SYSTEM REGULATION

21.05.01 Gifts, Donations, Grants, and Endowments

April 24, 1996
Revised October 11, 2000
Revised August 19, 2003 (This version replaced former 21.99.03)
Supplements System Policy 21.05

1. GENERAL

1.1 The authority to accept a gift, donation, grant, and/or endowment (GDGE) made to a System component is vested in the Board of Regents (BOR). A GDGE, as herein defined, must be reported to the BOR for final acceptance in accordance with instructions published by the System Office of Budgets and Accounting. The report will include only GDGEs made directly to a System component and not those made to a development foundation or other affiliated organization of the System component.

1.2 A cash GDGE from an affiliated organization, as described in System Regulation 60.01.01, Association with Affiliated Fund Raising Organizations, is exempt from the review requirements in this regulation. However, a cash GDGE from an affiliated organization must be reported to the BOR for final acceptance.

1.3 Each component CEO must satisfy internal reporting and recording requirements and Internal Revenue Service receipt requirements by establishing a written rule for communicating with donors and donor representatives.

1.4 System components must report receipt of conditional GDGEs 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.

1.5 Acceptance of a gift or bequest of real property is subject to System Policy 41.01, Real Property Gift and Bequest Acceptance Policy.

1.6 Procedures governing the pursuit, acceptance, and administration of sponsored research contracts are described in System Policy 15.01, Research Agreements, and System Regulations related to that policy.

2. DEFINITIONS

Definitions as used herein are:

(1) Gift or donation: A gift or donation is cash or property, other than real property, received for the purpose of a program for the public good, scholarship funds, equipment for research, and for other educational purposes, without expectation of specific benefit to the donor. Examples of specific benefit to a donor would be use of the funds to perform research which is to be reported to or to become the property of the donor, or to test for the donor's purposes equipment or a product provided by the donor. Not included in this definition of a gift, for this purpose, is government support, whether
federal, state, local or foreign; an unpaid pledge; or value of services provided by volunteers.

(2) Grant: A grant is cash or property, other than real property, received from any source, except federal, state, local or foreign government support, which is designated by the grantor to be used in support of an educational, research, or extension purpose or activity, thus serving a specific interest or objective of the grantor. Not included in this definition of a grant, for this purpose, are those benefits 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).

(3) Endowment: An endowment is cash or property (including real property subject to System Policy 41.04) received from an external donor creating a fund in which the principal of the fund is not expendable. The earnings from the investment may be expended.

(4) Restricted GDGE: A restricted GDGE is an endowment, scholarship, or other gift, donation, or grant of money or property of any kind, other than real property, or a contract award, the use of which is subject to conditions or restrictions imposed, requested, or provided; e.g., a condition or restriction which relates to what kind of teacher or student may benefit from a gift or the subject matter which may be taught.

3. GDGEs OVER $1,000,000

3.1 The component CEO must submit a report to the Chancellor or designee, which includes (at a minimum) the purpose, any restrictions or conditions, supporting documentation, and the draft press release and plans for honoring the donor. In the interest of time, the CEO may submit the report to the Chancellor or designee prior to the actual receipt of moneys to obtain preliminary approval. The Chancellor or designee must also review and approve any changes to the information provided in the preliminary report.

3.2 The System must review the GDGE for System/component benefit and the Office of General Counsel must provide a legal review and risk analysis.

3.3 Upon receiving an affirmative review by the System offices, the Chancellor or designee will provide the information on the GDGE, along with the CEO’s report, to the Board Office. The Chancellor or designee may then approve the preliminary acceptance and announcement of the GDGE by the CEO. Final acceptance of a GDGE is vested in the BOR.

4. AUTHORITY TO ACCEPT GDGEs - $1,000,000 OR LESS

The acceptance of GDGEs valued at less than $1,000,000 must be in accordance with System Policy 21.05, Section 2.2 for cash GDGEs, and Section 2.3 for non-cash GDGEs.
5. DELEGATION OF RESPONSIBILITY FOR PROCESSING

The Chancellor delegates authority to the System Office of Budgets and Accounting (SOBA) for administering the GDGE review and approval process requirements of System Policy 21.05. Accordingly, SOBA is responsible for establishing System-wide procedures for processing GDGEs in accordance with appropriate federal and state law and System policy and regulation. Detailed procedures are published online at the SOBA website located at: http://sago.tamu.edu/soba

6. UTILIZATION AND MANAGEMENT

6.1 A GDGE made to a System component must be used for the purpose designated by the donor. If a purpose is not specified by the donor, the BOR shall approve utilization of the GDGE upon recommendation from the component CEO.

6.2 A GDGE must not be transferred to a private or public development fund or foundation, unless the donor or representative of the estate gives written permission. The System component must keep all records, including letters of permission, pertaining to the transfer of a GDGE. A transfer must be reported to the State Auditor and the Office of General Counsel.

6.3 Real or personal property acquired through a GDGE is subject to the same management requirements as other state property. Disposal of real property acquired through a GDGE must be made in accordance with System Policy 41.07, Real Property Disposition.

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CONTACT OFFICE: System Office of Budgets and Accounting

HISTORY: New Regulation to Replace System Regulation 21.99.03

Section 21 Rules