

SOUTH DAKOTA BOARD OF REGENTS

Policy Manual

SUBJECT: Foundations

NUMBER: 5:9

1. Institutional Foundations

The universities are authorized to enter into agreements with affiliated foundations to deposit private gifts which are received directly in the name of the institution when such gifts are clearly intended to support the programs managed by the foundation or when such gifts are clearly intended to support the university subject to the following provisions:

- A. The foundation or similar entity must be approved by the Board prior to any such custodial deposit to insure that the entity is non-profit in nature and that its charter, articles of incorporation and bylaws provide for the distribution of assets upon dissolution to the institution, the Board, or the State; and
- B. The foundation or similar entity must maintain a separate annually audited accounting of such deposits, however such funds may be pooled with other assets of the foundation for investment purposes; and
- C. The institution must annually provide the Board with a record of all funds and other assets placed in custody under this policy. The report must be provided on a calendar-year basis to the General Counsel on or before September 1 of the following year; and
- D. The deposited funds may be withdrawn from the foundation or other entity at such time or on such conditions as the Board may determine.
- E. The institutions must have a written custodial agreement with the foundation that details A-D above plus any other operational agreements. The agreement must be reviewed and approved by the General Counsel.

SOURCE: BOR, March 1978, BOR August 2002; BOR, December 2010.