

21.05.01 Gifts, Donations, Grants and Endowments

Approved April 24, 1996
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Regulation Statement

This regulation supplements System Policy 21.05, *Gifts, Donations, Grants and Endowments*, and provides members of The Texas A&M University System (system) with authority, guidance and restrictions for the acceptance of gifts, donations, grants and endowments (GDGE).

Reason for Regulation

This regulation outlines procedures for obtaining System Offices approval for certain GDGE, and describes a process of reporting GDGE information to the system Board of Regents (board).

Procedures and Responsibilities

1. DELEGATION OF RESPONSIBILITY

The chancellor delegates responsibility for administering the GDGE approval and reporting process to the System Office of Budgets and Accounting (SOBA). SOBA will serve as the primary point of contact with system members on all matters related to GDGE acceptance and reporting and will handle all routing of approval requests throughout the System Offices.

2. SYSTEM OFFICES APPROVAL

2.1 General

System Policy 21.05 requires that system members obtain System Offices approval for certain types and levels of GDGE prior to acceptance of the GDGE. In cases where System Offices approval is required, the system member must submit a complete and accurate GDGE acceptance request form with detailed supporting information that will be required to substantiate approval of the GDGE. The request must include copies of any supporting documentation related to the transaction and should be recommended, by signature, by the system member chief executive officer (CEO) and chief financial officer (CFO). The signed and completed GDGE approval request form and supporting

documentation should be forwarded to SOBA for routing and processing within the System Offices.

After routing and approval is granted by the System Offices, the requesting system member will be notified of such approval and a signed copy of the approval request form will be returned to the system member. If additional information is required, the System Offices will contact the member and notify them of such requirement.

Copies of the GDGE acceptance request forms and GDGE contact information are available at the SOBA website.

2.2 Gifts \$1,000,000 or Greater

In addition to the requirements of Section 2.1, the system member CEO must submit a report to the System Offices which includes initial plans for honoring the donor.

3. GDGE REPORTING

GDGE are accepted by the system member CEO, and in some cases, with approval of the System Offices. SOBA will work with system member development offices to gather information and prepare a quarterly GDGE report that includes information for all system members. This summary report will be provided to the system board in order to keep them informed of system GDGE activity.

4. SCOPE OF REGULATION

4.1 GDGE reporting for transactions with foundations and affiliated organizations

This regulation is intended to include only GDGE made directly to a system member by a donor, development foundation or an affiliated organization. The following provisions shall apply to transactions with development foundations and other affiliated organizations:

4.1.1 GDGE transactions between a donor and any development foundation or other affiliated organization are excludible as long as the transaction is between the donor and the development foundation or affiliated organization. The system member is required to comply with this regulation at the time at which the development foundation, or other affiliated organization, makes a GDGE directly to the system member.

4.1.2 Cash GDGE from affiliated organizations, as described in System Regulation *60.01.01, Association with Affiliated Fund Raising Organizations*, are exempt from the System Offices review requirements of this regulation, regardless of amount.

4.2 GDGE from federal, state, local and foreign governments are excludible from the requirements of this regulation.

4.3 For purposes of this regulation, the term “grant” excludes transactions resulting from a contract or similar agreement in which a legal obligation is incurred which is

enforceable by law (see System Regulation 25.07.01, *Contract Administration Procedures and Delegations*).

- 4.4 Uncollected pledges are excludible from the requirements of this regulation.
- 4.5 The value of any services provided by volunteers is excludible from the requirements of this regulation.

5. OTHER

- 5.1 Each system member shall establish recording and reporting procedures that are compliant with state accounting requirements and federal tax law, including a written rule for communicating with donors and donor representatives.
- 5.2 System members must report receipt of conditional gifts, donations, grants and endowments from foreign persons to the U.S. Department of Education and the Texas Secretary of State in accordance with System Regulation 25.07.02, *Reporting of Foreign Contracts, Gifts, Donations, Grants and Endowments*.
- 5.3 Procedures governing the pursuit, acceptance, and administration of sponsored research contracts are described in System Policy 15.01, *Research Agreements*.

6. UTILIZATION AND MANAGEMENT

- 6.1 GDGE accepted by system members must be utilized for the purpose designated by the donor. If a purpose is not specified by the donor, the system member CEO may determine an appropriate means of utilization for the GDGE.
- 6.2 GDGE shall not be transferred to a private or public development fund or foundation, unless the system member obtains written permission from the donor. The system member must keep all records, including letters of permission, pertaining to the transfer of a GDGE. All GDGE transfers must be reported to the Office of the State Auditor and the System Office of General Counsel.
- 6.3 Real or personal property acquired through a GDGE transaction is subject to the same property management requirements as other state property. Disposal of real property acquired through a GDGE must be made in accordance with System Policy 41.01, *Real Estate*.

Related Statutes, Policies, or Requirements

Tex. Educ. Code §85.21(b)

System Policy 15.01, *Research Agreements*

System Policy 21.05, *Gifts, Donations, Grants and Endowments*

System Policy 41.01, *Real Property*

System Policy 60.01, *Relationships with Affiliated Organizations*

System Regulation 25.07.01, *Contract Administration Procedures and Delegations*

System Regulation 25.07.02, *Reporting of Foreign Contracts, Gifts, Donations, Grants and Endowments*

System Regulation 60.01.01, *Association with Affiliated Fund Raising Organizations*

Definitions

Cash gift – a gift of cash, coins, currency, checks and other negotiable instruments that are easily convertible to cash.

Fair market value – intended to be a representation of the real, best appraised value of the property for which it might sell in an arm’s length transaction at the time of the gift transaction.

Gift – financial support given voluntarily by a third party with nothing received in exchange. For purposes of this regulation, the term “gift” shall include gifts, donations, grants and endowments unless the context indicates otherwise.

Non-cash gift – a gift of a non-monetary item of property such as art, collectibles, books, equipment, vehicles, inventory, livestock, or other physical assets or materials.

Real property – a class of property that includes land and anything attached to it or permanently affixed to it. For purposes of this regulation, the term does not include minerals.

Restricted gift – for purposes of this regulation, a gift that includes any condition or limitation that restricts the use of the gift or involves an income or remainder interest in a trust. A donor specifying a gift for scholarships, academic excellence, equipment, library resources, and academic program support are not considered restrictions or conditions for the purposes of this regulation.

Contact Office

The System Office of Budgets and Accounting
(979) 458-6100