



### I. 6.10.4 Procedures Governing Current Use Gifts, Acceptance and Management

Chapter 6 - Fiscal	Original Effective Date: December 2019
Section: 6.10 Endowments and Current Use Gifts	Date Last Reviewed: February 2020
Responsible Entity: Vice President and Chief Development Officer	Date Last Revised: February 2020

### II. Purpose

This policy sets forth procedures to be followed by UT Health San Antonio (UTHSA) in accordance with the Board of Regents' Rules and Regulations related to soliciting, accepting, and processing all gifts, including gifts referred to as grants, private foundation proposals, sponsorships, and gifts-in-kind. In addition, it clearly sets forth the responsibilities of UTHSA employees, administrative heads, and the Office of Institutional Advancement.

### III. Scope

This policy applies to any UTHSA student, faculty, or staff member wishing to secure funds through private sector support, including individuals, corporations, private foundations, and other organizations.

### IV. Policy

- A. Development activities are part of UTHSA's overall Strategic Plan. The Vice President and Chief Development Officer, and the staff of the Office of Institutional Advancement oversee and assist with fundraising throughout UTHSA.
- B. Successful fundraising is dependent upon a coordinated strategy in working with donors on behalf of UTHSA. Any student, faculty, or staff member wishing to secure funds through private sector support, including individuals, corporations, private foundations, and other organizations must receive prior approval through the Office of Institutional Advancement.
- C. Faculty, staff, and students are partners in fundraising for UTHSA and are encouraged to attract private gift support to UTHSA in collaboration with the Office of Institutional Advancement (OIA). The UTHSA procedures for fundraising are intended to provide a systematic and strategic approach to secure private gift funding to maximize

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philanthropic support for the UTHSA and ensure these resources support UTHSA priorities and the goals of the donor.

- D. This policy does not address funds related to endowments or sponsored programs. For endowments, see the Institutional Handbook of Operating Policies (IHOP), Policy 6.10.1 Endowments, IHOP Policy [6.10.3 Establishment and Management of Endowments](#), IHOP Policy [3.1.4 Endowed Appointments](#), and for sponsored programs, see IHOP Section [7.1 Office of Sponsored Programs](#).
- E. For the purposes of this document, the terms Advancement, Development, Philanthropy and Fundraising are all used interchangeably.
- F. The information below outlines the various personnel and offices that are authorized and available to support private funding.

- 1. Office of Institutional Advancement (OIA)

Under the management and oversight of the Vice President and Chief Development Officer (CDO)

- 2. Institutional Advancement Front-line Officers

Institutional Advancement Front-line Officers, under the management and oversight of the CDO, are assigned to identify, qualify, cultivate, solicit, and steward donors and prospective donors on behalf of UTHSA. Institutional Advancement Front-line Officers may be assigned to a specific School, Institute, Center or area of development expertise and responsibility in order to focus on the needs of that entity while working within the larger framework of UTHSA. When volunteers or advisory council members are involved in development efforts on behalf of a School, Institute, Center, or area of expertise, it is the responsibility of the Institutional Advancement Front-line Officer to assure that solicitation efforts by volunteers or advisory council members are coordinated and align with these procedures. See IHOP Policy, Section 9.1.7, "Solicitation."

- 3. Corporate and Foundation Relations (CFR)

Under the management and oversight of the CDO, CFR coordinates the identification, assessment, cultivation, solicitation and stewardship of private foundation and corporate gifts, gifts referred to as grants (gift grants), non-gift grants, and sponsorships. CFR is a resource to faculty and others who have needs which may be an appropriate match for private foundation and corporate funding. CFR will be a repository of information on private foundation and corporate funding and will be responsible for cultivating and sustaining strong relationships that lead to philanthropic support from private foundations and corporations for the benefit of UTHSA. Corporate and Foundation relations will be responsible for cultivating and sustaining relationships through the Office of Sponsored Programs. See IHOP Section [7.1 Office of Sponsored Programs](#), for guidance on non-gift grant and contract (sponsored program) funding procedures.

Many private foundations allow only one proposal per institution per year. To ensure UTHSA adheres to established guidelines, all faculty, staff, and administrators interested in soliciting a private foundation or corporation must

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contact and coordinate these activities through CFR. CFR coordinates and oversees solicitations of sponsorships for all UTHSA activities. Please contact CFR at 210-567-0028 for Information.

