

1. Title

Acceptance and Administration of Gifts

2. Rule and Regulation

Sec. 1 Authority to Accept Gifts and Develop Acceptance Procedures. The authority to accept gifts to The University of Texas System or to any of its institutions is vested in the Board of Regents and delegated by the Board as specifically set out in this Series. Except as provided in this Series or any other Series in the Regents' *Rules and Regulations*, or approved institutional policies, no member of the staff of any institution has the authority to accept gifts. The Board delegates to the Vice Chancellor for External Relations the authority and responsibility to promulgate a set of guidelines regarding the acceptance, processing, investment, and administration of gifts. These guidelines will be known as the [U. T. System Gift Acceptance Procedures](#) and shall be adhered to by the U. T. System and its institutions. In promulgating the *U. T. System Gift Acceptance Procedures*, the delegate shall also consider provisions to:

- 1.1 accomplish the goal of increasing financial support for the U. T. System through the appropriate assistance of donors,
- 1.2 allow staff members to respond to donor initiatives quickly and with certainty,
- 1.3 establish administrative processes to accept and administer gifts in a prudent and efficient manner, with fiduciary responsibilities of fundamental importance,
- 1.4 comply with the Texas Constitution and applicable federal and State law,
- 1.5 comply with the provisions of the *Internal Revenue Code* and related regulations,
- 1.6 specifically incorporate provisions related to the acceptance of pledges to fund endowments as follows:
 - (a) at least 20% of the donors' total required minimum funding must be received prior to the acceptance of an endowment, and

(b) the pledge for payment of the remaining funds shall not extend beyond five years from the date of execution of the gift agreement. With the approval of the Vice Chancellor for External Relations the pledge period may be longer than five years under rare and special circumstances.

1.7 specify that requests to establish quasi-endowments are to be submitted when it is expected that the endowment will be maintained permanently, and

1.8 provide that, in the interest of financial responsibility and efficiency, it is the specific preference of the Board that all endowment gifts be eligible for commingling for investment purposes with other endowment funds.

Sec. 2 Gifts Requiring Board Approval. All conforming gifts, including pledges, having a value of more than \$1,000,000 (in cash or in-kind) must be submitted to the Board of Regents for approval via the Docket, except those processed or administered by the Office of External Relations.

Sec. 3 Gifts of Art

3.1 Outdoor Works of Art. Approval by the Board is also required prior to the acceptance of a gift of an outdoor work of art. Considerations will include appropriateness with regard to the institution's Campus Master Plan and expense related to installation and/or continuing maintenance.

3.2 Gifts of Statuary Depicting Living Persons. No gift of statuary depicting a living person shall be accepted by an institution, unless intended for display in a museum or for addition to the collection of works of art for display in a museum. Proposed gifts of statuary intended for outdoor display require approval under Section 3.1 above; authority to accept proposed museum gifts of statuary depicting living persons, intended for display indoors, is delegated to the presidents.

Sec. 4 Gifts Requiring Approval by Chancellor or Presidents. The Board of Regents delegates to the Chancellor or the president of an institution the authority to accept conforming gifts,

including pledges, other than gifts of real property, that are not processed or administered by the Office of External Relations, provided that such gifts have a value of \$1,000,000 or less (in cash or in-kind) and the authority to take any and all desirable actions relating to the administration and management of gifts accepted by the Chancellor or the president of the institution, as may be permitted by applicable law, policies, these Regents' *Rules and Regulations*, and the [U. T. System Gift Acceptance Procedures](#).

Sec. 5 Gifts Requiring Approval by Executive Vice Chancellor for Business Affairs. The Board of Regents delegates to the Executive Vice Chancellor for Business Affairs authority to accept all conforming gifts of real property of any value that are not processed or administered by the Office of External Relations, and the authority to take any and all desirable actions relating to the administration and management of gifts accepted by the Executive Vice Chancellor for Business Affairs, as may be permitted by applicable law, policies, these *Rules and Regulations*, the [U. T. System Gift Acceptance Procedures](#), and Regents' *Rules and Regulations*, Series 80306 concerning the environmental review policy for acquiring real property and Series 60103 concerning guidelines for acceptance of gifts of real property. Acceptance of all gifts of real property shall be subject to the *Regents' Rules and Regulations*, Series 60103 and 80306.

