

Joint Policy Statement

Winthrop University & Winthrop University Foundation

Purpose

This joint policy establishes clear guidelines for the processing of payments made using funds held by the Winthrop University Foundation (“the Foundation”) in support of Winthrop University (“the University”). The policy ensures consistency, transparency, and appropriate stewardship of philanthropic resources.

I. Rationale

Winthrop University and the Winthrop University Foundation adopt this policy to strengthen financial stewardship, reduce administrative risk, and ensure compliance with state and institutional requirements. The policy is necessary for the following reasons:

- **Reduce the risk of duplicate payments** by ensuring that the University and Foundation do not independently process the same expense.
- **Maximize the University’s existing financial systems and internal controls**, which are designed to ensure proper documentation, approval, and compliance.
- **Provide donors with greater assurance** that their gifts are used for their intended purpose through consistent, centralized financial oversight.
- **Reduce the risk of error and other audit risks** by consolidating expense processing within the University’s established financial framework.
- **Reduce duplication of effort** between University and Foundation staff, improving efficiency and clarity in financial operations.
- **Ensure proper tax reporting**, including accurate classification of expenses and compliance with IRS and state requirements.
- **Comply with State of South Carolina procurement laws**, which do not provide procurement exceptions for purchases made with Foundation funds, thereby requiring University procurement processes to be followed.

II. Direct Payments by the Winthrop University Foundation

The Winthrop University Foundation will directly process and disburse payments **only** for the following categories:

1. **Name, Image, and Likeness (NIL) License Payments**
Payments made to eligible Winthrop University student-athletes for the licensed use of their name, image, and likeness.
2. **Alcoholic Beverages and Events Involving Alcohol**
Payments for alcoholic beverages, as well as any event or activity in which the cost of alcoholic beverages is included.
3. **Employee Bonuses in Excess of \$3,000**
Any approved employee bonus of \$3,000 must be paid through the University payroll process. Any approved employee bonus of more than \$3,000 will be paid, in its entirety, directly by the Winthrop University Foundation and appropriately reported for tax purposes.

4. **Gifts and Eligible Payments to Other Non-Profit Entities**

Charitable contributions, sponsorships, or other qualifying payments made to organizations recognized as non-profit entities under applicable law.

These categories represent the only circumstances under which the Foundation will issue payments directly.

III. Processing of All Other Expenses

For **all other expenses** to be paid from funds held by the Foundation:

- The expense must be processed **through Winthrop University's standard procurement, payment, and reimbursement procedures**, consistent with all University policies and state requirements.
- After the University has processed the expense, the Foundation will **reimburse the University** using the appropriate Foundation-held funds.

This structure ensures that all non-exempt expenditures follow the same compliance, documentation, and approval standards as any other University expense.

IV. Implementation and Compliance

Winthrop University and the Winthrop University Foundation jointly affirm their commitment to:

- Responsible financial management
- Compliance with federal, state, and University regulations
- Transparent and consistent application of this policy

University departments, Foundation staff, and all individuals involved in the expenditure of Foundation-held funds are expected to adhere to this policy.