

**MURRAY STATE UNIVERSITY FOUNDATION, INC.
POLICY**

SUBJECT: Ownership of Funds Held by Murray State University Foundation

DATE: January 1, 1991

PURPOSE

The November 17, 1987 operating agreement between Murray State University (University) and Murray State University Foundation, Inc. (Foundation) addressed the ownership of certain funds held by the Foundation and the future management of "University" funds by the Foundation.

As required by the operating agreement, the Foundation has returned University funds, other than gifts and donations, for which documentation existed substantiating that the University should have been the depository of the funds. The Foundation routinely reimburses the University for all funds received, other than gifts and donations, which are obviously intended to be the property of the University.

The Foundation attempts to determine the ownership of gifts and donations received from private and corporate donors according to the 1987 operating agreement, and to identify those funds that are the property of the University in its accounts and records. Absent consultation with the donor, frequently the only source for determination of the donor's intent as to the ownership of the funds is the "payee" on the donor's check.

It is the view of the Foundation that most donors are not aware of the existence of two separate legal entities. When issuing a check to the order of "Murray State University" or "Murray State University Foundation," most donors are not attempting to distinguish between the two entities; their intent is to benefit a particular area or department within the University. The areas receiving these restricted donations rely on them to supplement current operating budgets. Large cash reserves are the exception, rather than the rule.

Because of the difficulty in determining donor intent and the volatile nature of the

POLICY

1. Funds originally transferred by the University to the Foundation for management