

Relinquishing Money from a Gift Fund to an External Institution

When an employee separates from the University of Illinois System for employment at an external institution and requests to relinquish money from a system gift fund to an external institution, units must ensure that specific conditions are met prior to the relinquishment, as outlined in Section 11.4 of the Business and Financial Policies and Procedures.

In order to assist with the steps needed to satisfy these required conditions, units are advised to follow the steps outlined below.

Note: *This job aid only applies to the relinquishment of cash from a Banner gift fund. This does **not** apply to the relinquishment of assets (such as equipment purchased with gift funds or donated assets). For further details on how to handle those requests, refer to the following sections of policy:*

- (1) [Section 11.4 Relinquishing Gifts to an External Institution](#);
- (2) [Section 12.3.4 Permanently Transfer Equipment with Researcher](#); and
- (3) [Section 12.3.5 Other Permanent Equipment Transfer Situations](#) of policy.

| Step | Task |
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| 1. | Perform an internal review within the unit to ensure that the gift was restricted solely for scholarly activities (such as research) to be performed by a specific employee (which would typically be the separated or separating employee). |
| 2. | Determine how much money is available within the gift fund for relinquishment by verifying the budget balance available within Banner for the applicable gift fund. <ul style="list-style-type: none"> a. Go to FGIBDST in Banner. b. Uncheck the Include Revenue Accounts box. c. Locate the budget balance available in the lower right-hand corner. |
| 3. | Contact the Unit Head (e.g., the Dean or Department Head) to obtain approval for the relinquishment to the external institution. |
| 4. | Contact the University of Illinois Foundation (UIF) at NewAccounts@uif.uillinois.edu to confirm that the relinquishment is allowable according to the donor intent restrictions assigned to the original gift. |
| 5. | If the relinquishment is deemed allowable per the Unit Head and UIF, then the unit must send a memorandum signed by an applicable signor within the unit (e.g., the Dean or Department Head) to the external institution to confirm that: <ul style="list-style-type: none"> a. The external institution agrees to accept the gift money. b. The external institution agrees to honor all original donor intent restrictions. c. The applicable individual is currently employed by the external institution. |

| Step | Task |
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| 6. | This memorandum needs to be signed by the appropriate and authorized individuals at the external institution and returned to the unit. The unit should then forward this signed memorandum to UIF at NewAccounts@uif.uillinois.edu . |
| 7. | Once UIF has received the signed memorandum, they will then work with University Accounting and Financial Reporting (UAFR) to: <ol style="list-style-type: none"> a. Confirm the budget balance available within Banner for the applicable gift fund. b. Verify that there are no outstanding dependencies on the applicable gift fund which would prevent the funding from being relinquished (such as outstanding encumbrances from an open purchase order, etc.). c. Return the applicable amount of money out of the Banner gift fund to UIF. |
| 8. | UIF will then issue a check to process the relinquishment to the external institution along with the following documentation: <ol style="list-style-type: none"> a. The original signed memorandum from the external institution. b. Any related documentation, such as donor letters, the original fund agreement signed by the donors, etc. c. An additional memorandum from UIF which the external institution must sign and return confirming that the external institution has received the check for the gift proceeds. |
| 9. | Once UIF receives the final signed memo back from the external institution, UIF will then update the applicable donor records to account for the amount relinquished. |
| 10. | Once this process is complete, if the applicable gift funds (both in Banner and at UIF) are no longer needed, then the unit should request termination of any related Banner and UIF gift funds by sending an e-mail to UIF and UAFR at NewAccounts@uif.uillinois.edu and uas@uillinois.edu . |

If you have any additional questions on this process, please refer to the **Gift Funds** section of **UAFR's Who to Ask** list <https://www.obfs.uillinois.edu/accounting-financial-reporting/who-to-ask/types-questions#gift-funds-4m>.