

**UNIVERSITY OF HOUSTON SYSTEM
ADMINISTRATIVE MEMORANDUM**

SECTION: Fiscal Affairs

NUMBER: 03.F.01

AREA: Asset Management

SUBJECT: Gift Acceptance

1. PURPOSE

- 1.1. This document establishes policies and procedures required for the System to fully implement the authority delegated to the Chancellor by the Board through its "Acceptance of Gifts" policy ([32.03](#)).
- 1.2. This document is intended to provide equitable protection for the interests of the University of Houston System and the interests of those who support its programs through charitable gifts, and to assure that the best interests of the System and its donors are served in any particular gift opportunity.
- 1.3. This document's goal is to encourage financial support for the System without encumbering the component universities with gifts that either generate more cost than benefit, or that may be restricted in a manner not in keeping with the mission of the System.

2. DEFINITIONS

- 2.1. Gifts are irrevocable (except for commitments made by will) and voluntary transfers of money or other property to the component university by a donor who has no expectation for compensation for the transaction.
- 2.2. Current Gifts are gifts with full use of the assets available to the component university immediately. Common types of current gifts include:
 - a. Cash and Cash Equivalents include U.S. currency, checks, electronic fund transfers, US payroll deductions and credit card payments.
 - b. Publicly Traded Securities include securities that are traded on an exchange or other publicly reported market.
 - c. Closely Held Securities include securities not traded among the public.
 - d. Real Property includes land and generally whatever is affixed to land as well as those rights that issue out of land (e.g., mineral rights, etc).
 - e. Personal Property includes jewelry, works of art, collections, etc.

- f. Other Property includes royalties, copyrights, etc., and gifts-in-kind (non-monetary donations that serve the purpose of the component university such as equipment, printed materials, food for hosting meetings, etc.).
 - g. Insurance Policies may be considered a gift when the component university is both the irrevocable beneficiary and owner of the policy.
 - h. Charitable Lead Annuity Trusts (CLATs) are established by a donor to provide income to the component university for a period of time after which the remainder is transferred back to the donor or to another non-charity entity. CLATs provide a fixed payment amount each distribution period.
 - i. Charitable Lead Unitrusts (CLUTs) are similar to CLATs except that the distributions can vary (i.e., a percentage of the value of trust assets).
 - j. Bargain Sales are sales of property to the component university in which the amount of the sales proceeds is less than the property's fair market value.
- 2.3. Deferred Gifts are made irrevocably and the component university receives an immediate interest in the donated property; however, use of the property is delayed until some future time specified in the gift agreement (often after the death of one or more non charity beneficiaries). Common types of deferred gifts include:
- a. Charitable Remainder Annuity Trusts (CRATs) are established by a donor to provide distributions, at least annually, to one or more entities of which at least one is not a charity, with the remainder transferring to the component university after a specified period of time often after the death of the donor and/or another entity. Distributions are a set amount determined in accordance with the value of the initial assets placed in the trust.
 - b. Charitable Remainder Unitrusts (CRUTs) are similar to CRATs except the distribution varies (usually it is a fixed percentage of the fair market value of the trust).
 - c. Pooled Income Funds are trusts offered by a support organization of the component university (e.g., UH Foundation), into which gifts of money or other property are transferred and commingled for management purposes. Income interest is received for the life of one or more beneficiaries related to each gift, with the component university receiving the remainder interest.

- d. Gift Annuity gifts occur when a donor transfers cash or other property to a support organization of the component university (e.g., UH Foundation) that in return agrees to pay an annual distribution to the donor for the rest of the donor's life.
 - e. Remainder Interest In A Residence Or Farm (Life Estate) provides a donor or other beneficiary with the use of property with the component university receiving a remainder interest.
- 2.4. Following are definitions related to the disclosure of gifts and contracts by foreign sources. Further definitions and information are provided in 20 USC 1011f(h), section [51.571](#) of the Texas Education Code, and as part of the [Disclosure Statement Of Conditional Gifts From Foreign Persons \(form 2208\)](#) available from the Texas Secretary of State.
- a. The term "contract" means any agreement for the acquisition by purchase, lease or barter of property or services by the foreign source, for the direct benefit or use of either of the parties.
 - b. The term "foreign source" means:
 - A foreign government, including an agency of a foreign government;
 - A legal entity, governmental or otherwise, created solely under the laws of a foreign state or states;
 - An individual who is not a citizen or a national of the United States or a trust territory or protectorate thereof; or
 - An agent, including a subsidiary or affiliate of a foreign legal entity, acting on behalf of a foreign source.
 - c. The term "gift" means any gift of money or property.
 - d. The term "restricted or conditional gift or contract" means any endowment, gift, grant, contract, award, present or property of any kind which includes provisions regarding:
 - The employment, assignment or termination of faculty;
 - The establishment of departments, centers, research or lecture programs, or new faculty positions;
 - The selection or admission of students; or

