: “a gift to the University of Arizona can be accepted only by the University President, the President of the University of Arizona Foundation or their designee. The acceptance procedure is formalized by the presentation of an official gift receipt. Gifts not processed according to these procedures will not be construed as accepted by the University.” The policy continues at section 53 to specify that all gifts must be submitted to Central Gifts for processing and preparation of the official tax receipt. Only when the Foundation, itself, deposits a donor’s checks may it issue tax receipt.

Benefits
Among the benefits to be accrued by affiliated groups through this policy are:

- **Valid tax receipts** will be issued to donors by Central Gifts, which is staffed to provide reliable service on a sustained basis.
- **Complete gift histories** will be maintained for all donors in one location. Previously, when affiliated groups remitted more than one person’s donation to the Foundation in a single check, proper tax credit was not given because the data of the donor was not available.
- Foundation staff can assist affiliated groups in the follow-up of matching gifts, as well as assist in additional fund-raising efforts.
- The Foundation can process Visa, MasterCard, and AMEX payments, including donations.
- The Foundation, along with the Association, will be in a position to ensure events participants are properly advised of the tax deductibility of their payments. This is a requirement of Internal Revenue Code Section 6115, previously known as Internal Revenue Procedure 90-12.
- The Foundation’s **Telephone Outreach Program can assist** with telephone calls prior to certain events held by affiliated groups.
Procedure

- **Each affiliated group will establish two accounts with the Foundation** — one restricted for scholarships and the other restricted for other use by the affiliated group (not necessary because one can be used for both if purpose is stated). Authorized signatories for the accounts will be established at the time the accounts are established. The scholarship account can be an endowment if 1) that is the desire of the affiliated group and 2) all solicitation materials to donors make that fact clear. GAAP specify that only the donor can direct a donation to an endowment. In any event, disbursements from this account (or from the expendable earnings from this account, if it is an endowment) will be limited to scholarship transfers to the University. Disbursements from the raising events of for the other payments in accordance with current Foundation policy and the chapter’s mission and purpose. In general, Foundation policy requires that disbursements must be valid business purpose, while not being in violation of existing IRS, Foundation or University policy.

- **Event receipts for those involving tax-deductible donations must be sent by the affiliated groups to your staff liaison**, who will forward them to Foundation Accounting for deposit to the appropriate account. These are the primary requirements for transmittal to the Annual Fund Director. 1) All checks are to be made payable to The University of Arizona Alumni Association (name of Alumni Chapter) or UAAA (name of chapter), and 2) the flyer must contain the IRC Section 6115 disclosure, i.e. the portion of each payment qualifying as a charitable contribution. **Affiliated groups should retain a photocopy of each check sent to the Annual Fund Director.**

- **When its services (i.e. deposit or disbursement) are used, the Foundation is required by policy to be a signatory on contracts with vendors.** Thus, each affiliated group will be required to submit all pertinent, event-related contracts to the Annual Fund Director, who will obtain the appropriate Foundation signatures; this is to be done rather than executing these contracts directly with vendors. This is necessary to ensure the Foundation and affiliated groups are not assuming undue risks. The Foundation delegates to affiliated groups the responsibility for determining the propriety of the contract in a business sense, e.g. that the greens fees being charged for a golf tournament are fair and reasonable. The Foundation’s review is made to limit wherever possible the liability assumed/incurred by the Foundation and by affiliated groups.

- **Foundation policy strictly limits reimbursements for or payment of charges for alcohol.** In general, this policy requires that either 1) the event must be held at a hotel/resort/restaurant that will be responsible for serving the alcohol, or 2) an approved caterer or bartending service that assumes responsibility for serving the alcohol must be hired. Foundation Accounting maintains a list of approved caterers and bartending services. Otherwise, to gain approval a catering/bartending service must provide the Foundation with a certificate of alcohol liability insurance naming the Foundation, the University, the State of Arizona, the Board of Regents, and the Associations as additional insureds under a policy with a minimum value of $1 million. Also, Foundation policy strictly prohibits the serving of alcohol by volunteer or guests.