### 4. Advancement Services (AS)

Under the oversight of the CDO, the following services are provided:

- a. Gift Services – All gifts to UTHSA must be processed and recorded in this area. Gift Services provides training and support to campus personnel who receive gifts in their offices and need to transmit them to Gift Services for deposit. Gift Services is responsible for recording gifts and pledges and maintaining gift-related records in the constituent database that is owned and managed by Data Services (see below.) Gift Services works closely with the Office of Accounting, and the Office of Budget and Financial Planning to verify, process and reconcile all gifts deposited to UTHSA in compliance with UTHSA’s cash handling policy and other standard procedures as well as UTHSA’s IHOP Policy [6.10.2 Gifts: Acceptance, Processing, and Solicitation](#) and UT System policy [UT System 138, “Gift Acceptance Procedures.”](#)
- b. Data Services (DS) – UTHSA has one official database for donors and alumni that is managed and maintained by the DS team. The DS team is the source for all lists, reports and information on donors and alumni for the University. The database is maintained with frequent data cleansing steps and technology so that the information contained therein is current and accurate to the greatest extent possible. When one finds a need for a constituent database, list for mailing or communicating with a group or individuals or businesses, the DS team is available to assist with and provide those solutions.
- c. Endowment Compliance Services – This area is available to advise and guide faculty and staff in regard to creating and managing endowments for UTHSA. This area is a resource as an endowment opportunity is identified to work with the applicable Institutional Advancement Front-line Officer through completion and UTHSA Board of Regents approval of the endowment. Additionally, this area monitors the use of endowments to ensure funds are used in compliance with the donor’s intent and within the rules and regulations of the UTHSA Board of Regents. Endowment Compliance Services provides training and counsel each year to all endowment holders and administrators with the goal of maintaining compliance in all endowment matters. See IHOP Policy 6.10.1 Endowments, IHOP Policy [6.10.3 Establishment and Management of Endowments](#) and IHOP Policy [3.1.4 Endowed Appointments](#).
- d. Prospect Services – The Prospect Services area works with the Institutional Advancement Front-line Officers to identify an ever-growing constituent base for UTHSA. Prospect Services works closely with CDO in setting goals, creating, and maintaining portfolios and developing effective strategies for solicitations.

## G. Procedures

### 1. Gift Solicitation:

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- a. The CDO in partnership with the President and other executive leaders identifies and prioritizes the institutions needs in conjunction with each specific School, Institute or Center's strategic plans. Strategy to support these priorities and donor proposals, including private foundation/corporate grant proposals, are then developed following the Office of Institutional Advancement structure and procedures for management of gift solicitation. Coordination of gift and private foundation/corporate grant project development and fund-raising strategies should be initiated by contacting CFR. Coordination of solicitation of individuals should be initiated by contacting the CDO, or their designee.
- b. When a gift project/private foundation/corporate grant proposal has been authorized, it is assigned to an Institutional Advancement Front-line Officer who will lead the fund-raising efforts for the project. This ensures that prospective donors are matched with projects that help achieve UTHSA's priorities and maximizes the opportunity for success. When appropriate, OIA will be available to assist with grant applications to private organizations such as societies, associations, councils, etc. which often require that the applicant hold current membership status at the time of application and throughout the grant term.

#### 2. Acceptance of Gifts:

- a. All Gift (see Definition section) contributions to UTHSA (including Schools, Institutes, Centers, and any operation under the auspices of UTHSA) must be processed through Advancement Services. No gift will be accepted, acknowledged, or deposited without acceptance approval granted by Advancement Services, in consultation with the CDO. When in-kind gifts require third party payments or the investment of significant university funds for shipping, installation, storage, or related issues, the CDO will liaison with the appropriate offices.
- b. The processing of any and all gifts requires:
  - i. A completed Gift Processing Form for cash/cash equivalents (cash, checks, money orders, credit card transactions, and stocks) or an In-Kind Gift Acceptance Form for personal property (all other gifts except real property). For these forms and for potential gifts of real property, please see the "Forms" section at the end of this policy.
  - ii. The check, cash or other asset being transferred to UTHSA; and
  - iii. Some gifts may require an additional Gift Letter or Gift Agreement from the donor. The gift letter must identify the asset being transferred, the purpose for which it is to be used, and the UTHSA School, Institute or Center that is to benefit from the gift.
- c. If any gifts or services were received by the donor from UTHSA or its personnel as a result of the gift, the fair market value of the gifts or services must be provided to Advancement Services and considered when determining acceptance of the funds and the contribution portion of the gift.
  - i. **EXAMPLE:** An individual pays \$200 for a ticket to the Annual Fundraising Gala. The value of the meal served at the Gala is \$80. The gift portion of

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the ticket price is therefore \$120 (\$200 ticket price less the \$80 value of the meal).

