

**UNIVERSITY OF HOUSTON SYSTEM  
ADMINISTRATIVE MEMORANDUM**

**SECTION: University Advancement**

**NUMBER: 08.A.02**

**AREA: General**

**SUBJECT: Private Support Organizations and Foundations**

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1. PURPOSE

The Board of Regents recognizes the benefits private support organizations and foundations may bring to the institution and sets forth in Board policy [32.06](#) the conditions to ensure the existence, purpose and operations of all support organizations and foundations are consistent with System governance. This is required by Texas Government Code Section [2255.001 et seq.](#) This document defines the procedures necessary for compliance with the Board's policy.

2. APPLICABILITY

The provisions of this administrative memorandum apply to the following organizations and foundations:

- 2.1. Association for Community Broadcasting;
- 2.2. Foundation for Education and Research in Vision;
- 2.3. Houston Alumni Organization;
- 2.4. Houston Athletics Foundation;
- 2.5. UH College of Business Foundation;
- 2.6. University of Houston Foundation;
- 2.7. UH Law Foundation; and
- 2.8. Other Support Organizations Approved by the Board.

3. WRITTEN AGREEMENT

- 3.1. All support organizations must have a written agreement with the Board in accordance with Board policy [32.06](#). These agreements shall be negotiated by the Vice Chancellor for University Advancement, reviewed by General Counsel and approved by the Chancellor.

- 3.2. All such agreements must address:
  - 3.2.1. Use of the names or any parts thereof, of the University of Houston System, and its component institutions by the support organization;
  - 3.2.2. Administration and investment of funds received by the support organization/foundation for the benefit of the institution; including reporting and auditing requirements concerning assets, gifts, and distributions;
  - 3.2.3. Use of System staff, facilities, and other resources;
  - 3.2.4. Service by an officer or employee of the system and/or its component universities as an officer or director of the support organization/foundation;
  - 3.2.5. Remuneration of an officer or employee of the System and/or its component universities by the support organization/foundation;
  - 3.2.6. Access to the records and documents of the support organization/foundation by the System, including its Internal Auditor;
  - 3.2.7. The compatibility of the activities of the private support organization/foundation in relation to the mission of the System;
  - 3.2.8. Standards of conduct and disclosure requirements for financial advisors and service providers of support organizations in accordance with Board policy [58.02](#); and
  - 3.2.9. Other issues the Chancellor deems necessary in establishing rules governing all aspects of conduct of the System and its employees in relationship to the support organization/foundation.
- 3.3. Requests for new and revised support organization agreements shall be submitted to the Vice Chancellor for University Advancement.
- 3.4. All agreements shall be reviewed annually by the Vice Chancellor for University Advancement and General Counsel prior to the Chancellor's annual report to the Board.
4. REPORTING REQUIREMENTS
  - 4.1. All support organizations must submit the following information to the Vice Chancellor for University Advancement:

- 4.1.1. Articles of incorporation and bylaws: at the time the original agreement is established and whenever there are changes to either document;
- 4.1.2. List of officers and board members (names, addresses, phone numbers): at the time the original agreement is established and whenever there is a change to the membership;
- 4.1.3. Minutes to board meetings: as requested;
- 4.1.4. Audited financial reports (including but not limited to balance sheet, income statement and statement of change of financial position): within 120 days of the end of the support organization's fiscal year;
- 4.1.5. Copy of Internal Revenue Services Form 990 (and Form 990T where applicable): within 30 days after its filing;
- 4.1.6. Copy of investment policies: annually by January 31;
- 4.1.7. Signed disclosure statement: no later than January 31 of each year, from all outside financial advisors and service providers consistent with the Texas State Auditor's Office Uniform Disclosure Form;
- 4.1.8. Other financial information (itemization of assets, asset distribution, etc.): as requested;
- 4.1.9. Gift information for each donor as specified by the System Office of Development: each month or as directed otherwise by the System Office of Development; and,
- 4.1.10. Other information as determined by the Chancellor: as requested.
- 4.2. The Vice Chancellor for University Advancement will maintain a complete set of the submitted documents and disseminate audited financial reports and other financial information collected from the support organizations to the Executive Vice Chancellor for Administration and Finance.
- 4.3. Expenses incurred by a support organization on behalf of a component university are collected using the Foundation Payment Request form, which is located at <http://www.uh.edu/finance/pages/forms.htm>. These expenses are recorded in the finance system by the component General Accounting Department.
- 4.4. Costs associated with financial audits and other reporting requirements are the sole responsibility of the support organizations.

5. COMPLIANCE AND REVIEW RESPONSIBILITIES

- 5.1. The Vice Chancellor for University Advancement is responsible for conducting an annual compliance review to ensure that support organizations are in compliance with the written agreements. Results of the annual compliance review are reported to the Chancellor.
- 5.2. The Chancellor and/or his or her designee shall report to the Board annually on the compliance status of each support organization.
- 5.3. When a support organization is found to be in violation of Board policy, the Chancellor shall:
  - 5.3.1. Notify the organization's President and/or Chairperson about the non-compliance issue(s)
  - 5.3.2. Delegate responsibility and authority to the appropriate member or members of the System to proceed with negotiations with the support organization not in compliance
- 5.4. Support organizations found not to be in compliance of Board policy are subject to losing status as a support organization for the System and its component universities.
- 5.5. The Vice Chancellor for University Advancement and General Counsel are responsible for conducting an annual review of all written agreements with support organizations;
- 5.6. The Executive Vice Chancellor for Administration and Finance is responsible for conducting an annual review of all support organizations' financial statements, IRS Form 990's and implementing the necessary procedures to help ensure that all reported support provided to the System by the support organizations is properly accounted for in the System's financial records; and,
- 5.7. Colleges/Units that have an associated support organization (i.e. The UH College of Business Foundation) should develop policies and procedures to govern employee and other types of support of the organization, clearly defining situations where employee expenses should be borne by the support organization as well as the procedures for obtaining reimbursement.

6. REVIEW AND RESPONSIBILITIES

Responsible Party: Associate Vice Chancellor for University Advancement

Review: Every two years on or before March 1

7. APPROVAL

Approved: Michael Rierson  
Vice Chancellor for University Advancement

Renu Khator  
Chancellor

Date: January 12, 2011