- The award of grants, loans, scholarships, fellowships, or other forms of financial aid restricted to students of a specified country, religion, sex, ethnic origin or political opinion.
- e. The term "institution" means any institution, public or private, or, if a multi-campus institution, any single campus of such institution, in any state which:
- Is legally authorized within such state to provide a program of education beyond secondary school;
 - Provides a program for which it awards a bachelor's degree (or provides not less than a two-year program which is acceptable for full credit toward such a degree) or more advanced degrees; and
 - Is accredited by a nationally recognized accrediting agency or association and to which institution federal financial assistance is extended (directly or indirectly through another entity or person), or which institution receives support from the extension of federal financial assistance to any of its subunits.
- 2.5. Quid Pro Quos are benefits, usually goods or services, received by an entity in direct exchange for payments or transfer of property made to the component university.
- 2.6. Realized Bequests (Gifts by Will) are treated as current gifts or deferred gifts depending on the nature of the property bequeathed to the component university.
- 2.7. Bequest Notifications (Unrealized Bequests) are revocable inclusions of the component university in an individual's will and are not actual gifts. However, the component university tracks this information and finds it advantageous to know about such inclusions.
- 2.8. Pledges are promises by an entity to make a gift to the component university at some specified time in the future. In most cases pledges are considered revocable.
- 2.9. Council for Advancement and Support of Education (CASE) is a nationally recognized organization that establishes and publishes reporting and valuation standards for gifts.
- 2.10. Response Devices are official documents that a donor returns with his/her gift. The response device should be coded with information about the donor, solicitation and purpose of the gift that enhances the speed and accuracy of gift processing. Response devices are usually used with mass solicitations and must be approved by the System Office of Development prior to being implemented.

- 2.11. Gift Transmittal Form (GTF) is a document that lists pertinent gift processing information about a donor and gift such as donor name, purpose of the gift, account into which the gift will be deposited, etc. Departments must complete GTFs when they receive current gifts not accompanied by an official response device. GTFs can be obtained from the Donor and Alumni Records department or online through the [business staff desk manual](#) and the [Office of Development](#) website.

3. GENERAL GUIDELINES

- 3.1. To earn the support and confidence from persons who are planning to make a gift, the System must be capable of responding quickly, and in the affirmative where possible, to all gifts offered by these prospective donors. Some gift situations can be complex; therefore an expeditious and careful consideration of the proposed gift must be made.
- 3.2. The System will not accept gifts or participate in gift planning activities if there is a question as to whether the donor has sufficient title to the assets or whether the donor is mentally competent to transfer the property legally as a gift to the System.
- 3.3. The System does not solicit gifts or market gift planning techniques as investments or securities. All disclosures required by state and federal regulatory agencies shall be made in a thorough and timely manner.
- 3.4. The System will pay no fee to any person as consideration for directing a gift by a donor to the System. Payment of this kind raises legal and ethical issues and, in the case of irrevocable deferred gifts which involve management of assets, the payment of such a fee may subject the System and its management and Board to federal and state securities regulations.
- 3.5. The System may pay reasonable fees for professional services rendered in connection with the completion of a gift to the System.
 - a. Professional fees will be paid only with the prior consent of the Vice Chancellor for University Advancement and other necessary component university officials. For deferred gift opportunities, prior disclosure to and approval of the donor is required.
 - b. Professional fees shall be reasonable and directly related to the completion of a gift. Examples include:
 - Legal fees for the preparation of documents
 - Accounting fees incident to the transaction

- Appraisal fees by independent qualified property experts
 - Cost of environmental study
 - Charges by fee for service financial planners.
- c. The System does not pay fees incurred by the donor associated with completing the gift.

3.6. Planned Giving Services

- a. Planned giving services are provided by the System through staff and volunteers in order to assist a donor with the completion of a charitable gift, which can be coordinated with personal financial and estate plans. However, the System does not give legal advice. Staff and volunteers must recommend that the donor seek the advice of the donor's own legal or tax counsel prior to making the gift.
- b. The System does not endorse any professional or fiduciary services. However, during the course of gift planning, donors may ask for, and staff or volunteers of the System may provide names of, several persons and companies who provide services that assist the donor in deciding whether to make the gift.
- c. All gift agreements shall follow a format approved by the System Office of General Counsel. No planned gift agreement shall be executed without advice from the Office of General Counsel or approved outside legal counsel. All prospective donors shall be urged to seek their own counsel in matters relating to their gift plans as well as matters involving financial, tax and estate planning.