- d. Advancement Services will coordinate all gifts of stock with the UT System Office of Development and Gift Planning Services (UTODGPS). Gifts to establish endowments and gifts of closely held securities, and limited partnerships as well as bequests and gifts resulting from an interest in a trust must be approved by the UTODGPS prior to acceptance in accordance with UTHSA Regents' Rules and Regulations [Rule 60101](#), "Acceptance and Administration of Gifts."

Advancement Services will coordinate all gifts of real estate. The gifts must be approved and accepted by the UTHSA Executive Director of Real Estate. All such gifts should be submitted to Advancement Services for coordination and final approval processing through the UTODGPS in accordance with the Board of Regents' Rules and Regulations.

- e. Any questions regarding the administration of gifts to UTHSA that are not addressed in this HOP policy should be directed to Advancement Services for resolution and assistance.

For more detailed information on [UTS 138](#) see the UTHSA Acceptance of Gifts Confirming to Policy Matrix.

#### 3. Accounting and Management of Gifts

- a. Gifts to UTHSA are accounted for in Current Restricted Funds (48001-48999). Current Use Gifts, more specifically, are accounted for in the Current Restricted Fund Group entitled Current Use Gifts, Fund Group, 48010. For more information on Restricted/Gift funds, see IHOP Policy [6.1.3 Fund Groups](#). Gift Funds are used to record receipts and expenditures related to gifts received from donors. The majority of Gift Funds are restricted for use by a particular school/unit or department and/or restricted for a specific purpose or program according to donor criteria.
- b. Gifts to UTHSA for endowments are recorded in the appropriate endowment clearing fund, while gifts for current use/operations are recorded in the appropriate expendable Cost Center using Project Identification (PIDs), in the Current Use Gifts, Fund Group, 48010 assigned by Advancement Services.
- c. Gifts to UTHSA are never recorded in Agency funds (67XXX) because Agency Funds do not belong to UTHSA.
- d. The Fund Codes used for current use gift donations are 48001, 48010, 48901 and 48003.
- e. An endowment may have a related expendable 48XXX PID Cost Center to which distributions from the endowment are transferred.
- f. Current Restricted/Gift Funds must never be used to deposit miscellaneous revenues unrelated to donations and gifts to UTHSA.
- g. Transfers of funds and/or expenses from a Current Use Gift Account to another UTHSA operating account(s) may be made only when the restrictions

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for the operating account are consistent with the terms of the Current Use Gift and respective Gift Agreement. Advancement Services should be contacted for assistance.

#### 4. Gift Pledges

- a. A Pledge is a commitment that is written and signed by a donor to fulfill a financial promise, payable within a specified time, according to terms set by the donor and agreed upon by UTHSA.
- b. Management and collection of pledges is the responsibility of the Office of Institutional Advancement.
- c. Pledges over \$5,000 for Current Use are also recorded by the Office of Accounting. Institutional Advancement relays all information about Pledge Commitments and Payments to the Office of Accounting for proper recording the general ledger.
- d. In rare instances donor circumstances may necessitate a change to pledge arrangements, or even a full write-off of the pledge. This decision can only be made by the Chief Development Officer.

#### 5. Guidelines for Use of Gift Funds

- a. Use of current use gifts are based on the donor designated approved purpose and the signed gift letter or gift agreement from the donor.
- b. Purposes can be categorized but not limited to the following:
  - i. Faculty Support (Fund 48010)
    - (1) Salary support for time to devote to the area of the donor directed gift purpose.
    - (2) Research that advances the gift purpose and is in accordance with UTHSA research policies.
    - (3) Equipment that supports the gift's purpose.
    - (4) Professional travel and development (holder or staff) that advances the gift purpose.
    - (5) Student Support aligned with gift purpose.
    - (6) Administrative costs that directly support the gift purpose.
    - (7) Academic programs that align with the gift purpose.
    - (8) Other support activities
  - ii. Scholarships/Student Awards (Fund 48003)
  - iii. Miscellaneous (Funds: 48001, 48010, 48901)
    - (1) Other academic support includes lectures or program support, research, equipment, and capital investments.
- c. Expenditures must adhere to all applicable laws and regulations, donor intentions, and UTHSA policies.

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##### 6. Review

Projects for current use gifts are subject to periodic review by OIA, to ensure that expenditures are in compliance with the donor's intentions and Institutional Policy.

