21.05.01.C0.01 Acceptance of Gifts, Donations, Philanthropic Grants, and Endowments

Reviewed: June 26, 2023
Next Scheduled Review: June 26, 2028
Revision History

Procedure Summary

This procedure supplements system regulation *21.05.01, Gifts, Donations, Grants and Endowments* and provides guidance for accepting and processing gifts, donations, philanthropic grants, and endowments at the Texas A&M University-Corpus Christi (TAMU-CC). Sponsored research grants are excluded from this procedure and covered in university procedure *15.01.01.C0.02, Administration of Sponsored Agreements*.

Definitions

Gift – financial support or property given voluntarily by a third party with nothing received in exchange. For the purpose of this procedure, the term "gift" shall include gifts, donations, philanthropic grants, and endowments unless the context indicates otherwise.

Philanthropic Grant – a grant given voluntarily by a third party with nothing received in exchange.

Additional definitions can be found in system policy *21.05, Gifts, Donations, Grants and Endowments*.

Procedure

1. GENERAL

   1.1. TAMU-CC recognizes that gifts from diverse sources are essential to assist the university in achieving its goals of growth and development and in pursuing its continuing quest for excellence.

   1.2. Fundraising is conducted to provide scholarships that recognize need and

merit; enhance the teaching/learning environment; support academic excellence through program, faculty, and research; and meet capital needs of the university.

1.3. The President, in coordination with the Senior Vice President for Institutional Advancement, is responsible for identifying priorities for external support and planning and coordinating the university's search for gifts, including the identification, cultivation, and solicitation of gifts and investments from individual, corporate, and foundation prospects.

2. FORMS OF INVESTMENT

2.1. TAMU-CC seeks investment in the form of gifts, donations, endowments, bequests, non-cash gifts, and other forms of financial support from the private sector, as well as philanthropic grants from governmental and non-governmental sources.

2.2. Forms of investment sought by TAMU-CC:

(a) Cash: gifts by check, credit card, bank draft, or payroll deduction

(b) Matching gifts: cash gifts that are matched by an individual's employer

(c) Non-cash gifts: may include real and personal property, valuable collections, rare books, etc.

(d) Appreciated securities

(e) Real estate

(f) Insurance policies: policies in which the university is named as the primary beneficiary

(g) Bequests by will

(h) Charitable remainder trusts, gift annuities, and other planned gifts

(i) Retirement plan designations

3. THE ROLE OF THE TEXAS A&M-CORPUS CHRISTI FOUNDATION

3.1. The Texas A&M-Corpus Christi Foundation (Foundation) was established according to the non-profit corporation statute of the State of Texas "...for exclusively charitable, educational and scientific purposes and to assist in the development of [the]...University." It has been granted the status of a tax-exempt 501c(3) organization under provisions of the Internal Revenue Service

(IRS) Code, thus making it eligible to accept gifts on behalf of the university.

3.2. TAMU-CC and the Foundation both perform essential tasks, activities, and services to accomplish the private sector fundraising responsibility.

3.3. Fundraising on behalf of TAMU-CC is conducted by the Foundation in collaboration with Institutional Advancement and may incorporate specific fundraising campaign initiatives.

3.4. In performing the fundraising function, TAMU-CC and the Foundation have an affiliation agreement. This arrangement requires special sensitivity to the needs of the two (2) entities. The Senior Vice President for Institutional Advancement serves as the Foundation's Chief Staff Officer. The Senior Vice President for Institutional Advancement and the Foundation Coordinator are the principal liaisons between the Foundation and TAMU-CC.

3.5. Donors may make gifts directly to TAMU-CC or through the Foundation. The Foundation was established for the express purpose of soliciting, receiving, and investing gifts, donations, philanthropic grants, and endowments on behalf of the university. Gifts to either entity are tax deductible to the full extent permitted by law.