3.7. Gifts of Insurance Policies

- a. The System encourages donors to name the System as a primary, secondary or last beneficiary under life insurance policies that they have previously purchased during their lives. The System does not encourage gift planning wherein the primary gift technique involves the purchase of a new policy of life insurance designating the System as a beneficiary.
- b. No insurance products and no insurance companies are endorsed by the System for use in funding gifts to the System.

- c. In no event shall System or component university staff become involved in the furnishing of donors' names to other persons for the purpose of marketing life insurance to those donors. This practice represents a potential conflict of interest, raises issues concerning donor relations and donor privacy, and may subject the System to regulation under state insurance law if the activity is construed as involvement in the marketing of life insurance. Any external request for donor information will be referred to the Office of General Counsel in accordance with the System Administrative Memorandum [03.H.02, Open Records](#).
- 3.8. In general, the System does not serve as trustee of charitable lead trusts or charitable remainder trusts. All such matters should be referred to the Office of Planned Giving and the Office of General Counsel.
- 3.9. The System encourages donors to name the System as a beneficiary of residual amounts that remain in a retirement plan following the death of the retiree and surviving spouse. Gifts from these plans may be established by sending a new beneficiary designation to the plan administrator.
- 3.10. Gifts by will shall be actively encouraged by the System.
- a. Attempts may be made to discover bequest expectancies in order to recognize the donors and to find opportunities for other positive donor relations.
 - b. In the event of an inquiry by a person who is making a will as to the acceptability of property proposed to be left to the System, the person shall be encouraged to make the gift in accordance with the terms and provisions of Section three of these guidelines. Such inquiries shall be referred to the Office of Planned Giving.
- 3.11. Gifts from foreign sources are subject to disclosure requirements in accordance with federal and state laws. See Section nine of this memorandum, Disclosure Of Gifts From Foreign Sources, for more information.
4. VALUATION OF GIFTS
- 4.1. The Office of Finance is responsible for valuing gifts for accounting purposes and follows IRS and Governmental Accounting Standards Board rules and guidelines in doing so.
- 4.2. The UH Office of Development is responsible for valuing gifts for donor recognition purposes in the System donor and alumni database and follows IRS and CASE rules and guidelines in doing so.

- 4.3. It is ultimately up to the donor to provide proof of the value and qualification of a gift he/she might claim as a tax deduction. Independent appraisals, when necessary for valuing a gift for tax considerations or donor credit, are the responsibility of the donor, not the component university.

5. APPROVAL OF GIFTS

- 5.1. In accordance with Board policy [32.02](#), the Board must approve the acceptance of gifts that result in the naming of a facility, college, school, program, institute or center. The Chancellor may give preliminary approval, but the Board must make final acceptance. The Board delegates to the Chancellor the final authority to accept all other gifts.
- 5.2. The Chancellor delegates to the Presidents of each component university, or their designees, authorization to approve gifts of cash, cash equivalents, publicly traded securities and routine gifts-in-kind (see definition of other property) to their respective component universities.
 - a. Such approvals are to be completed according to guidelines established by the Vice Chancellor for University Advancement who is assigned by the Chancellor to facilitate all gift approvals.
 - b. Acceptance of gifts of public securities must be done so in cooperation with the UH Office of Planned Giving.
 - c. Gifts-in-kind that can be put to use by the component university may be accepted in cooperation with the System Donor & Alumni Records department.
- 5.3. The Vice Chancellor for University Advancement will appoint a Gift Acceptance Committee to review and make recommendations on gifts of property, closely held securities, and any other type of gift not covered elsewhere in this policy.
 - a. The committee membership shall consist of the System's Chief Development Officer, Chief Advancement Services Officer and Chief Planned Giving Officer, a representative from the System Treasurer's Office, a representative from the System Office of Facilities, Planning and Construction, and other System staff and/or faculty appointed by the Vice Chancellor for University Advancement.
 - b. The committee shall obtain assistance from the Office of General Counsel as needed.
 - c. The committee shall meet as often as necessary to ensure timely processing of gift opportunities.