##### 7. Reporting

Departments receiving projects for current use gifts are required to prepare an annual progress report to the President detailing how the funds are being utilized. Additional reporting or stewardship is occasionally necessary and would be communicated at the time the gift is made. The Office of Institutional Advancement will contact the Department Administrator on the annual anniversary of the funds establishment to ensure the progress report is completed.

##### 8. Maintenance of Records

Documentation specifying the intended use and reporting requirements for each project will be provided to the Department at the time the gift is made. The Department is responsible for maintaining these records for the gift period, or in accordance with UTHSA record retention policy if the period does not have an end date.

##### 9. Training

A link to this policy will be provided to the appropriate departmental personnel when a new Project ID cost center that is governed by this policy is established. Additionally, a link will be distributed to the entire institution annually.

Note: Separate procedures developed by the Office of Sponsored Programs are applicable when non-gift grant and contract sponsored project and research support is being sought. See IHOP Section [7.1 Office of Sponsored Programs](#).

## V. Definitions

*When used in this document, the following words have the meaning set forth below unless a different meaning is required by context.*

Current Use Gifts - Voluntary transfer of items of value, usually in the form of cash, checks, securities, gifts-in-kind (automobiles, etc.), real property (real estate) or personal property (all other gifts, such as works of art and equipment). Gifts do not include sponsored program grants (non-gift grants) or awards or agreements which are processed by the Office of Sponsored Programs (OSP). Gifts may come from individuals, corporations, foundations, and other philanthropic sources. Recipients can use gifts for unrestricted or restricted purposes. Some gifts from private foundations or corporations may be referred to as grants (gift grants). Recipients make no commitment of resources or service in return for gifts, other than the agreement to use the gift as the donor designates and the stewardship of the use of gift funds. (See [UT System 142.2](#), "Policy for Accounting and Financial Reporting for Nonexchange Transactions, Definitions").

Grants - An agreement representing a transfer of money from a sponsor in exchange for specific services, that often includes some formal financial and/or technical reporting by UTHSA as to the actual use of the money provided. The agreement is enforceable, and

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performance is typically accomplished in a specified time frame, with support being revocable for cause. For sponsored programs, see IHOP Section [7.1 Office of Sponsored Programs](#).

Current Use Gifts Referred to as Grants (Gift Grants) – Oftentimes funders will use the terms gifts and grants interchangeably. However, UTHSA has specific and differing criteria and acceptance procedures for Gifts (gift grants) and Grants (non-gift grants). The Office of Institutional Advancement and the Office of Sponsored Programs work closely together to evaluate the criteria of each agreement to come to consensus as to whether a contribution will be accepted as a Gift (gift grant) or a Grant (non-gift grant).

Sponsorships – Sponsorships (a type of current use gift) are cash or in-kind gifts made by corporations (or other non-profits), usually in exchange for marketing consideration. UTHSA accepts sponsorship of certain UTHSA activities when benefits provided to the sponsoring company or non-profit meet certain guidelines. These guidelines can be found in the Sponsorship Policy which is available from Corporate & Foundation Relations.

### VI. Related References

The following policies provide information on the acceptance and administration of gifts:

1. Governmental Accounting Standards Board (GASB) [Statement No. 33](#): “Accounting and Financial Reporting for Nonexchange Transactions”
2. UT System Regents' Rules and Regulations – [Rule 60101](#): “Acceptance and Administration of Gifts”
3. UT System Regents' Rules and Regulations – [Rule 60103](#): “Guidelines for Acceptance of Gifts of Real Property”
4. University of Texas (UT) System [UT System 138](#) – “Gift Acceptance Procedures”
5. University of Texas (UT) System [UT System 142.2](#) – “Policy for Accounting and Financial Reporting for Nonexchange Transactions”
6. UTHSA Institutional Handbook of Operating Policies (IHOP) Policy [6.10.2, “Gifts: Acceptance, Processing and Solicitation”](#)

Forms:

1. [Gifts Received Log](#)
2. [Annual Fund Donation Form](#)
3. [In-Kind Donation Form](#)
4. New [48010 Project ID Request Form](#)
5. Online Donations: <http://makelivesbetter.UTHSA.edu>

### VII. Review and Approval History

The approving authority of this policy is the University Executive Committee.

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Effective Date	Action Taken	Approved By	Approved Date
12/2019	Policy Origination	Executive Committee	12/2019
02/2020	Policy Review	Executive Committee	02/2020