3.6. Cash gifts to TAMU-CC from the Foundation (as an affiliated organization) are accepted by the President and the Texas A&M University System Board of Regents without prior review by Texas A&M University System staff so long as all gifts are within the terms of the affiliation agreement.

4. ACCEPTANCE OF CASH GIFTS, NON-CASH GIFTS, AND REAL PROPERTY

4.1. The acceptance of cash gifts, non-cash gifts, and real property is subject to the following conditions.

4.1.1. Unrestricted Cash Gifts. The President may accept an unrestricted cash gift of less than $1,000,000. The Chancellor or designee has authority to accept any gift with a fair market value of $1,000,000 or greater after the review and recommended approval by the System Office of Budgets and Accounting (SOBA) and the System Office of General Counsel (OGC).

4.1.2. Restricted Cash Gifts. The President may accept a restricted cash gift of less than $1,000,000 as long as the gift is reviewed by the member development and business offices, fits within the current pattern of accepted gifts for the university, and the gift does not contain a restrictive condition that is discriminatory, or which violates any federal or state law or system policy or regulation. If the gift has

restrictions, economic risk, and/or liability issues that warrant system office review, it is the responsibility of the President to obtain such review prior to the acceptance of the gift. The Chancellor or designee has authority to accept any gift with a fair market value of $1,000,000 or greater after the review and recommended approval by SOBA and OGC.

4.1.3. Non-cash Gifts. The President may accept a non-cash gift (restricted or unrestricted) with a fair market value less than $250,000 unless the gift involves a partial sale/partial gift transaction. This non-cash gift could be personal property or real property (land). The President may accept a non-cash gift (restricted or unrestricted) with a fair market value of $250,000 or greater only after review and approval from SOBA and OGC. The President is responsible for the review of all non-cash gifts for associated economic risks and associated liability for the organization. If the gift has restrictions, economic risk, and/or liability issues that warrant system office review, it is the responsibility of the President to obtain such review prior to the acceptance of the gift.

4.1.4. Gifts of Real Property. All activities involving acceptance of a gift or bequest of real property shall be consolidated in the Texas A&M University System Real Estate Office. All gifts of real property must be inspected by the Texas A&M University System Real Estate Office prior to acceptance by Board of Regents.

4.2. It is recognized that personnel across the university may be approached with offers of non-cash gifts. There may be instances when the acceptance of a particular gift would be inappropriate. The following process must be adhered to in accepting non-cash gifts:

4.2.1. Any TAMU-CC employee or officer must receive administrative approval of non-cash gifts prior to acceptance.

4.2.2. Donations being considered for the benefit of TAMU-CC and/or the Foundation are to be processed through Institutional Advancement. The Senior Vice President for Institutional Advancement is responsible for reviewing and complying with gift and procedural standards.

4.2.3. The TAMU-CC Gift-in-Kind Reporting Form should be completed and submitted for approval prior to the formal acceptance of any donation. The form can be found in the Appendix section of this procedure.

4.2.4. If the gift's value is $5,000 or greater, then an independent appraisal using IRS Form 8283, Section B must accompany the Gift-in-Kind Reporting Form when presented for approval. The appraisal should not

be conducted by the donor or university personnel who have participated in the processing of the Gift-in-Kind Reporting Form.

4.2.5. If appraisal is required, donors are responsible for completing and filing IRS form 8283, Section B through the IRS.

4.2.6. Upon approval of the donation, the University Property Manager will determine if the gift is eligible for inventory and then assign and affix a property number to the donated item when applicable.

4.2.7. The original documents must be completed and returned to the Office of the Senior Vice President for Institutional Advancement with an explanation of the benefit which the university will derive by accepting the proposed gift.

4.2.8. Acting on appropriate administrative recommendation, the Senior Vice President for Institutional Advancement may decline a gift, if the acceptance of said gift would not be in the best interest of the university.