Sec. 6 Gifts Requiring Approval by Vice Chancellor of External Relations. The Board of Regents delegates to the Vice Chancellor for External Relations authority to accept all conforming gifts, including pledges, of any value (either in cash or in-kind) that are processed or administered by the Office of External Relations. The Board also delegates to the Vice Chancellor for External Relations authority to take any and all desirable actions relating to the administration and management of gifts accepted by the Office of External Relations, including without limitation the modification or termination of trusts, endowments, and quasi-endowments as may be permitted by applicable law, policies, these *Rules and Regulations*, and the [U. T. System Gift Acceptance Procedures](#).

6.1 Gifts Reviewed. The Office of Development and Gift Planning Services, with assistance from the Real Estate Office and the Office of General Counsel as required, shall review all gift assets processed or administered by

the Office of External Relations. Gift assets requiring review include, but are not limited to, securities, interests in limited partnerships, stock of closely-held corporations, stock of S corporations, stock options, and warrants. The Office of Development and Gift Planning Services shall also review all bequests, interests in trusts, gifts and other funds to establish endowments and quasi-endowments, and other planned gifts as defined in the [U. T. System Gift Acceptance Procedures](#).

6.2 Gifts to Establish Endowments. Endowments will be established with gifts that have been completed for tax purposes or with a combination of such gifts, pledges, and other funds at a minimum funding level of \$10,000. Endowments may be established to fund scholarship programs and other educational activities as well as the endowed academic positions specified in Regents' *Rules and Regulations*, Series 60202 concerning endowed academic positions.

6.3 Gifts Report. The Office of External Relations shall submit a report to the Board of Regents summarizing acceptance and approval by the Office of External Relations of all conforming gifts and other actions taken no less frequently than annually.

Sec. 7 Internal Revenue Service Forms. The Board of Regents delegates to the Chancellor, the Executive Vice Chancellor for Business Affairs, the Vice Chancellor for External Affairs, and the president of the institution the authority to execute all necessary Internal Revenue Service forms, including without limitation IRS Forms 8283 and 8282, that relate to gifts accepted by each respectively.

Sec. 8 Nonconforming Gifts. Recommendations regarding the acceptance of gifts or other actions which do not conform to all relevant laws and Board of Regents policies, including but not limited to the *U. T. System Gift Acceptance Procedures*, shall be made through the Chancellor to the Board via the Agenda after review by the appropriate offices of the terms of the gifts, the nature of the donated assets and/or the requested action.

Sec. 9 Gift Benefiting an Individual. Neither the U. T. System nor any of its institutions will administer a gift for the benefit of any designated individual unless the donor is exempt from federal

income taxes as defined by the Commissioner of Internal Revenue.

- Sec. 10 Service by Board as Estate Executor/Administrator. The Board of Regents will not serve as executor or administrator of an estate because of the potential for conflicts of interest and the scope of the required duties.
- Sec. 11 Prohibition to Act as Witness to Will. The employees of the U. T. System or any of its institutions should not knowingly act as witnesses to wills in which the U. T. System or an institution is named as a beneficiary so as not to jeopardize the receipt of the bequest.
- Sec. 12 Service by Employee as Executor/Administrator of Estate or Trustee of Trust. Employees of the U. T. System or any of its institutions who agree to serve as trustee of a trust, or executor or administrator of an estate benefiting the U. T. System or any of its institutions are immediately to notify the Office of Development and Gift Planning Services of their appointment. Upon notification, the employee will be furnished with a statement advising of the potential for conflicts of interest and directing that all communications pertaining to the trust or estate between the employee and any office of the U. T. System or its institutions shall be in writing.

3. Definitions

None

4. Relevant Federal and State Statutes

None

5. Relevant System Policies, Procedures, and Forms

Regents' *Rules and Regulations*, [Series 60103](#) – Guidelines for Acceptance of Gifts of Real Property

[The University of Texas System Administrative Rule UTS161, Environmental Review for Acquisition of Real Property](#)

[The University of Texas System Administration Policy UTS138, Gift Acceptance Procedures](#)

6. Who Should Know

Administrators
Chief Business Officers
Development Officers
Employees

7. System Administration Office(s) Responsible for Rule

Office of External Relations
Office of General Counsel

8. Dates Approved or Amended

February 9, 2006
December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu