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UNIVERSITY

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President:  
Don W. Kassing

*Revised/Please disregard previous  
PD dated December 14, 2006*

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**PD 2006-01**

**MEMO TO:** Vice Presidents, Associate Vice Presidents, Deans,  
Directors, Chairs and Administrative Heads

**FROM:** Don W. Kassing, President

**SUBJECT:** Presidential Directive 2006-01

**BANKING AND INVESTMENT OF SJSU PHILANTHROPIC FUNDS**

The Tower Foundation is San Jose State University's fifth CSU-approved auxiliary. It was formed to assist with the development, investment, administration, and banking of all SJSU philanthropic donations. The Tower Foundation is located on-campus in Clark Hall, third floor, within the University Advancement Division.

This Directive is designed to provide a resource for all members of the campus community to help them determine the appropriate handling of donations under their care. Adherence to this presidential directive will ensure that all philanthropic funds are stewarded, recorded, deposited, disbursed and accounted for appropriately through the Tower Foundation.

**New Philanthropic Donations:**

Beginning January 1, 2007, all new donations received by the campus community must be deposited within the Tower Foundation.

Donations are defined as:

- All unrestricted or restricted gifts provided to SJSU including cash, cash equivalents, stocks, other securities, real or personal property, or equipment received from individuals, trusts, family foundations or corporations.
- Bequests, wills, charitable remainder trusts and annuities, pooled income funds, donor advised funds or other related testamentary gifts.
- Contributions to the SJSU endowment.

Donations do **NOT** include any state appropriated funds. These funds must be deposited with and managed by the SJSU Administration and Finance Division.

Donations do **NOT** include any publicly funded (federal, state, local) grants or contracts; corporate matching funds to contracts or grants. These funds must be deposited with and managed by the SJSU Research Foundation (formerly known as the SJSU Foundation).

### **Existing Philanthropic Donations:**

Prior to the establishment of the Tower Foundation, philanthropic donations were deposited with the SJSU Research Foundation. In some cases, these funds were segregated in accounts that held only donation funds. In other cases, they were combined with other related program revenues.

Beginning January 1, 2007 existing donation accounts will be transferred from the Research Foundation to the Tower Foundation as follows:

1. All accounts held at the Research Foundation that contain **ONLY** donation funds will be transferred to the Tower Foundation.
2. Any accounts that contain "co-mingled funds" (i.e. donations and other revenues) will remain at the Research Foundation until such donation funds are fully expended.

### **Administrative Fee Structure:**

The Tower Foundation will assess a 5% administrative fee on expenditures as they are processed through an account. The 5% fee will not be assessed on any scholarship-based accounts.

No additional assessment will be charged based on the transfer of account funds from the Research Foundation to the Tower Foundation, or vice versa.

### **Notification Process:**

All philanthropic account holders (deans, chairs, faculty members, and other administrators) will receive written notice of any/all accounts that are to be transferred from the Research Foundation to the Tower Foundation in 2007 prior to such transfer.

Training will be provided to all administrative staff responsible for spending from the donation accounts. An Account Holder handbook with copies of processing procedures and related forms will be provided for all new accounts established within the Tower Foundation, including those accounts transferred from the SJSU Foundation.

**Questions on any information outlined above should be directed to the Tower Foundation at 924-1160**