**Example**
The XYZ Cats Alumni Chapter scheduled its annual golf tournament. The Treasure and/or President of the XYZ Cats Alumni Chapter made a “good faith” estimate of the fair market value (which is sometimes more than the cost) of the benefit received by each participant; fair market value is estimated at $50. The Foundation reviewed and signed the contract with the ABC Mountain Golf and Country Club for the greens fees and food and beverage costs associated with the event. The advertising flyer/letter was submitted to the Association for advance review and included the statement that 1) checks were to be payable to the UAAA chapter golf tournament and 2) $50 of the $100 entry fee qualified as a charitable contribution. Checks were directed to the chapter staff liaison, who then forwarded them to the Foundation Accounting Office and they were deposited in the XYZ Cats restricted account. The Central Gifts office issued a tax receipt to the donors for $50 for each $100 paid and the donations were captured in the RAISER’S EDGE system of the Foundation.

The invoice from the ABC Mountain Golf and Country Club was received for this event. It was processed and paid from the XYZ Cats restricted account along with any other expenses related to this event. The net proceeds from
the event (total event deposits into the restricted account minus expenses related to the event paid out of the restricted account) were then transferred to the XYZ Cats scholarship account.

Reminders

- Gifts greater than $5,000 from a single donor are subject to the Campaign Arizona financing plan (6% to UA Foundation).
- The scholarship account may be an endowment account. However, affiliated groups need to consider that 1) $10,000 is needed to open an endowment account 2) the flyers/promotional materials must clearly indicate the charitable contributions will be to an endowment account.
- Endowment accounts have earned an average return of approximately 4% per year since professional management of the endowment began in 1988. From that amount, an annual pay out is declared which is available for use for the designated purpose. No fees are assessed against the endowment principal. There are no administrative fees charged on restricted accounts. The full amount of the gift is available for the designated purpose.
- Affiliated groups need to be sure that all receipts (monies taken in) relating to an event are covered by an IRC 6115 statement which explains the portion of each payment qualifying as a charitable contribution. Problems most frequently encountered involve the purchase of raffle tickets and centerpieces at events. Affiliated groups need to ensure that donors are notified that no portion of their payment for raffle tickets or centerpieces qualify as a tax-deductible donation.

Checking (Bank) Accounts

Use of the UAAA’s Federal ID number and information about banking with Bank of America (B of A).

Background:

Risk management is a constant process that the UAAA places at the forefront of its operations. As a result, we are constantly reviewing our financial policies and procedures to increase efficiency and accountability, and to minimize our risk exposure. The UAAA has non-profit status with the IRS, and preserving this status is critical to its ongoing operations. Additionally, it is important to the UAAA to minimize the risk assumed by our chapter leaders when serving in a leadership role. Keeping these factors in mind, several measures have been put into effect in order to accomplish our goals of efficiency, accountability and risk management. One of those measures is outlined below:

New requirement:

A chapter that would like to use the UAAA’s Federal ID # will be required to bank with B of A. Chapters still have the right to bank with any bank of their choice, however, if not banking with B of A, they will need to obtain their own Federal ID number (UAAA strongly discourages chapters to do this: continue to read below).

Principles behind the new requirement:

The new requirement has been put into effect in order to accomplish the following:

- **Preservation of the UAAA’s non-profit tax status.** By allowing a chapter to use the UAAA’s Federal ID #, the UAAA assumes responsibility for the financial transactions in such a bank account. By instituting responsible accounting procedures and combining them with tools provided by B of A, the UAAA maximizes its ability to ensure transactions that would jeopardize our tax status are avoided.
- **Insurance coverage for chapter leaders:** UAAA’s general liability insurance covers the chapter leaders if UAAA has proper procedures in place to provide guidance to chapters. By allowing chapters to use our Fed ID # and banking with B of A, and having them abide by UAAA policies and procedures, we show that we are taking an active role in the guidance of the chapters.
- **Avoid tax reporting:** By banking with B of A and using the UAAA Fed ID #, the chapters avoid having any tax reporting requirements at year-end, given all activity is reported under the UAAA’s Fed ID #.
Advantages to banking with B of A:

- **No administrative hassles:** By using a B of A account, chapters receive the following perks:
  - No check writing: By submitting an email to the UAAA’s accountant, checks are processed by UAAA with a guaranteed 24-hour turnaround time.
  - Monthly and year-end reporting is performed by the UAAA. Chapters have no financial reporting responsibilities.
  - When the chapters have a change in leadership, there is no need to change check signers. UAAA is responsible for the check signing.
  - Knowledge and expertise with regard to the intricacies of non-profit rules and procedures, provided by UAAA’s accountant.

