

## Gifts Related to Sponsored and Voluntary Student Organizations

When a gift is donated or solicited to benefit a student organization, below are guidelines specific to these two types of student organization.

### **Sponsored Student Organization (SSO)**

#### Expendable Gifts

Sponsored Student Organizations have University sponsors, the same tax id as the University and they support the mission of the University. If the organization receiving the gift is an SSO and the Office of Development receipts the gift, the gift may be deposited into the Agency fund. The Faculty Sponsor and the sponsoring department is responsible for ensuring donor intent is followed for the usage of the gift with consideration for what is in the best interest of both the University and the SSO.

#### Endowments

True Endowments received to benefit an SSO are typically held by the sponsoring School/College/Unit (SCU). If an SSO requests to set-up a quasi-endowment, it may do so upon approval from the Sponsoring Unit, who will submit all relevant paperwork. Spending rate distributions will be placed into the related Gift fund (True or Quasi-Restricted with donor directed funds) under the Sponsoring Department. Transfers to the related SSO are made at the discretion of the sponsoring unit.

### **Voluntary Student Organization (VSO)**

#### Expendable Gifts

Voluntary Student Organizations are not part of the University and may not use the University's tax id. Gifts given to a VSO should generally be given directly to the student group and should be receipted by that student group (outside of University systems). It is important to note that the Office of University Development does not receipt gifts given to VSOs.

Occasionally gifts may be accepted by the University to support a VSO or its mission. Those gifts belong to the Regents of the University of Michigan and must be deposited and accounted for in the University's gift or endowment fund. The VSO (an outside entity) cannot directly benefit from the gift received. These funds are not permitted to be transferred from the University's Gift fund into the Agency fund without approval in advance as outlined below. The department responsible for administering the gift will ensure donor intent and the proper usage of the gift with consideration for what is in the best interests of the University. This may include expending the funds in accordance with the donor's intent. If the SCU decides it is in the best interest of the University to transfer funding to a VSO, an exceptions to transfer funds (make gifts of University assets) to an external third party (VSO) for an approved purpose, they must be approved in advance, on a case-by-case basis by the University Controller in accordance with SPG 507.01 (<https://spg.umich.edu/policy/507.01>) section VI. DONATIONS AND CONTRIBUTIONS.

#### Endowments

As VSOs are not part of the University and do not have the same tax id, they are not authorized to establish an endowment or quasi-endowment in the university endowment pool directly.

For additional gift or endowment guidance, please refer to the Standard Practice Guide under the following items:

#### **Gift and Endowment Guidance in the SPG**

- Gift Acceptance SPG 602.02 <https://spg.umich.edu/policy/602.02>
- University Investments and Endowment Funds SPG 501.11 <https://spg.umich.edu/policy/501.11>