

## Handbook of Operating Procedures

### GIFTS – SOLICITATION, ACCEPTANCE, PROCESSING, AND ACKNOWLEDGMENT

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#### A. Purpose

The purpose of this policy is to clarify and facilitate the process for making gifts to The University of Texas Rio Grande Valley (UTRGV) and set forth procedures related to soliciting, accepting, and processing all gifts, including grants and gifts-in-kind, from private philanthropic sources.

#### B. Persons Affected

This policy applies to all faculty, staff, trainees and students of UTRGV.

#### C. Policy

1. The policy of UTRGV is that all gift solicitation from private sources by any faculty, staff, trainees and students who represent UTRGV must be coordinated before the fact with the Executive Vice President for Institutional Advancement or designee and that all gifts to UTRGV will be accepted and processed through the Office of Advancement Services (AS) unless otherwise noted in Regents' *Rules and Regulations*, Rule 60101, Acceptance and Administration of Gifts or UTS 138, Gift Acceptance Procedures.
2. Gifts to UTRGV may be received by any member of the UTRGV community, but they may only be accepted by the President or the Division of Institutional Advancement (IA), which includes the Office of Development (OD), the Office of Advancement Services (AS), Alumni Relations (AR) and Advancement Special Events (ASE). The President is empowered by The University of Texas System Board of Regents to accept gifts to UTRGV and has in turn designated IA to serve as UTRGV's agent for all philanthropic fundraising programs and for all solicitation, acceptance, and processing of charitable contributions to UTRGV. This includes the responsibility of maintaining all gift records and acknowledging each gift according to applicable law, regulation, The University of Texas System policies and procedures, and UTRGV policies and procedures. Because the UT System Board of Regents has delegated the authority to accept certain gifts to the UT System Office of External Relations and the UT System Executive Vice Chancellor for Business Affairs, IA works closely with UT System offices when donors express interest in making certain types of gifts. All gifts received by UTRGV must be processed through IA.
3. UTRGV will not knowingly accept a gift that it believes to be contrary to the best interests of the donor or UTRGV. UTRGV will adhere to strict confidentiality with regard to any information, records, and personal documents pertaining to donors and gifts. Gift records will be released only when authorized by the donor or as required by law.

4. A limited exception to this disclosure of the name of the donor is provided in Section 552.1235 of the Texas Government Code. UTRGV shall respect the wishes of donors who desire to support UTRGV anonymously and will take reasonable steps to safeguard the identities of these donors.
5. All gifts must be made payable or placed in the name of The UT System Board of Regents, UT System, or UTRGV or the UTRGV Foundation. Gifts made payable to a UTRGV employee are not deductible as a charitable contribution and benefit the employee personally, not UTRGV.
6. UTRGV is an agency of the State of Texas and is described in sections 170(b) (1) (A) (v) and 170(c) (1) of the Internal Revenue Code (Code). Contributions to UTRGV are deductible by donors under Section 170 of the Code provided such contributions are made exclusively for public purposes.
7. To achieve and maintain appropriate relationships with potential and current contributors, UTRGV has established procedures for soliciting, accepting, processing, and acknowledging gifts. All faculty, staff, trainees and students who represent UTRGV to a potential or current donor must abide by these procedures.

**D. Procedures**

1. *Solicitation of Gifts*

- a. The Office of Development shall coordinate the solicitation of all gifts in order to avoid any conflicts or duplications of effort. Departments, faculty, staff, trainees, and students should not solicit prospective donors without contacting the OD in advance, which in turn will seek approval from the President or designee before prospective donors are approached.
- b. All proposals to be submitted to a potential donor must be routed through the OD prior to submission to the potential donor.

2. *Gift Acceptance*

- a. Acceptance of a gift imposes a legal obligation to comply with the terms established by the donor.
- b. The OD must review and approve all gifts prior to acceptance by UTRGV. Certain gifts as specified by the UT System must be submitted to The UT System Board of Regents for formal acceptance.

