Texas A&M-Corpus Christi
SACS: Self-Study Report

3.2.13 Any institution-related foundation not controlled by the institution has a contractual or other formal agreement that (1) accurately describes the relationship between the institution and the foundation, and (2) describes any liability associated with that relationship. In all cases, the institution ensures that the relationship is consistent with its mission. (Institution-related foundations)

Compliance Status: Compliance

Narrative

Texas A&M University-Corpus Christi has four University-related foundations that are not controlled by the University. The foundations are: Texas A&M-Corpus Christi Foundation, South Texas Institute for the Arts, The Island University Foundation, Inc., d/b/a Texas A&M-Corpus Christi Alumni Association, and the Harte Research Support Foundation. The primary purpose of these foundations is to support the University and no liability is associated with the relationship. A&M University-Corpus Christi ensures that the relationship is consistent with the mission of the University [1].

The rules prescribed in Texas Government Code § 2255.001(b) [2] and in Texas A&M University System Policy 60.01 [3] are the basis of the affiliation agreements that A&M-Corpus Christi has with each of its four institutionally-related foundations and ensure that these institutionally-related foundations are managed in accordance with state and federal law.

Texas Government Code § 2255.001 requires that any state agency authorized by statute to accept money from a private donor or for which a private organization exists that is designed to further the purposes and duties of the agency, adopt rules that govern the relationship between the donor or organization and the agency. Under the definition of Texas Government Code § 2255.001, a "state agency" includes "a university system or an institution of higher education as defined by Section 61.003, Texas Education Code." The rules that govern the relationship between state agencies and private donors and/or organizations provided in Texas Government Code § 2255.001, are mirrored in Texas A&M University System Policy 60.01 [3]. Texas A&M University System Policy 60.01 provides authority and guidance to the Texas A&M University System members that engage in relationships with affiliated organizations. The rules between system members and their employees who engage in a relationship with an affiliated organization or donor, and the regulation must address the following criteria:

1. administration and investment of funds received by the affiliated organization for the benefit of the system member;
2. use of an employee or property of the system member by the donor or affiliated organization;
3. service by an officer or employee of the system member as an officer or director of the affiliated organization; and
4. the prohibition of monetary enrichment of an officer or employee of the system member by the donor or affiliated organization."
A&M-Corpus Christi has four organizations that are institution-related foundations and whose primary purpose is to support the University:

1. Texas A&M-Corpus Christi Foundation,
2. South Texas Institute for the Arts,
3. The Island University Foundation, Inc., d/b/a Texas A&M University-Corpus Christi Alumni Association, and
4. Harte Research Support Foundation

These organizations are each registered as independent nonprofit organizations under the Internal Revenue Code Section 501 (c) (3) and 509 (a) (3), [4] [5] [6] qualifying for the primary purpose of supporting the instruction, research, and public service initiatives of the University. As indicated by the formal bylaws of these organizations, A&M-Corpus Christi has no financial liability with these organizations and the relationships are consistent with the University's mission as outlined below.

President Killebrew serves as an ex-officio member of the board of trustees of each of the four institutionally-related foundations. President Killebrew's service as an ex-officio member complies with the regulations set out in Texas Government.Code § 2255.001, Texas A&M University System Policy 60.01 [3] and Texas A&M University System Policy 02.05 [7], "Presidents of Component Universities." Section 2.12 of Texas A&M University System Policy 02.05 states that the president shall "serve as the system member representative with appropriate former student associations and any institutionally related development foundations." President Killebrew's active participation as an ex-officio member of the board of each of these institutionally-related foundations ensures that the affiliation agreement between each organization and the University is reviewed by both University staff and each organization prior to its renewal, that affiliation agreements are renewed in a timely manner and that the mission of each organization remains compatible with the mission of the University.

**Texas A&M-Corpus Christi Foundation**

The Texas A&M-Corpus Christi Foundation was established exclusively for the benefit of A&M-Corpus Christi. As stated on the University's Web site, [8] the mission of Texas A&M-Corpus Christi Foundation is "to promote the growth, quality and effectiveness of Texas A&M University-Corpus Christi." Dr. Flavius Killebrew, the president of A&M-Corpus Christi serves on the board as an ex-officio of the Texas A&M-Corpus Christi Foundation. President Killebrew attends board meetings and provides updates to board members about the progress, growth and needs of the University.

The foundation's bylaws [9] outline the activities of Texas A&M-Corpus Christi Foundation as "the solicitation, acceptance, investment and administration of gifts and bequests and the donation of the income or principal to the University." Board minutes dated May 20, 2008 [10], June 19, 2007 [11], and June 28, 2006 [12] and their respective exhibits reflect financial distributions made by the Texas A&M-Corpus Christi Foundation annually to support various scholarships, chairs and professorships, and other University programs as prescribed by the foundation's bylaws. The 2007 Annual Report of the Texas A&M-Corpus Christi Foundation includes the names of the scholarships and professorships that are managed by the foundation [13].
The Texas A&M-Corpus Christi Foundation funded 273 scholarships that were awarded to 247 students during the 2008-2009 academic year. The Texas A&M-Corpus Christi Foundation also manages the endowments of the following A&M-Corpus Christi chairs and professorships:

- Conrad Blucher Fund for the Advancement of Science and Technology
- Ennis and Virginia Joslin Chair in Accounting
- Roglio Benavides Memorial Chair in Engineering Technology
- Dr. Joe Franz Professorship in History
- Furgason Fellows to benefit the Harte Research Institute
- Paul & Mary Haas Professorship in English
- Daniel & Carol Kilgore Endowment for Texana
- Hans & Patricia Suter Endowment for Coastal Studies
- Tom Goad Endowment for Coastal Studies
- Edwin Singer Presidential Endowment

A board membership list [14], the affiliation agreement between A&M-Corpus Christi and Texas A&M-Corpus Christi Foundation [15], the most recent addendum to the affiliation agreement [16], and the most recent audited financial statements of the Texas A&M-Corpus Christi Foundation [17] provide evidence of the foundation's compliance with Texas Government Code § 2255.001 [2] and Texas A&M University System Policy 60.01 [3].

**Texas A&M University-Corpus Christi Alumni Association**

The objectives of The Island University Foundation, Inc., d/b/a Texas A&M University-Corpus Christi Alumni Association, as outlined in its constitution [18], are "to strengthen and promote the welfare and interests of Texas A&M University-Corpus Christi." Membership in the association is open to all graduates of the University of Corpus Christi, Texas A&I at Corpus Christi, Corpus Christi State University and A&M-Corpus Christi. Associate membership is open to former students of the University of Corpus Christi, Texas A&I at Corpus Christi, Corpus Christi State University and A&M-Corpus Christi. Honorary membership in the association may be conferred by a majority vote at the annual meeting of the association upon supporters and benefactors of A&M-Corpus Christi whose services the alumni may desire to recognize.

A board of directors membership list [19], and the affiliation agreement between A&M-Corpus Christi and The Island University Foundation, Inc., d/b/a Texas A&M University-Corpus Christi Alumni Association [20] are evidence of the alumni association's compliance with Texas Government Code § 2255.001 [2] and Texas A&M University System Policy 60.01 [3].

The mission of the Texas A&M University-Corpus Christi Alumni Association is to promote positive interaction between the University and alumni through a variety of actions, events, services and communication [21].

As provided by Section 2.05 of the bylaws [22], the A&M-Corpus Christi administrative staff member in charge of the alumni office is the executive director of the alumni association. All alumni "actions, events, services and communications" referenced in the alumni association's mission statement are reported to the vice president of institutional advancement in weekly and monthly reports [23] [24] [25] [26] [27]. The alumni association fulfills its mission of providing "positive
interaction between the University and Alumni" by hosting alumni shrimp boils prior to basketball games [23]; selling class rings as a fund-raising activity [24]; holding an annual ring ceremony and reception for junior students and their parents [25]; hosting receptions at homecoming for alumni [25]; maintaining a Web site [26]; and participating in spring, summer and fall commencement by selling DVDs and other items to further engage the graduating students [27].

South Texas Institute for the Arts
The mission of the South Texas Institute for the Arts is to "operate educational facilities and an art museum which advances the awareness, knowledge, appreciation and enjoyment of the visual arts for residents and visitors of South Texas [28]."

To meet the requirements of Texas Government Code § 2255.001 [2] and Texas A&M University System Policy 60.01 [3], the University and the South Texas Institute for the Arts have an affiliation agreement in place [29]. The affiliation agreement, Section 3.6, states the day-to-day operations of the art museum are supervised and controlled by the art museum director who is an employee of the University. The University president hires, evaluates, and retains final authority over the termination of the museum director. The University president may solicit recommendations from the board of the South Texas Institute for the Arts for the Arts when hiring, evaluating and/or considering termination of the museum director. The museum director reports directly to the University president, or his designee and reports to the President's Cabinet quarterly or when asked.