- **Low costs:**
  - No monthly fees: B of A waives monthly fees with the exception of NSF and overdraft fees. There are minimal one time fees for check and deposit slips, ranging from $15 to $30.
  - Duplicate statements at no cost: one is sent to the chapter treasurer, the other to UAAA.

The logistics:

**Check request/check signing:**

- An authorized member of the chapter sends an email to Rhonda Rugg (rugg@al.arizona.edu or 621-9032) requesting a check
  - The chapter is responsible for maintaining records of original receipts and for complying with its own internal approval procedures. UAAA assumes that the chapter has followed such procedures prior to submitting a request for payment. It is helpful if UAAA is provided with a copy of an invoice whenever available.
  - Original receipts are REQUIRED to be submitted to UAAA when a request for reimbursement to an individual (an un-incorporated person/entity) is being made. This is necessary for audit purposes.

*Note:* All requests made by a chapter to UAAA need to be confirmed in writing (an email suffices). Thus, if a phone call is made to UAAA for a request, it must be followed up by an email or other written document. This is necessary for audit purposes.

**Deposits:**

- Deposits can be made by an authorized chapter member at any B of A Branch. The chapter is required to submit a copy to UAAA of the deposit slip along with details of the deposit so that a proper accounting can be made.
- Deposits and the corresponding details can be sent to UAAA’s accountant, and UAAA will process the deposit.

Opening the account:

- A phone call to Rhonda Rugg confirming the opening of the account(s) is all that needs to take place. The UAAA Fed ID# will be used to open these accounts.

**Unrelated Business Income (UBI)**

The Association is a 501(c)(3) corporation, exempt from federal income tax. Nevertheless, 1) net advertising revenue produced from ads in the “Arizona Alumnus” magazine and 2) net travel program revenue from non-enrichment tours have been included in the Association’s tax base for many years. The Internal Revenue Service says unrelated trade or business income, also known as UBI, “is the gross income derived from any trade or business that is regularly carried on and not substantially related to the organization’s exempt purpose or function.” Most alumni associations at other colleges and universities have conceded, as has the Association, that two elements — net advertising revenue produced for ads in their magazine and net travel program revenue from non-enrichment tours — are “regularly carried on and not substantially related to the organization’s exempt
purpose or function.” Obviously, the definition of unrelated business income has a wide range of interpretation. It is the responsibility, solely, of the Association to interpret the consequences of certain revenue-producing activities or affiliated groups that border on UBI; this is necessary because the Association ultimately bears the financial responsibility for use of its tax identification number.

One area of constant debate is sponsorship revenue (not taxable), as opposed to advertising revenue (taxable). Qualified sponsorship payments are those given to a tax-exempt organization and for which there is no arrangement or expectation of any substantial return benefit. Allowed is the use or acknowledgment of a name, logo or product line while qualitative or comparative descriptions are not. Those which do cross the “line” into qualitative or comparative descriptions become taxable as advertising. For example, if an affiliated group prints a program for one of its events, a sponsor’s name, logo, or product line may appear in a list, alone or with other sponsors, and still not have its fee considered to be advertising revenue (not taxable). On the other hand, the program “listing” becomes an advertisement if it (a) indicates the sponsor’s product or service is special either when evaluated itself or when compared to its competition or (b) contains a “call to action.”

In advance of an alumni-affiliated group producing revenue that, by any interpretation of the Internal Revenue Code, might trigger unrelated business income (UBI), Nick Pierson, assistant director of alumni chapters and clubs, must be notified in writing. A complete description of the plans and financial arrangements must be submitted in the early planning stages, before commitments are made. The Internal Revenue Code stipulates that the percent of income tax is determined for a sliding scale, i.e. beyond certain thresholds, the percent of tax increases. In the rare case where an affiliated group is approved to incur income tax, the Alumni Association will recover from the affiliated group, concurrent with its own payment, any incremental income tax incurred.

The Foundation does not accept for deposit any proceeds or receipts which could be held to represent UBI.

**Tax and Information Return Reporting**

Note: This section addresses affiliated groups’ transactions of only local nature, i.e. those processed through affiliated group bank accounts and not routed through the Foundation. Not to be included are tax-deductible donations because, by policy, they must be deposited in Foundation accounts; thus they are reported by the Foundation.