- d. The committee will recommend gift acceptance to the Vice Chancellor for University Advancement after following approval procedures set forth in this policy.
- 5.4. Gifts of closely held securities must be reviewed by the Executive Vice Chancellor for Administration and Finance. No commitments shall be made by the System for the repurchase of such securities prior to completion of a gift of securities.
- 5.5. Real property may be recommended for acceptance by the Gift Acceptance Committee only after due diligence work by the System Office of Facilities, Planning and Construction and review and recommendation by the Office of General Counsel and the Executive Vice Chancellor for Administration and Finance.
- a. In general, gifts of commercial or residential real estate with a value estimated at \$50,000 or greater may be considered if there is reason to believe that the property is highly marketable. The Office of University Advancement may also consider gifts with restricted marketability if the use of the property is suitable for particular System uses.
 - b. Each prospective donor shall be given a real estate disclosure checklist that will seek information about the property from the donor. Given this information, the offices of General Counsel and Facilities, Planning and Construction can proceed with their due diligence work to assess the gift opportunity.
 - c. Special attention shall be given to the receipt of real estate encumbered by a mortgage, the transfer of which to the ownership of the System may create unrelated business income for the System and adverse consequences for certain donors unless handled properly.
- 5.6. Personal property such as jewelry, works of art, collections, etc., normally shall not be accepted unless there is reason to believe the property has a value in excess of \$10,000.
- a. Personal property shall be accepted by the System if there is reason to believe that it may be readily sold. A gift of perishable property or property which requires special facilities or security to properly safeguard it may be accepted after making arrangements for that protection.

- b. A gift that purports to obligate the System to perpetual ownership shall not be accepted. The Office of University Advancement may represent to a donor that property may be held for a specific period of time or for purposes related to the tax treatment of the transfer. The Office of University Advancement will notify donors that the System will cooperate fully in matters related to IRS investigations of non-monetary charitable gifts.
 - 5.7. All gifts of insurance policies, lead trusts, charitable remainder trusts, pooled income funds, gift annuities, remainder interests and other deferred and planned gifts, must be approved by the Office of Planned Giving and the Vice Chancellor for University Advancement. Such gift opportunities having unusual characteristics or under unusual circumstances may be reviewed by the Gift Acceptance Committee.
 - 5.8. Charitable gift annuities and gifts to pooled income funds are accepted through the UH Foundation and are subject to the foundation's policies and procedures. The UH Office of Planned Giving may work closely with donors who wish to make such gifts.
 - 5.9. Appropriate inquiry shall be made and special considerations shall be given to the nature of any gift property and whether it is in keeping with the mission of the System prior to the acceptance of any gift by the System.
 - 5.10. Gifts of endowment must comply with appropriate System policies applying to endowment agreements and the establishment of endowment accounts.
 - 5.11. Gifts consisting of property that are not acceptable may be declined. The System, through the Office of General Counsel or the Office of University Advancement, shall promptly and respectfully communicate the decision to decline the gift to the donor. In the event that such a gift is from the estate of a deceased donor, the decision to decline the gift will be communicated to the legal representatives of the estate.
6. GIFT PROCESSING
- 6.1. All solicitations of cash gifts, whether unrestricted or for endowment, will instruct donors to make their gifts payable to the appropriate System component university. Under no circumstances should checks be made payable to an employee, agent or volunteer for the credit of the System.
 - 6.2. Annual fund solicitations, pledge reminders and similar periodic solicitations will request that donors send their gifts to each campus's appropriate cash receiving unit for deposit. Official response devices should use the appropriate cash receiving unit's address in the return address.

6.3. Deposit of cash gifts and cash equivalents:

- a. All non-endowed gifts of currency or checks made to System Administration or to the University of Houston will be forwarded within one day of receipt to the System Donor and Alumni Records Department.
- b. All non-endowed gifts of currency or checks made to the University of Houston Victoria will be forwarded within one day of receipt to the UHV Finance Office for deposit.
- c. All non-endowed gifts of currency and checks made to the University of Houston Downtown will be forwarded within one day of receipt to the UHD Office of University Advancement.
- d. All non-endowed gifts of currency or checks made to the University of Houston Clear Lake will be forwarded within one day of receipt to the UHCL Cashier's Office.
- e. All endowment gifts received by System Administration or any System component university will be forwarded within one day of receipt to the System Office of the Treasurer for deposit.
- f. All credit card gifts for non-endowment allocations received by System Administration or any System component university will be forwarded within one day of receipt to Donor and Alumni Records to be transacted.
- g. All credit card gifts for endowment accounts will be forwarded within one day of receipt to the System Office of the Treasury for transaction.
- h. All gifts of cash and cash equivalents must be submitted as stated above together with a gift transmittal form or official response device, along with any donor correspondence.