Pursuant to the bylaws of the South Texas Institute for the Arts [28], art museum employees are employees of A&M-Corpus Christi and some operating expenses are provided. Further, "the [South Texas Institute for the Arts] must match financial resources provided by the State of Texas through the University at a two to one ratio. In return for this support, the South Texas Institute for the Arts provides a variety of services to the University and its students [29]." The services provided to the University and its students are set out in an attachment [30] and include hiring University students to work as docents for school tours; providing internships for two students each semester; offering a "college night" with free admission to University students; working with the film department and art department of the University to show independent student films and student art exhibitions; providing off-site classrooms for University art classes; and collaborating with faculty for visiting artists.

The South Texas Institute for the Art's Board of Trustees membership list [31] is updated after the institute's annual meeting each November. The membership list, the most recent audited financial statements dated December 31, 2007 of the institute [32], and the affiliation agreement between A&M-Corpus Christi and South Texas Institute for the Arts [29] are evidence of the University's and the institute's compliance with Texas Government Code § 2255.001 [2] and Texas A&M University System Policy 60.01 [3].

The Harte Research Support Foundation
The Harte Research Support Foundation was established in the fall of 2000 to manage the assets of the endowment used to support the Harte Research Institute [33]. The Harte Research Institute is an endowed research component of A&M-Corpus Christi whose mission it is to support and advance the long-term sustainable use and conservation of the Gulf of Mexico [34]. The endowment is intended to support research chairs, endowed graduate research fellowships and an endowed
operating budget. A&M-Corpus Christi is named as the beneficiary organization of the agreement of the trustees of the Harte Research Support Foundation [35]. The affiliation agreement between A&M-Corpus Christi and Harte Research Support Foundation [36] states that the foundation is a charitable trust organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of, the University.

The Harte Research Institute is involved in research projects including hosting a summit to focus attention on the economic and ecological health of the Gulf of Mexico; developing data and procedures for mapping ecosystem services of coastal habitats and assigning socio-economic values to these resources; conducing pilot studies on the biophysical and socioeconomic impacts of sea-level rise, coastal erosion, and hurricanes; developing a student exchange program between the USA and Mexico to include an exchange program and joint research; and addressing the environmental water needs for Texas. A summary of the Advisory Council [37] meeting held October 30-31, 2008 and a summary of activities [38] provide evidence of the institute's activities in support of A&M-Corpus Christi.

**Conclusion**

There are four University-related institutions that are not controlled by Texas A&M University-Corpus Christi. The primary purpose of these foundations is to support A&M-Corpus Christi. These relationships have no associated liability for the University. The relationship with these foundations is consistent with the mission of the University as evidenced in the minutes of their meetings and summaries of activities.

**Evidence**

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<td>UD 042 TAMUCC New Mission Statement</td>
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<td>SD 061 TGC-10-2255 Private Donors or Organizations</td>
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<td>BD 078 TAMUS 60-01-01 Association with Affiliated Fund Raising Organizations</td>
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<td>OD 026 TAM-CC Fdn 501 letter</td>
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<td>OD 027 Alumni 509 status letter</td>
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<td>OD 028 STIA-TAX EXEMPT001</td>
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<td>BD 027 TAMUS 02-05 Presidents of System Member Universities</td>
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<td>OD 029 Texas A&amp;M-Corpus Christi Foundation mission</td>
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<tr>
<td>OD 030 TAM-CC Fnd ByLaws</td>
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<td>OD 031 TAM-CC Fdn Minutes May 20 2008</td>
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<td>OD 032 TAM-CC Fdn Minutes June 19 2007</td>
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<td>OD 033 TAM-CC Fdn Minutes June 28 2006</td>
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<tr>
<td>OD 034 Foundation Annual Report 2007</td>
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<td>OD 035 TAMCC Fdn Board listing</td>
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<td>UD 121 Fdn Affiliation Agreement</td>
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<td>UD 122 Fdn Addendum 2 Affiliation Agreement</td>
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<td>OD 036 Foundation Audit 3-31-08</td>
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<td>OD 037 Alumni Constitution</td>
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