After the conclusion of its fiscal year (July 1-June 30), the Association is obligated by law to file the following annual returns:

- Internal Revenue Service Form 990-T
- Arizona From 99-T
- Internal Revenue Service Form 990
- Arizona Form 99

For each fiscal year, the Association will consolidate financial transactions from all affiliated groups using the Association’s tax identification number for its bank accounts. **To facilitate this, all affiliated groups must submit its pertinent financial data to:**

Chief Financial Officer  
The University of Arizona Alumni Association  
P.O. Box 210109  
Tucson AZ 85721 – 0109

no later than July 1 each year. **The Financial Policies and Procedures Reporting Documents** may be copied as needed and utilized to report the data. Also, a photocopy of the check register and any disbursement or receipt journals covering the same period – July 1 through June 30 – will help to minimize the amount of follow-up to make data compatible for reporting. Reporting financials is not required for affiliated groups that have their local checking account through the Alumni Association (BofA account)
Further explanation of the items to be reported on Exhibits B and C

Revenue (Exhibit B):

- **Direct public support**
- **Sponsorships** – see definition above. Do not include any contributions received from the Association; these are to be shown under indirect public support.
- **Donations** – those erroneously deposited in local checking account rather than being sent, as required by policy, to the Foundation. (As indicated elsewhere, this creates major image and information problems for the donor, University, Foundation, Association, and affiliated groups; also, it violates federal tax standards and sound accounting practices so this must not occur).
- **Indirect public support** – show any individual contributions by the Alumni Association; show any contributions only, not amounts paid by the Alumni Association for its staff to participate in events; they will be shown in “program service revenue.”
- **Program service revenue** – list most non-donor-deductible program revenues by event such as admission fees, entry fees and Association staff participation feels. Not included here are 1) advertising revenue, the earning of which is restricted – see paragraph 3 on “Unrelated Business Income” above, and 2) sponsorship revenue, which should appear under “Direct public support.” The majority of most affiliated groups’ revenue will appear in this category.
- **Miscellaneous revenue** – list all revenue which does not fit into another category.
- **Interest on savings and temporary cash investments** – list all interest earned on the full spectrum of accounts and deposits. This should be minimal because of the transfer or scholarship accounts to the Foundation.
- **Dividends and interest from securities** – include any such earnings in this separate category. This should be minimal because of the transfer of all scholarship accounts to the Foundation.
- **Gain (or loss) from sales of assets** – the mark here will commonly be “n/a”; if there are such sales, the following must be indicated in an attached schedule: 1) the “gross amount form sale of assets” and 2) the “cost or other basis and sales expenses.”
- **Royalty income** – list any royalty income earned, although the mark here will be “n/a” in virtually every case. See “Royalty Contracts” below.

Expenses (Exhibit C)

- **Charitable contributions** – contributions or gifts for the use of charitable or governmental organizations. This should be minimal because the bulk of all funds will reside in the Foundation.
- **List the amount of expenses by category.** If you have a question about how to categorize a disbursement, call to discuss the mater with the Chief Financial Officer at 1-800-BEAT-ASU or (520) 621-7576.

Royalty Contracts

The Association earns royalties to support its operation by granting exclusive contractual rights for certain products and services to vendors to use the alumni database. Before agreeing, verbally or otherwise, to a similar or conflicting arrangement, affiliated groups must contact Nick Pierson, assistant director of alumni chapters and clubs.

Credit Card Fees

Affiliated groups processing their credit card transactions through the Alumni Association will not be assessed the credit card charges. To encourage your group’s use of online event registration through the UAAA, the fee has been covered for you.

Exceptions

All exceptions to these financial policies and procedures require an advance written justification to and written approval by the President and Executive Director of the Alumni Association. Granting of exceptions will be extremely rare because this policy is so heavily influenced by the authoritative guidance of the University, Foundation, Internal Revenue Service and GAAP.
Summary of Financial Policies and Procedures

- **UA Foundation Accounts**
  - **Endowment, Spendable, Restricted**
    - **Endowments**: principal can never be used
      - 6% fee for donations over $5,000
      - 4% payout (interest so to speak)
    - **Spendable**: 4% payout deposited in this account
      - Available for use as specified by endowment
    - **Restricted**: Available for use as specified by donors
      - No payout
  - **Used for events that are for fundraising efforts**
    - Can be partially or fully deductible
      - 90-12 Disclosure on ALL materials
    - Contract approval/Cert. of Liab issued by UAF