### 3. *Gift Processing*

The Division of Institutional Advancement, through its Office of Advancement Services, maintains and controls files, records, and mailing lists regarding all donors and donor prospects. AS is responsible for the timely receipt, deposit, and processing of all gifts to UTRGV. AS performs these duties in accordance with the Regents' *Rules and Regulations* Series 60000, Development, and the UT System Systemwide Policy, UTS138 Gift Acceptance Procedures.

On the day a gift is received, the department, faculty, staff, trainee, or student receiving the gift must deliver in person the gift and related documentation to the OD for deposit using the required forms.

### 4. *Gift Acknowledgment*

In accordance with best stewardship practices and the provisions of the Internal Revenue Code of 1986, as amended (the Code), and related regulations, AS will provide for all gifts made to UTRGV a timely acknowledgment or charitable contribution tax substantiation statement (Statement) of a donor's contribution that includes the institution's name; the amount of cash contribution or description (but not value) of non-cash contribution; and a statement that no goods or services were provided by the institution in return for the contribution (if that was the case) or description and good faith estimate of the value of goods or services, if any, the institution provided in return for the contribution. AS is the only office at UTRGV that is allowed to provide gift acknowledgments/receipts.

### 5. *Methods of Giving*

A donor may make a contribution by cash or cash equivalent including check, credit card, or wire transfer; by including UTRGV in their estate planning; or by donating real or personal property, an insurance policy, securities, or gifts-in-kind. Departments, faculty, staff, trainees, and students learning of a potential donor's desire to make a gift by one of these methods should consult the Office of Development regarding the proper process for accepting the gift before proceeding.

### 6. *Endowments*

- a. UTRGV is charged by The UT System Board of Regents to raise private sector contributions for the establishment of endowments to fulfill its mission and goals. Endowments are designated for student scholarships and fellowships, faculty and administrative support, and for programmatic purposes. Administration and management of endowments are the joint responsibility of the UT System and UTRGV. UTRGV must devote adequate resources to assure appropriate accounting and use of endowment funds. In addition, high-quality, effective compliance programs are of fundamental importance and represent an ongoing fiduciary responsibility of The UT System and UTRGV.

- b. When donors specify that their gifts are for endowment purposes, the Office of the President or OD works with the donors, UT System, and applicable external foundation trustees to ensure that endowment accounts are properly established and credited.
  - i. At the donor's discretion, endowment funds designated for the benefit of UTRGV can be managed by either the UT System or the UTRGV Foundation.
  - ii. Endowments can be established officially at a minimum funding level of \$25,000 only upon the recommendation of the President of UTRGV or his or her designee, with review and delegated approval of the UT System Board of Regents by the UT System Office of Development and Gift Planning Services.
  - iii. Endowed academic positions may be established at the following minimum funding levels:
    - a. Chair – \$2,000,000
    - b. Distinguished Professorship - \$1,000,000
    - c. Professorship – \$500,000
    - d. Faculty Fellowship – \$250,000
    - e. Graduate Fellowship - \$100,000

Nominations for the holders of endowments are made by the department chair or center director to the dean, and thereafter approved by the President.

#### *7. Naming of Buildings and Other Facilities*

- a. Only the President of UTRGV is authorized to make recommendations to The UT System Board of Regents regarding naming of buildings and other facilities.
- b. When financial contributions are the principal basis for recommending the naming of a building or other facility, the donor must have contributed a sum equal to or greater than 33-50 percent of the replacement cost of the named space.
- c. Before naming is placed, donors shall demonstrate reasonable and timely pledge payments. At least two-thirds of the pledge must be fulfilled before naming is placed. After naming is affixed, the donor will continue pledge payments in accordance with the foregoing schedule. If payments cease, the named space will be removed. Subject to the terms of the agreement, the naming will last for the useful life of the named space.
- d. Under no circumstances may a university building or part of a building, nor an academic unit, be named in recognition of a revocable deferred gift.

8. *Overhead on Gifts*

UTRGV does not charge overhead on gifts from individuals or foundations.

