

Recommendation of the Policy Advisory Committee and the Office of Development to Eliminate SAAP 44.5 - Public/Private Relationships and University/Non-University Funds

Rationale: The policy is covered under Board of Regent policy and Wisconsin State Statutes.

PUBLIC/PRIVATE RELATIONSHIPS AND UNIVERSITY/NON-UNIVERSITY FUNDS

No: S-44.5

**Date: January 1998 Rev (1)
(Original July 1, 1990)**

Authority: UWM Administration

Introduction

Public-private relationships such as those involving the University of Wisconsin-Milwaukee and non-university organizations such as foundations need to be clearly understood to ensure that the integrity of each organization is maintained. It is important for all to be scrupulous in making a distinction between university funds and non-university funds. Wisconsin State Statute 20.906 requires that all monies collected or received by any state agency for or on behalf of the state be deposited in the state treasury at least once a week.

Receipts

Examples of university activities and sources of revenue which generate funds that must be deposited in an appropriate university account include:

1. Fees for laboratory and other services provided by the university.
2. Revenues from tuition payments, ticket sales, registration fees, and fees from university-sponsored conferences or facility use.
3. University contractual and business arrangements.
4. All grants and contracts resulting from proposals to federal, state, local or foreign governments.

5. Contracts resulting from proposals to foundations that pay indirect costs. In the event that a non-university organization requests that a foundation be the recipient of the funds, the indirect cost recovery should be remitted to the university.
6. Contracts resulting from proposals for support of specific projects to foundations.

In addition, all checks made payable to the University of Wisconsin - Milwaukee, UWM schools/colleges/divisions, and UWM departments must be endorsed and deposited by the UWM Bursar. The university will exchange checks (i.e., write a new check payable to a non-university organization) upon receipt of proper documentation as to the drawer's intent. When the drawer does not indicate an intention to make the gift to a non-university organization, the gift will be deposited in an appropriate university gift account.

Expenditures

As a general principle and to the extent feasible, all support provided to the university through non-university organizations such as foundations shall be presented to and accepted by the Board of Regents for incorporation into the university's regular budgeting and accounting procedures. Whenever reasonable projections of the needs of the individual programs can be made, the university administrators should request a lump-sum transfer of funds to the university. All expenditures from the accounts created by such lump-sum transfers shall be made using the regular university channels applicable to such funding.

Salary payments made for services on behalf of the university to individuals, such as faculty, staff or students, must come through regular university channels to preclude overload payments and provide proper fringe benefits and tax reporting (i.e., the university must write the check to these individuals).

Payments for scholarships, fellowships, and other financial aid must be made through university accounts so that all taxable portions are identified and the taxes are withheld. Furthermore, the university is obligated by federal financial aid regulations to consider all of a student's resources before awarding financial aid.

Any capital items purchased and donated by a non-university organization must be reported to the Board of Regents for acceptance as gifts-in-kind in accordance with established procedures.

For questions regarding what constitutes university funds as described in State Statute 20.906, please contact the UWM Controller or Director of Business and Finance. Questions regarding initiation of proposals and gifts-in-kind should be directed to the dean of the Graduate School.