4.3. TAMU-CC does not accept gifts that include, without limitation, the following:

4.3.1. Undue restrictions on employment, fellowship, utilization of facilities and equipment, and/or control of funds;

4.3.2. Undue external influence, either foreign or domestic, over employment, curricula, goals, objectives, rules, procedures, and/or the utilization of results derived from research and development activities; and/or

4.3.3. Activation or establishment of institutes, consortia, programs, and/or other groups or organizations that would circumvent ordinary constraints and controls of TAMU-CC.

4.4. Based upon the evaluation of factors described above, the Senior Vice President for Institutional Advancement will advise appropriate university personnel of the acceptance or rejection of the proposed gift.

4.5. Upon acceptance of any gift to TAMU-CC or the Foundation, the donor will be acknowledged as described in section 5 of this procedure.

5. COMMUNICATING WITH DONORS AND DONOR REPRESENTATIVES

5.1. A letter and receipt from the President or their designee acknowledging the gift received will be issued to all donors. Institutional Advancement, upon

proper notice from the authorized university representative who received the gift via the Gift Acceptance Form, is responsible for the preparation of these letters and for ensuring compliance with all applicable IRS regulations. The Senior Vice President for Institutional Advancement will determine the process for proper notice to Institutional Advancement by the authorized university representative who received the gift and will communicate information about this process to the university community utilizing the standard internal communications system in place. The Gift Acceptance Report Form can be found in the Appendix section of this procedure.

5.2. All solicitations must be reviewed and approved by Institutional Advancement for compliance and communication continuity. This approval must be confirmed 30 days prior to contacting donors. This approval process ensures solicitations comply with system policies and regulations and university rules and procedures and are completed within Institutional Advancement's correspondence schedule.

6. INTERNAL REPORTING AND RECORDING OF GIFTS, DONATIONS, PHILANTHROPIC GRANTS, AND ENDOWMENTS

6.1. The authorized university representative will notify Institutional Advancement of the gift by submitting a completed Gift Acceptance Report Form and depositing funds into the appropriate account as directed by Institutional Advancement and in compliance with system regulation *21.01.02, Receipt, Custody, and Deposit of Revenues*.

6.2. The authorized university representative will follow cash and cash equivalent procedures as described in system regulation *21.01.02, Receipt, Custody, and Deposit of Revenues* and university procedure *21.01.02.C0.01, Credit Card Collections*.

6.3. The authorized university representative will complete all required training and compliance documentation necessary to handle cash and cash equivalents.

6.4. Institutional Advancement, upon proper notice from the authorized university representative who received the gift via the Gift Acceptance Form, will maintain records of all gifts and will prepare all required gift reports and disclosure requirements, including the required reporting to the Board of Regents.

6.5. Institutional Advancement will receipt and record all gifts in accordance with all relevant system policies, regulations, and accounting standards.

7. COMPLIANCE WITH FEDERAL AND STATE LAWS AND SYSTEM POLICIES AND

REGULATIONS

Institutional Advancement, upon proper notice from the authorized university representative who received the gift via the Gift Acceptance Form, will be responsible for ensuring compliance with all federal and state laws and system policies and regulations pertaining to gifts.

Related Statutes, Policies, or Requirements

System Policy *21.05 Gifts, Donations, Grants and Endowments*
System Regulation *21.01.02, Receipt, Custody, and Deposit of Revenues*
System Regulation *21.05.01 Gifts, Donations, Grants and Endowments*
University Procedure *15.01.01.C0.02, Administration of Sponsored Agreements*
University Procedure *21.01.02.C0.01, Credit Card Collections*
University Procedure *51.06.99.C0.01, Naming of Buildings and Other Entities*
University Procedure *51.99.99.C0.01, Permanent Memorials and Honorariums*

This procedure supersedes:

- *21.05.01.C1, Gifts, Donations, Grants, and Endowments*
- *21.05.01.C0.01, Gifts, Donations, Grants, and Endowments*

Appendix

Gift Acceptance Report Form
Gift-in-Kind Reporting Form

Contact Office

Contact for clarification and interpretation:	Senior Vice President for Institutional Advancement 361.825.5749