9. *Responsibilities*

- a. Departments, Faculty, Staff, Trainees, and Students: Departments or these individuals must not solicit prospective donors without contacting the OD in advance and must submit all potential donor proposals for review by the OD prior to submission to the prospective donor. Departments or individuals who receive gifts must deliver in person the gift and related documentation to the OD for deposit, formal acceptance, and acknowledgment. Neither departments nor individuals may receive or accept a gift made payable to the department or individual.
- b. Office of Development (OD): The OD is responsible for the solicitation of all gifts to UTRGV and review of all proposals to be submitted to prospective donors. The OD reviews and approves all gifts prior to acceptance and formally accepts, deposits, and acknowledges gifts through AS.
- c. President: The President is ultimately responsible for the oversight of every aspect of the development process at UTRGV. The responsibilities of the OD and AS related to gift solicitation, acceptance, and processing result from a direct delegation from the President to the Executive Vice President for Institutional Advancement.
- d. Executive Vice President for Institutional Advancement: The Executive Vice President for Institutional Advancement is responsible for overseeing the day-to-day activities of the Office of Development.

**E. Definitions**

1. Accepting a Gift - the approval of a gift as an appropriate donation to UTRGV.
2. Acknowledgment - refers to tax receipts and thank-you letters from the President or designee and other activities related to appreciating the contributor's gift.
3. Corporation - includes corporations, businesses, partnerships, and cooperatives organized for profit-making purposes, including corporations owned by individuals and families and other closely held companies. Also includes company-sponsored foundations and industry trade associations.
4. Donee - the person or entity to which the gift is made.

5. Donor - individual who makes a gift.
6. Endowment - Endowment funds are those that donors specify are to be retained and invested for income-producing purposes. Income from endowments can be either restricted or unrestricted, based on donor direction.
7. Fair Market Value - the price an asset would bring in a market of willing buyers and willing sellers, in the ordinary course of trade.
8. Foundation - includes personal and family foundations and other foundations and trusts that are private tax-exempt entities operated exclusively for charitable purposes.
9. Gift - a contribution received by UTRGV for either unrestricted or restricted use in the furtherance of UTRGV for which UTRGV has made no commitment of resources or services other than, possibly, committing to use the gift as the donor specifies.
10. Gift-in-kind - a non-cash donation of materials or long-lived assets, other than real and personal property. Gifts of materials or long-lived assets that are directly related to the mission of the institution should be reported at the face (or fair market) value.
11. Grant - a contribution received by UTRGV for either unrestricted or restricted use in the furtherance of UTRGV that typically comes from a corporation, foundation, or other organization, rather than an individual.
12. Individual - for fundraising purposes, typically broken down into several subcategories, the most common of which are "Alumni", "Students", "Parents", "Faculty/Staff", "Grandparents", and "Other Individuals/Friends".
13. Matching Gift - gifts made by businesses that match the voluntary contributions of employees.
14. Personal Property - anything other than real property that is subject to personal ownership. There are two types of personal property: tangible and intangible (intellectual property) assets.
15. Planned/Deferred Gift - a major gift, made in lifetime or at death as part of a donor's overall financial and/or estate planning. There are several specific gift types that can be funded with cash, equity or property.
16. Pledge - commitment to make a future gift.

17. Processing a Gift – the moving of the gift through the administrative and financial branches of UTRGV.
18. Quid Pro Quo Contribution - a payment made partly as a contribution and partly in consideration for goods or services provided to the payor by the donee organization.
19. Real Property - land, its natural resources, and any permanent buildings on it (also called real estate or realty).
20. Receiving a Gift – the handling of the gift instrument, whether it is a check, cash, stock certificate, letter, or other type.
21. Restricted - term identifies gifts for current operations that the donor restricts for a specific purpose.
22. Services - the value of a person's or organization's time or service is not considered a charitable contribution.
23. Unrestricted - term identifies gifts for current operations that are given by donors without any restriction.

**F. Related Statutes or Regulations, Rules, Policies, or Standards**

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

[University of Texas System Board of Regents' Rules and Regulations Series 60000: Development](#)

[University of Texas System Board of Regents' Rules and Regulations Rule 80307: Naming Policy](#)

**G. Dates Reviewed or Amended**

Reviewed and amended – August 1, 2023.