Background

The university receives resources from a variety of sources that may restrict their use. This includes funding from donors who may restrict a gift for a specific use or purpose as set forth in a donor gift agreement or other contractual arrangement. Gifts are recorded in restricted funds for accountability and stewardship purposes. This policy relates specifically to restricted gift funds (F1 fund type) and expendable endowment funds (E1 fund type).

Policy

All donor restrictions and terms must be strictly observed and gifts used only for the purpose stated by the donor. Every department/organizational unit at the university has a fiduciary obligation to ensure that restricted gift and expendable endowment funds are spent in accordance with donor terms. The appropriate use of individual gift and expendable endowment funds are the responsibility of the fund owner. As such, departments/organizational units assigned as fund owner must adhere to the following responsibilities:

1. Be familiar with the purpose of the restricted gift funds and expendable endowment funds and understand the donor’s intention by reviewing donor agreements and other documentation.
2. Ensure expenses meet the purpose of the gift and follow donor intent.
3. Monitor transactions posted to restricted gift funds and expendable endowment funds for compliance of donor intent.
4. Correct any violations of restricted expenses within the same fiscal year, if possible.

To review fund restrictions, look at the fund documentation located in OnBase. To obtain access to OnBase, please complete the OnBase Access Request Form located on the Controller’s Office website (see Related links below) and return it to the Controller’s Office.
**Internal cash transfers**

- Transfers from a restricted gift fund to an unrestricted fund are prohibited.
- Transfers from a restricted gift fund to another restricted gift fund are limited to those where the fund restrictions are similar in nature. Generally, transfers between restricted funds are uncommon.

**Definitions:**

**Gift** - a voluntary and irrevocable transfer of personal or real property from a donor without any expectation of or receipt of direct economic benefit or provision of goods or services from the recipient commensurate with the value of the gift.

**Restricted Gift** - includes both current use gift funds (F1 fund type) and endowment funds (R* and S* fund types) available for spending via expendable endowment funds (E1 fund type).

**Internal Cash Transfer** - the movement of cash and fund balance from one fund to another.

**Related links:**

- University Rule 10-5-04
- Controller's Office-OnBase Access Request

**Phone Contacts:**

<table>
<thead>
<tr>
<th>Office</th>
<th>Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office of Controller</td>
<td>556-3152</td>
</tr>
<tr>
<td>Office of Vice President for Finance</td>
<td>556-1299</td>
</tr>
<tr>
<td>UC Foundation</td>
<td>556-6781</td>
</tr>
</tbody>
</table>