

# Oklahoma State University Policy and Procedures

<b>STATE REGENTS ENDOWED CHAIR AND PROFESSORSHIP PROGRAM</b>	<b>3-0260 ADMINISTRATION &amp; FINANCE May 2014</b>
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## **INTRODUCTION AND GENERAL STATEMENT**

In 1988 the Oklahoma Legislature appropriated funds to the Oklahoma State Regents for Higher Education for the purpose of establishing an endowment program to support the establishment of faculty chairs and professorships to improve the quality of instruction and research at colleges and universities of The Oklahoma State System of Higher Education.

Endowed chairs and distinguished professorships are to be established in academic areas that contribute to the enhancement of the overall cultural, business, scientific, and/or economic development of Oklahoma.

Endowed chairs and professorships must be established in areas for which the institution has ongoing, approved academic programs.

## **POLICY**

According to Oklahoma State Regents policy, distribution of earnings is specifically for the activities associated with the endowment program and must not be used for the general operations and programs of the institution.

The distribution of earnings is determined each year by the respective funding entities.

Participating institutions are required to submit reports upon request of the State Regents in which the investment of matching funds, earned interest income (including capital gains and losses) and the costs of managing the investments are presented in detail. The report also includes a full accounting of the expenditures of earnings of both the public monies and the private matching monies.

## **GUIDELINES**

Endowment accounts are included in the Educational and General Budget, Part I.

It is the University's intent to be able to state that all funds, whether donated or appropriated, are spent consistent with Oklahoma State Regents for Higher Education policy.

Any expense incurred through the E&G I account is considered to be the expenditure of state funds. Expenditures are to comply with the state rules and regulations pertaining to all state funded accounts. Procedures for reimbursement of an expense not incurred on the E&G I account are

outlined in the accounting policy, Expenditure Guidelines for Endowed Chair and Professorship Accounts. Direct reimbursement from the OSU Foundation will reduce funds available for reimbursement of E&G I expenditures.

Invoices for payment of E&G I expenditures are processed directly through the OSU Accounting System (OSU Policy & Procedures 3-0201, Section 3.05) to assure the State Regents of centralized, accurate reporting of all chair related expenses and to insure that expenditures are consistent with program guidelines and established state regulations.

## **PROCEDURES**

All expenses incurred during the fiscal year are reimbursed (subject to the availability of funds) by the respective funding entities. Available funds include interest income earned on the endowment during the fiscal year as well as any unused earnings from previous years. The funding entities are invoiced for reimbursement in proportion to available earnings.

Prior to fiscal year end, the University transfers each endowment account balance to an accounts receivable in anticipation of reimbursement by the funding entities. Actual invoicing for reimbursement does not occur until an official statement is received from the Oklahoma State Regents for Higher Education (accompanied by a distribution schedule) informing the University of the funds available for distribution.

Upon receipt of the Oklahoma State Regents for Higher Education statement and distribution schedule, the schedule is completed and returned to the Oklahoma State Regents requesting reimbursement. Concurrently, the University invoices the Oklahoma State University Foundation for reimbursement of a portion of the expenses supported by a detailed accounting of expenses for the fiscal year (FBM90's and supporting schedules). Reimbursement requests are submitted for either the amount of actual expenses incurred or the maximum amount of earnings available, whichever is lower.

Earnings remaining after the invoicing is complete are available for reimbursement of expenses during the next fiscal year. If unused earnings are available, the University may invoice the respective entities for reimbursement of expenses incurred through December 31.

Unreimbursed expenses only arise when an endowment fund has spent beyond the interest income available from all funding entities. The deficit will be reflected in the endowment account the next fiscal year and the University will invoice for these expenses when funds become available. In extreme cases the University may elect to freeze an endowment account if the deficit is greater than anticipated earnings for the fiscal year.

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May 1998  
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