6.4. Gifts of Securities:

- a. All gifts of publicly traded and closely held securities are to be coordinated through the System Office of the Treasurer and the UH Office of Development.
- b. Publicly traded securities will ordinarily be sold by the System immediately upon receipt. Employees and volunteers of the System may not represent to a donor that a particular security will be held for investment by the System.

- 6.5. Gifts of real property shall be coordinated through the UH Office of Development, which shall facilitate the gift opportunity through proper approval procedures and ensure that proper gift documentation is completed.
- 6.6. Gifts of personal property intended for sale, wherever received, will be forwarded within one day of receipt together with a gift transmittal form and any donor correspondence to the System Office of the Treasurer.
- 6.7. Gifts-in-kind may be forwarded to the beneficiary department. It is the responsibility of the department business manager to ensure that appropriate inventory measures are taken. A gift transmittal form and any donor correspondence shall be forwarded within one day of receipt to the System Donor & Alumni Records department (DAR).
- 6.8. All gift documentation for other property (other than routine gifts-in-kind), insurance policies, expectancies such as wills, trusts, deferred gifts, or other instruments that make a future transfer of property to the System or component university, shall be forwarded to the UH Office of Planned Giving within one day of receipt. The Office of Planned Giving will be responsible for involving the System Gift Acceptance Committee and other appropriate System personnel in order to complete the gift.

7. GIFT RECEIPTS, ACKNOWLEDGMENTS AND REPORTING

- 7.1. The DAR maintains donor files and is responsible for preparing and distributing original gift receipts (in accordance with rules and guidelines by the IRS) to all donors with the exception of membership gifts to public broadcasting stations and private grants deposited and processed by the Division of Research and Intellectual Property Management.
 - a. All documentation for all gifts, including gift transmittal forms and official response devices, shall be promptly forwarded to DAR.
 - b. DAR shall normally issue receipts within 72 hours of receiving proper gift documentation.
 - c. Gift receipts shall be sent to the legal donor, which normally is the entity that last had legal possession of the assets. Following are examples:
 - When a check is received from a business, it is the corporation or partnership that is the legal donor, even if it was the entity's proprietor or partner responsible for securing the gift.
 - When a check is received from a family foundation, the legal donor is the foundation, not the people who formed and/or operate the foundation.

- When a check is received from a community foundation, the legal donor is the community foundation, not the person or company who originally made a gift to the community foundation and/or requested payment be made to the component university.
 - d. The System's Chief University Advancement Services Officer or his/her designee is responsible for signing IRS [Form 8283](#) when presented by a donor of a gift of property valued at \$5,000 or more.
 - e. Gifts to official System support organizations and foundations (UH Foundation, etc.) are to be receipted by those organizations and reported to DAR. See System Administrative Memorandum, [08.A.02, Private Support Organizations and Foundations](#) for further information about these entities.
- 7.2. Each System component university that receives gifts will be responsible for the prompt execution of acknowledgments and appropriate donor recognition for its own gifts. The Office of the Chancellor and the Office of Stewardship may initiate additional acknowledgments and recognition in certain appropriate situations.
- 7.3. The DAR will distribute a monthly report to the Office of Finance and the Office of Property Management itemizing all gifts of real, personal, and other property (non-monetary gifts) received. Ultimately it is the responsibility of the component university, or division thereof, receiving non-monetary gifts to advise the appropriate property manager for inventory control and insurance purposes, if applicable. If the property manager is not accountable for insurance, it is his/her responsibility to inform the appropriate person if insurance on a gift is needed.
- 7.4. The Vice Chancellor for University Advancement is responsible for reporting gift activity and fundraising results to the System Board at regular committee meetings. The System Office of Development is responsible for reporting gift activity and fundraising results to development staff and other appropriate faculty and staff on a regular basis.
- 7.5. See Section nine of this memorandum, Disclosure Of Gifts From Foreign Sources, for specific reporting requirements of such gifts to the U.S. Secretary of Education and the Texas Secretary of State.
8. DISPOSITION OF GIFTS
- 8.1. The Associate Vice Chancellor for Finance or designee shall be responsible for maintaining accurate records detailing the accounting recognition, measurement and disposition of all gifts (monetary and non-cash tangible assets such as real property, personal property, gifts-in-kind, etc.).

