

HOUSTON COMMUNITY COLLEGE FOUNDATION

CURRENT USE FUNDS SPENDING POLICY

The purpose of this policy is to establish the spending policies for “Funds” established with Houston Community College Foundation (HCCF) for gifts accepted from donors. The two key goals of the policy are to 1.) preserve the purchasing power of the funds’ assets and 2.) to provide a predictable and steady stream of support for HCC student success.

Private funds from donors serve HCC in many meaningful ways for which public funds may be inadequate or unavailable. Per [Houston Community College \(HCC\) Policy CAM\(LOCAL\)](#), all contributions from private sources given to HCC must be given to the HCC Foundation. All restricted gifts accepted from donors are to be spent in accordance with accepted restrictions agreed to by the donor and the HCC Foundation unless the fulfillment of the restriction becomes impracticable, unlawful, impossible to achieve, wasteful, obsolete, or inappropriate, as determined by the HCCF Board, then gifts will be used for the purpose most in keeping with the donor’s restriction or the HCCF unrestricted fund. [HCCF Gift Acceptance Policy](#) governs donor restrictions.

HCCF has three types of funds for gifts accepted from donors each with separate spending policies:

1. Unrestricted Funds Spending Policy.

Unrestricted funds have no donor restrictions and are spent where needed most in alignment with Houston Community College (HCC) and HCCF missions as authorized annually by the HCCF Board in the unrestricted funds budget. The unrestricted funds budget is prepared annually by the HCCF President or designee in the current fiscal year for the next fiscal year and is recommended by the Finance and Investment Committee for approval by the HCCF Board by the current fiscal year end for the next fiscal year. [The HCCF Finance and Accounting Policy](#) governs HCCF payment practices for unrestricted funds.

2. Current Use or Temporary Restricted Funds Spending Policy.

Current use (formerly known as operating and scholarship) funds are available for specific purposes as specified by the agreement with the donors and HCCF. Each fund can be fully expended in support of scholarships or a HCC program. There are two types of current use funds:

- A. Current use or Named Scholarship Funds are established by donors and the HCCF and terms are codified in a Named Scholarship Agreement. Establishing Named Scholarship funds are governed by the HCC Foundation Gift Acceptance Policy. The HCC Finance and Accounting Policy governs HCCF payment practices for Named Scholarship funds.
- B. Funds of Excellence are established by HCC departments or COEs with restrictions to pool

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donations for specific purposes typically supporting the mission of HCC or one of its Colleges, Centers of Excellence or Programs.

The current use or temporary restricted funds are utilized in the current fiscal year period, and unspent funds carry forward to the next fiscal year. No investment earnings accrue to the fund. The HCCF Finance and Accounting Policy governs HCCF payment practices for Funds of Excellence. The HCCF President or designee annually prepares a *Funds Available for Spending Report* for the upcoming fiscal year by June 1 of each fiscal year.

Annual Timeline:

Fiscal Year is from September 1 to August 31.

Authorized Spending for the next fiscal year is determined by June 1 of the Current Fiscal Year.

Authorized spending (cash) Funds is available as of September 1 in each fiscal year.

Pooled earnings allocation to individual funds is made quarterly in each fiscal year.