1. PURPOSE

This administrative memorandum establishes guidelines, in accordance with Section 51.947 of the Texas Education Code, for gifts to the University of Houston System, System support organizations, and other State of Texas public universities by System employees using a payroll deduction program. These guidelines do not include the State Employee Charitable Campaign (SECC).

2. POLICY

2.1. Timing of Program: The payroll deduction program for all universities will be conducted on an ongoing basis.

2.2. Enrollment

a. Each university will conduct its own enrollment. Each Office of Development is responsible for providing marketing direction and for confirming gift allocation parameters under the general oversight and guidance of the Vice Chancellor for University Advancement through the Development Executive Staff (a committee represented by each universities chief development officers and other leadership development positions).

b. Employees may sign up to participate in the payroll deduction program at any time during the year by establishing a deduction through Employee Self Service (PASS) or contacting the Office of Development at their component university.

c. Employees may discontinue participation in the payroll deduction program at any time by giving written notice to the payroll department at their university or by discontinuing the deduction through Employee Self Service (PASS).

d. University of Houston - Clear Lake, University of Houston - Downtown, and University of Houston - Victoria work with their own payroll departments to create the payroll deduction. The payroll deduction pledge information is then sent to Gift Processing and Records (GPR) to assist in...
recording subsequent gifts in the System donor/alumni information management system.

e. At the University of Houston campus, the GPR receives payroll deduction information from these sources:

1. Employee Self Service (PASS);
2. Solicitation responses received through regular or interoffice mail.

In the second instance, the GPR is responsible for sending the deduction information to the payroll department and recording subsequent gift information in the System donor/alumni information management system.

2.3. Gift Levels and Designations

a. The minimum contribution amount through the payroll deduction program is $2.00 per month ($24.00 annually) per designation. For example, if an employee wishes to support both general scholarships and the library, a minimum gift of $4.00 per month ($48.00 annually) is required.

b. Employees may designate all or a portion of their gift to any of the universities. For example, a UH campus employee may split their gift between the UH Library and the UHD College of Business.

c. Employees may designate all or a portion of their gift to a System support organization so long as the support organization is in full compliance with rules adopted by the System in SAM 08.A.02, in compliance with Section 2255.001 of the Texas Government Code.

d. Employees may designate all or a portion of their gift to another State of Texas public university. The disbursement of these funds to the appropriate agencies is handled by the Office of Payroll.

2.4. Payroll Deduction Process

a. Deductions are made on an after-tax basis. They are not tax deferred.

b. Deductions will be taken once a month and will continue for the period of time set by the donor. Deductions for biweekly employees will be taken during the first pay cycle of each month.

c. One cost center will be established at the System level into which payroll deductions will be recorded for all campuses.

d. The Gift Processing and Records department will receive an electronic file itemizing the deductions from the Payroll Department. Gifts are
processed and distributed through the System donor/alumni information management system. It is the responsibility of Gift Processing and Records to process, reconcile, and communicate the payroll deduction information to the appropriate areas of each component university.

e. Funds will be transferred to the respective universities bank account or System endowment bank account for non-endowed and endowed contributions, respectively, by way of an electronic funds transfer submitted by Gift Processing and Records.

3. REVIEW AND RESPONSIBILITIES

Responsible Parties:  Vice Chancellor for University Advancement

                Senior Associate Vice Chancellor for Finance

Review: Every three years on or before March 1

4. APPROVAL

Approved: Eloise D. Brice
Vice Chancellor for University Advancement

Jim McShan
Senior Vice Chancellor for Administration and Finance

Renu Khator
Chancellor

Date: April 12, 2018
## REVISION LOG

<table>
<thead>
<tr>
<th>Revision Number</th>
<th>Approval Date</th>
<th>Description of Changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>01/16/2001</td>
<td>Initial version</td>
</tr>
<tr>
<td>2</td>
<td>06/09/2009</td>
<td>Applied revised SAM template to meet current documentation standards. Changed title by removing “UH.” Language change from “UH System” to “component universities” throughout document. Added information on participating in payroll deduction program throughout the year and Employee Self Service (PASS). Rewrote Section 2.4 to reflect current operating requirements. Added the AVC for University Advancement and the AVC for Finance as responsible parties; changed the review period to every two years on or before March 1st. Removed Section 5.0, Indexing Terms</td>
</tr>
<tr>
<td>3</td>
<td>10/19/2011</td>
<td>Applied revised SAM template and added new Revision Log. Changed Section 2.1 to document payroll deduction program to take place for an ongoing basis; rewrote Section 2.2d and added Section 2.2e to reflect current operating requirements. Rewrote Section 2.4, including the removal of Section 2.4f documentation</td>
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<tr>
<td>4</td>
<td>07/27/2015</td>
<td>Added information to Section 2.2.b regarding payroll deductions through PASS or contacting the Office of Development at the component university. Changed the example for Section 2.3.b from UH System at Sugar Land to UHD College of Business. Made minor redline changes to Sections 2.2.d and 2.2.e</td>
</tr>
<tr>
<td>5</td>
<td>04/12/2018</td>
<td>Removed “Component” from document’s contents. Changed “Donor and Alumni Relations” to “Gift Processing and Records” throughout procedure. Added disbursement information for gifts to another State of Texas public university in Section 2.3.d. Changed titles and links as indicated. Changed review period to every three years on or before March 1st</td>
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