

Chapter 06 -- Institutional Advancement

Date last revised: 05-08-2025

[see last page for list of amendments adopted]

06.00 **Definitions.** For purposes of this chapter, unless another definition is clearly delineated below, the definitions outlined in Chapter 00, *Regents' Rules* are assigned.

06.00.1 Definitions relating to Institutional Advancement.

- a. "Affiliated entity" shall mean those separately incorporated, nonprofit organizations with federal tax-exempt status, which, pursuant to their governing documents, exist with the primary purpose to support the TTU system or one or more of its component institutions, including, but not limited to: (i) Texas Tech Foundation, Inc.; (ii) Angelo State University Foundation; (iii) Midwestern State University Foundation, Inc.; (iv) university alumni associations; and (v) any other nonprofit organization whose governing document(s) define the organization(s)' existence to primarily support the TTU system or one or more of its component institutions. Notwithstanding anything to the contrary herein, this Chapter 06 shall apply to any affiliated entity whether in existence at the time of the effective date of these *Regents' Rules* or at a future date.
- b. "Component institution" shall have the same meaning as Section 00.01.4.c, *Regents' Rules*.
- c. "TTUS IA" shall mean the Texas Tech University System Office of Institutional Advancement.
- d. "Endowment" shall mean a fund established through gifts or bequests given to the TTU system, one or more component institutions, or an affiliated entity thereof, with donor-imposed restriction(s) that the principal be invested for the purpose of producing returns on invested capital within the TTU system long-term investment fund and that annual distributions be

made to support the charitable activities of the TTU system, one or more component institutions, or an affiliated entity thereof.

- e. "Gift," shall include the terms "gift", "charitable contribution", and/or "philanthropic grant", and shall be defined as the voluntary transfer of a thing of value, including, but not limited to, cash, checks or securities, including pledges, or an item of tangible personal or real property, made by a private donor (i.e., an individual, private foundation, corporation, or other private entity) to the TTU system, one of its component institutions, or to an affiliated entity for the benefit thereof.
- f. "Gift-in-kind" shall include a gift of real or tangible personal property, including, but not limited to, gifts of art, gifts of land, and gifts of cryptocurrency.
- g. "Restricted gift" shall be defined as a gift directly to the TTU system and/or one or more of its component institutions, where the donor has placed parameters for the specific purpose and use of the gift beyond identifying the component institution for which the gift is intended to benefit.
- h. "Unrestricted gift" shall be defined as a gift directly to the TTU system and/or one or more of its component institutions where the donor imposes no parameters on the specific purpose and use of the gift beyond designating the component institution for which the gift is intended to benefit.

06.01 Roles and responsibilities.

- 06.01.1 The board and gifts. In accordance with Sections 109.001(d), 109.104, 109A.001, 110.08, and 110.38, *Texas Education Code*, and any other applicable laws, the board is authorized to accept "gifts, grants, or donations of any kind, from any source to the extent not prohibited by state or federal law, for use by the system or any of the component institutions of the system." The board has reserved the right to approve certain gift-related namings, as outlined in Chapter 13, *Regents' Rules*.

- 06.01.2 Role of the chancellor. The board delegates responsibility to the chancellor and the vice chancellor for institutional advancement, in cooperation and coordination with component institution presidents, to establish and administer the policies and procedures for properly accepting and managing gifts. The chancellor shall fundraise for the TTU system administration and be available to support the fundraising efforts of the component institutions.
- 06.01.3 Role of the component institution presidents. The board delegates authority to the component institution presidents to establish and pursue the fundraising initiatives of their respective component institutions, in cooperation and coordination with the chancellor and the vice chancellor for institutional advancement. Consistent with the delegated authority of the board and applicable accreditation standards, the president of each component institution is responsible for the fundraising activities of the component institution, including those activities that increase the component institution's endowment and address the needs of all the component institution's schools, colleges, departments, institutes, centers and other programs, in accordance with policies and procedures established by the chancellor, system regulations and the *Regents' Rules*.

06.02 Management and coordination of activities.

- 06.02.1 Institutional advancement at the TTU system. The TTU System Office of Institutional Advancement ("TTUS IA") partners with the component institutions through innovative solutions to elevate philanthropy and promote lifelong engagement for the advancement of the TTU system community and donors. TTUS IA supports the fundraising activities of the TTU system and its component institutions, or one or more affiliated entities, including but not limited to, providing centralized services and resources supportive to the component institutions in the areas of accounting and compliance, research and prospect management, database management, nonprofit foundation and affiliated entity compliance, legal support for TTU system affiliated entities, and specific philanthropic endeavors.
- 06.02.2 University advancement activities. Each component institution shall have lead advancement officers and divisions in support of

the delegated authority and responsibility of fundraising activities to the component institution president. University advancement activities include but are not limited to, executing the philanthropic initiatives of the president, including those activities that increase the component institution's endowment and address the needs of all the component institution's schools, colleges, departments, institutes, centers and other programs through philanthropy, in coordination with TTUS IA and in accordance with policies and procedures established by the institution, chancellor, system regulations and the *Regents' Rules*.

