

## Section 17.06

# GIFT RECONCILIATIONS

*Per System Policy 21.05:*

### **DELEGATION OF AUTHORITY**

The System board delegates authority for the acceptance of gifts, donations, grants and endowments to the chancellor and CEOs. The CEO is responsible for organizational compliance with state and federal law and system policy at all times. It is expected that the CEO shall ensure the member maintains the highest level of integrity and ethical standards in the solicitation or acceptance of gifts. The CEO may appoint a designee(s) to assist with these duties.

It is Texas A&M University-Corpus Christi's policy that all donations and gifts must be processed through the Office of Institutional Advancement.

### **GIFT ACCEPTANCE**

With the exception of gifts from affiliated organizations, as described in System Regulation *60.01.01, Association with Affiliated Fund Raising Organizations*, which are exempt from the review requirements of this policy, the CEO, or designee, shall review all gifts in accordance with this policy and System Regulation *21.05.01, Gifts, Donations, Grants, and Endowments*, prior to acceptance. If a gift requires chancellor, or designee, review and approval, the CEO shall obtain such approval before acceptance of the gift occurs. The following restrictions apply to gifts to system members and outline requirements for chancellor, or designee, review and approval prior to acceptance by the CEO:

#### ***Gifts \$1,000,000 or Greater***

Any gift with a fair market value of \$1,000,000 or greater must be reviewed by the Office of Budgets and Accounting and the Office of General Counsel. The chancellor, or designee, must accept the gift. The chancellor shall establish a process to notify the Office of the Board of Regents of each gift \$1,000,000 or greater and facilitate the establishment of preliminary plans for honoring the donor.

#### ***Cash Gifts Less than \$1,000,000***

1. The CEO may accept an unrestricted cash gift of less than \$1,000,000.
2. The CEO 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 member, and the gift does not contain a restrictive condition that is discriminatory, or which violates any federal or state law, or system policy. If the gift has restrictions that warrant System Offices review, it is the responsibility of the CEO to obtain such review.

#### ***Non-Cash Gifts***

1. The CEO may accept a non-cash gift with a fair market value less than \$250,000, unless the gift involves a partial sale/partial gift transaction.
2. The CEO may accept a non-cash gift with a fair market value of \$250,000 or greater only after review and approval from the Office of Budgets and Accounting and the Office of General Counsel.

3. The CEO is responsible for the review of all non-cash gifts for associated economic risks and associated liability for the organization. If the gift has economic risk and/or liability issues associated with it, it is the responsibility of the CEO to obtain the Office of General Counsel review prior to the acceptance of the gift.

### ***Gifts of Real Property and Minerals***

1. The CEO may accept any gift of real property or minerals only after review and approval from the Office of Budgets and Accounting and the Office of General Counsel.

2. Gifts of real property and minerals shall be reviewed in accordance with System Policy, Chapter 41, *Real Estate Management*.

### ***Gifts of Closely-Held Securities and Interests in Entities***

The CEO may accept a gift of closely-held securities or a gift of an interest in an entity only after review and approval from the Office of Budgets and Accounting and the Office of General Counsel. Gifts of securities that are publicly traded on a securities exchange and for which there are public price quotations are excluded from this section's requirement.

### ***Gifts of Intellectual Property***

The CEO may accept a gift of intellectual property only after review and approval from the Office of Budgets and Accounting, Office of Technology Commercialization, and Office of General Counsel.

## **VALUATION OF GIFTS**

The system and its members do not have the authority to, and shall not provide, appraisals or valuations to donors for any type of gift at any time. If the fair market value of a gift is in question, the associate vice chancellor for budgets and accounting will determine an appropriate process to establish a fair market value for the gift.

## **DEFINITIONS**

**Cash gift** – a gift of cash, coins, currency, checks and other negotiable instruments that are easily convertible to cash.

**Closely-held securities** – instruments of ownership in a corporation that are not publicly traded on a securities exchange and for which there are no public price quotations.

**Fair market value** – intended to be a representation of the real, best appraised value of the property for which it might sell in an arm's length transaction at the time of the gift transaction.

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

**Intellectual property** – a class of property that includes creations of the mind including ideas, discoveries, inventions, processes, trade secrets, trademarks, copyrights, patents, symbols, and any related applications, rights, or registrations.

**Minerals** – a class of property that includes the rights to oil, gas, or other minerals as defined by Texas law, whether joined or severed from the land.

**Non-cash gift** – a gift of a non-monetary item of property such as art, collectibles, books, equipment, vehicles, inventory, livestock, or other physical assets or materials.

**Personal property** – a class of property that includes movable, tangible property that is not real property.

**Real property** – a class of property that includes land and anything attached to it or permanently affixed to it. For purposes of this policy, the term does not include minerals.

**Restricted gift** – for purposes of this policy, a gift that includes any condition or limitation that restricts the use of the gift or involves an income or remainder interest in a trust. A donor specifying a gift for scholarships, academic excellence, equipment, library resources, and academic program support are not considered restrictions or conditions for the purposes of this policy.