- 8.2. If the System sells, exchanges, or otherwise disposes of any non-monetary gift acknowledged on IRS [Form 8283](#) within two years from the date of receipt of the gift, such disposition must be reported to the donor, the DAR department, and the IRS on [Form 8282, Donee Information Return](#), within 125 days after the date of disposition. It is not necessary to file [Form 8282](#) if an item is consumed or distributed, without consideration, in fulfilling your purpose as a tax-exempt organization. For example, no reporting is required for medical supplies consumed or distributed by a tax-relief organization in aiding disaster victims.

9. DISCLOSURE OF GIFTS FROM FOREIGN SOURCES

- 9.1. Federal law (section [1011f](#) of Title 20 United States Code) requires the reporting of gifts, grants or contracts of \$250,000 or more from foreign sources. That federal law and state law (section [51.572](#) of the Texas Education Code) require the reporting of restricted gifts of any amount from foreign sources.
- 9.2. Whenever a component university receives a gift or enters into a contract with a foreign source, the value of which is \$250,000 or more, considered alone or in combination with all other gifts from or contracts with that foreign source within a calendar year, the institution component university shall file a disclosure report with the Secretary of Education on January 31 or July 31, whichever is sooner.
- a. Reports for gifts received from or contracts entered into with a foreign source other than a foreign government shall include the aggregate amount of such gifts and contracts attributable to a particular country. The country to which a gift or contract is attributable is the country of citizenship, or if unknown, the principal residence for a foreign source who is a natural person, and the country of incorporation, or if unknown, the principal place of business, for a foreign source which is a legal entity.
- b. Reports for gifts received from or contracts entered into with a foreign government shall include the aggregate amount of such gifts and contracts received from each foreign government.
- 9.3. Notwithstanding the provisions of section 9.2. above, whenever a component university receives a restricted, or conditional gift or contract from a foreign source, the institution shall make certain disclosures.
- a. For such gifts received from or contracts entered into with a foreign source other than a foreign government, the institution shall report the amount, the date, and a description of such conditions or restrictions. The report shall also disclose the country of citizenship, or if unknown, the principal residence for a foreign source who is a natural person, and the country of incorporation, or if unknown, the principal place of business, for a foreign source which is a legal entity.

- b. For such gifts received from or contracts entered into with a foreign government, the institution shall report the amount, the date, a description of such conditions or restrictions, and the name of the foreign government.
- 9.4. The Texas Secretary of State has provided a [Disclosure Statement Of Conditional Gifts From Foreign Persons \(form 2208\)](#) that may be used in accordance with sections [51.571 to 51.575](#) of the Texas Education Code and that may also be submitted to the U.S. Secretary of Education to satisfy federal reporting requirements. (20 U.S.C. section [1011f\(d\)](#) provides that if the state reporting requirements are substantially similar to the requirements of federal law, an institution is required to file a disclosure report with the Secretary of Education in lieu of the report required under section [1011f](#), where the state provides assurances that the institution has met the requirements for public disclosure under law if the state report is filed.)
- 9.5. The Associate Vice Chancellor for Finance is responsible for facilitating the disclosure of gifts and contracts from foreign sources.
- a. Each component university is responsible for reporting to the Associate Vice Chancellor for Finance or designee all qualifying gifts and contracts received in January through June no later than July 12, and all qualifying gifts and contracts received in July through December no later than January 12, in a format to be determined by the division. (Due dates to the U.S. Secretary of Education are July 31 and January 31 respectively.)
 - b. The Associate Vice Chancellor for Finance or designee will prepare disclosure reports to the U.S. Secretary of Education for approval by the Chancellor or his or her designee and submit them by the required deadlines.
 - c. The Associate Vice Chancellor for Finance or designee will submit copies of the disclosure reports to the Board at the Board meetings immediately following the months of July and January. The Board is responsible for filing the disclosure reports with the Texas Secretary of State in accordance with section [51.572](#) of the Texas Education Code.
- 9.6. Failure to comply with these federal and/or state laws could potentially result in lawsuits and/or penalties against the System.

10. REVIEW AND RESPONSIBILITIES

Responsible Parties: Associate Vice Chancellor for University Advancement
Associate Vice Chancellor for Finance

Review: Every three years, on or before March 1

11. APPROVAL

Approved: Michael Rierson
Vice Chancellor for University Advancement

Carl P. Carlucci
Executive Vice Chancellor for Administration and Finance

Renu Khator
Chancellor

Date: June 9, 2009