- **B of A Chapter Checking Accounts**
  - **Use for events that are not for fundraising purposes**
  - **Thus, amounts received are NOT tax deductible**
  - **Use UAAA Federal ID #**
  - **Accounting prepared by UAAA**
  - **Liability insurance coverage for Chapter Leaders**
  - ** Preserve UAAA tax status**
  - **Cash disbursement requests come via email to Rhonda**
    - 24-hour turnaround (assume chapter approved)
    - Original receipts needed for reimbursement to a chapter volunteer
  - **Deposits can be made by chapter or sent to UAAA**
    - If made by chapter, email with details of deposit is required
  - **Contract approval/Cert. of Liab issued by UAAA**
  - **Escrow account: certain limitations**

- **If you decided to do first and ask for forgiveness later, you will have very angry constituents (UAF has to follow strict IRS procedures and they will not jeopardize their tax status for any chapter)!**
In-kind Donation Form

Name of Individual/Business: ____________________________________________________________

Contact Name: _____________________________________________________________________

Address: __________________________________________________________________________

City/State/Zip: _____________________________________________________________________

Email: _____________________________________________________________________________

Telephone: ___________________________ Fax: ________________________________

Affinity Group and Event Description: ________________________________________________

Item/Service: ______________________________________________________________________

Item Value: $__________________________

Description: _____________________________________________________________________

__________________________________________________________________________________

Please complete this form for each item donated and return it to the following address:

UA Alumni Association Phoenix Office
Attention: Nick Pierson
714 East Van Buren Street
Phoenix, AZ 85006

Phone: 602-827-2190
E-mail: npierson@al.arizona.edu

Thank you for your support of the University of Arizona Alumni Association. Your fully tax-deductible donation to the University of Arizona Foundation will help support The University of Arizona. Please keep a copy of this form for your records.

University of Arizona Alumni Association use only
Date: ____________________________
Alumni Association Contact: ____________________________
Item number: ____________________________

☐ Thx Ltr
☐ Input DB
☐ Rcv.d
Matching Gifts

A great way to build a solid financial base for your group is through matching gifts.

What a Matching Gift is

- A simple way for a donor to multiply the impact of their gift—without writing a bigger check
- A contribution from the donor’s company, in response to their gift
- Companies do this as an employee benefit, to encourage employees’ involvement and to let employees’ interests guide part of corporate giving

A few cautions

- The match is an additional gift to the UA, from the donor’s company. It cannot apply to their personal pledge and cannot be used to pay for any benefit (such as memberships or event tickets)
- Usually, only the tax-deductible portion of a payment may be matched
- Some companies do not match to alumni associations, or will match only if the donor's gift was designated to scholarships. The donor should check their company's guidelines to be certain.
- It is UAF policy that matching gift funds go to the same designation as the donor’s original gift, except when the matching company requests otherwise
- Only the donor can start the process of applying for a match

How to Apply for a Match

- Each match program is unique. Please be sure to have the donor check their company’s statement of guidelines and policies
  - The way or ways that a donor can apply for matching funds
  - Whose gifts can be matched (retirees, board members, and part-time employees are eligible under many companies)
  - What non profit organizations can be matched
  - What designations or gift purposes can be matched – for instance, some companies do not match gifts to athletics, or to non-academic designations in general
  - Maximum and minimum amounts for each gift, and for various totals each year

- A donor can look up their company at http://matchinggifts.com/uofaz/
  - Have donor get contact info for their program administrator, for any questions about guidelines and how to apply
  - Have donor get general information about their program, and instructions on how to apply for a match
  - Many listings have links to the program guidelines, to a printable match form, or to the web site where you can submit a match application online.

- A donor may also be able to find forms and information through their company’s intranet, benefits office, or charitable giving committee/office
- Usually, each pledge installment is matched as a separate gift—the donor will need to apply again with each installment, and max/min amounts apply to each installment

Submitting paper forms

- The donor must completely fill out their part of the form—including address, signature, and gift amount. Incomplete forms can delay processing with UAF or with the company, and the company may reject the form.
Include the gift designation if possible (UAF/Insert Your Chapter Name i.e. UAF/Maui Chapter)

Enclose the match form along with your gift, or mail it later to:

The University of Arizona Alumni Association Phoenix Office
Attention Nick Pierson
714 East Van Buren Street
Phoenix, AZ 85006

Online match applications

- If the donor applies online, the match program will contact the UA to confirm that the gift was received
- If several organization records are available, the donor should choose the University of Arizona Foundation at 1125 N. Vine Ave. if possible. This will help ensure that the company's notification goes directly to the Matching Gift Coordinator
- It is very helpful if the donor allows the match program to give us their full address, and if they include the gift designation in the notes or comments area

In Conclusion

If there is an alumnus interested in contributing to your chapter through a matching gift (pledge is fully tax-deductible), have them indicate your chapter as the designation of their gift (UAF/Your Chapter Name i.e. UAF/Maui Chapter). Have them send their gift and matching gift form to you together.

If they fill out their matching gift form later, they can send it directly to:

The University of Arizona Alumni Association Phoenix Office
Attention Nick Pierson
714 East Van Buren Street
Phoenix, AZ 85006

If the donor or company has any questions, please direct them to the Matching Gifts Coordinator at 520-626-6901 or matchgifts@al.arizona.edu.
Nicknames

When using your affiliate group’s nickname in communications, please type it as one word rather than two. Alumni Association policy requires all affiliate groups to use a one-word name ending in Cats with a capital C. It is incorrect for you to separate the two words.

Examples of Correct Usage: BayCats, CapitolCats, WindyCityCats, etc.

Examples of Incorrect Usage: Bay Cats, Capitol Cats, Windy City Cats, etc.

Please remember that everything that you do affects the overall branding of the Alumni Association.
Online Financial Transaction Processing and Online Registration for
UA Alumni Association Affiliates (A.K.A. Chapters/Clubs/Councils).

The University of Arizona Alumni Association (UAAA) is a 501(c)3 organization incorporated in the State of Arizona. In order to comply with IRS rules and regulations, UA Alumni Association Affiliates (“affiliates”), as chartered entities of the UAAA, have financial reporting requirements that are reported under the UAAA’s Federal Identification Number. This creates the need for all affiliates to use the UAAA’s Federal ID Number in all their banking and financial transactions. Additionally, activities hosted by the affiliates are covered under the UAAA’s general liability insurance. As a result, the UAAA has several policies and procedures that all affiliates must abide by, and which require oversight by UAAA, in order to properly comply with the terms and conditions of the aforementioned insurance policies.

With the increasing use of online banking, online financial transaction processing, and online registration services, many affiliates will be solicited to use such services for their events and fundraising activities. Due to the circumstances outlined above, UAAA Affiliates are not allowed to utilize any third party online services (such as PayPal, WePay, etc.) without prior written consent and approval by the UAAA.

Please remember that the UAAA offers the exact same products and services as most third party online services, all while providing support free of charge to all affiliates. Specifically, the UAAA provides:

- Online Event Registration through UAAA’s BBNC system, which includes the following:
  - Collection of money and registrant information
  - RSVP information sent in a timely manner to you by your affiliate consultant
  - Money automatically deposited into affiliate’s Bank of America checking or UA Foundation accounts
  - Credit card processing fee paid by UAAA (saving affiliates up to 3% per transaction)
  - Alumni information collected and linked to UAAA database
  - Through a separate, simple and timely process, payment of all event bills and/or reimbursement to volunteers

- Online Giving/Donation processing (through UA Foundation’s website at http://www.uafoundation.org/givetoday/) which includes the following:
  - Proper tax receipts sent to donor by UA Foundation
  - Targeted online giving page (see example with “auto filled” designation)
  - Tracks alumni giving to your organization
  - Allows for company or corporate matching

Please contact our staff if you have any questions or if you would like to use our online services.

- Jill Hall (ghall@al.arizona.edu)
- Oscar Lujan (lujano@al.arizona.edu)
- Nick Pierson (npierson@al.arizona.edu)
- Rhonda Rugg (rugg@al.arizona.edu)
- Mark Strickling (strickling@al.arizona.edu)
Tax Deductibility Disclosure

IRS 90-12 Tax Deductibility Disclosure

What it is:
A written statement that tells donors/payers how much of their gift/event registration, if any, qualifies as a tax-deductible contribution. By definition, this is the amount by which the payment exceeds the fair value of any benefits received.

When it is required:
Whenever donations or payments are accepted. This includes registration fees for conferences, workshops, events, and fundraisers (dinners, golf tournaments, raffle tickets, etc.).

Where it should appear:
On all printed materials related to the event, including registration forms, brochures, invitations, flyers, invoices, etc.

Why it is required:
The UA Alumni Association and UA Foundation are 501-c-3 organizations subject to IRS rules and regulations.