06.03 **Gift acceptance and administration.**

- 06.03.1 Procedures. In collaboration with component institution presidents or their designee(s), it is the responsibility of the chancellor and the vice chancellor for institutional advancement to establish and administer procedures for coordinated solicitation, proper acceptance, acknowledgment, and receipt of gifts, and preparation of accurate and timely reports of gifts received.
 - a. Processes and procedures shall, as necessary and appropriate, be outlined in Chapter 04 of the TTU system regulations or delegated to the component institutions for inclusion in their operating policies and procedures.
- 06.03.2 Evaluation and acceptance of gifts to TTU system and/or its component institutions.
 - a. Evaluation of proposed gifts. Certain gifts offered may be inconsistent with institutional needs or require additional support for which resources are too limited to permit proper administration of the gift. It, therefore, shall be the responsibility of the benefitting component institution president or the designee thereof, to evaluate promptly any gift tendered and make a recommendation to the board for gifts that require the acceptance of the board, in consultation with the chancellor and the vice chancellor of institutional advancement.
 - b. Board acceptance of gifts. At its next meeting and before public announcement, the board shall formally accept gifts made

directly to the TTU system or one or more of its component institutions (and not an affiliated entity), as outlined below:

- (1) unrestricted gifts over \$1,000,000.00;
- (2) restricted gifts over \$250,000.00;
- (3) gifts-in-kind made directly to the TTU system or one or more of its component institutions.
 - (a) Gifts-in-kind valued in excess of \$250,000.00 to any one or more of the component institutions shall require board acceptance.
 - (b) Acceptance of all gifts of real property, regardless of value, type, location or designated use of the funds to be derived therefrom, must be formally approved and accepted by the board.
- c. The board delegates authority to the component institution presidents to formally accept all gifts made directly to their respective component institutions, unless otherwise specifically reserved in this Chapter 06 or Chapter 13, *Regents' Rules*.
- d. Notification to the donor. If approved for acceptance, the gift shall be formally accepted, and the donor appropriately notified. Gift receipts acknowledging the donation shall, generally, originate in TTUS IA, in accordance with TTU system regulations.

06.03.3 Endowments.

- a. Minimums for Endowments. In coordination with TTUS IA, each component institution shall be responsible for establishing minimum funding levels for Endowments, whether held by the component institution or by an affiliated entity thereof, to support its activities, including, but not limited to, scholarships, fellowships, operations, etc.
- b. Permanent Endowments. Permanent Endowments may be established by the affiliated entity and/or a component institution

when a donor stipulates that the principal of the Endowment be maintained in perpetuity and that any distributions from the Endowment be expended only for the donor-restricted purpose.

- c. Term Endowments. Term Endowments may be established by the affiliated entity and/or component institution when a donor stipulates that the principal of the Endowment may be expended after a stated period of time or upon the occurrence of a certain event(s). Establishment of a Term Endowment requires approval of the vice chancellor of institutional advancement and vice chancellor and chief financial officer if the Term Endowment is to be invested in the TTU system long term investment fund.
- d. Quasi-endowments. Quasi-endowments may be established by the board to function like a Permanent Endowment; however, the principal and distributions may be totally expended, or otherwise dissolved and repurposed, at the discretion of the board, subject to institutional policies of the TTU System.
 - i. The board delegates to the chancellor, or the chancellor's designee, the authority to establish quasi-endowment funds when such fund totals less than \$250,000.00 or to add additional funding to a previously approved and established quasi-endowment fund.

06.03.4 Uniform Prudent Management of Institutional Funds Act. Distributions from Endowments shall be governed by and in accordance with the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"), as outlined under Texas Property Code chapter 163, as may be amended and subject to the terms and conditions of the applicable donor agreement establishing the Endowment.

06.03.5 Minimums for endowed academic positions. In coordination with TTUS IA, each component institution shall be responsible for establishing minimum funding levels to support chairs, professorships, deanships, and any other academic position(s) the component institution currently utilizes or otherwise desires to establish.

- 06.03.6 Exigent Circumstances. When an emergency or exigent circumstances exist and it is not feasible or practical to convene a quorum of the board within the time in which action is needed, approval may be given for the acceptance of a gift submitted by the chancellor and vice chancellor for institutional advancement, or their designees, by verbal approval of the chair and vice chair of the board. The board, as a whole, will be made aware of the acceptance or rejection of the gift at the time the decision is made and, if accepted, the gift shall be presented to the board as an information item at the next board meeting.

06.04 Restrictions.

- 06.04.1 Adherence to donor-identified purpose(s). Those gifts that are earmarked by the donor or donors for a specific purpose must be used for that purpose only. No official or employee of the TTU system or component institution may divert such a gift, whether principal or income generated from the fund, for any other purpose unless authorized by law. In the event a modification to the donor-identified purpose becomes necessary, TTUS IA shall work with the necessary parties, including the benefitting component institution, affiliated entity, donor, and Attorney General for the State of Texas, if necessary, to modify the terms of the gift as may be appropriate and in accordance with Texas law.
- 06.04.2 Prohibition on fundraising for gifts designated as salary supplementation. No employee of the TTU system, its component institutions, or an affiliated organization may fundraise for or otherwise accept gifts, donations or other forms of consideration designated by a donor to be used for the sole purpose of supplementing that employee's salary or the employee's position's salary within the TTU system or a component institution; provided, however, this shall not be deemed to restrict or usurp the ability of the component institution president to approve exceptions to salary expenditures for endowed academic positions as allowable under a component institution's operating policies.
- 06.04.3 Prohibition on illegal or unlawful use. Under no circumstances shall the TTU system or a component institution knowingly accept a gift subject to donor restrictions that are considered unlawful or illegal pursuant to applicable federal or state law.

06.05 **Affiliated entities.**

06.05.1 The board and TTU system recognize the importance of legally incorporated non-profit organizations (affiliated entities) whose primary purpose is to benefit the TTU system and/or one or more of its component institutions. While separate legal organizations, affiliated entities have shared objectives and obligations with the board and TTU system in upholding fiduciary responsibilities and the public's trust. In accordance with this shared responsibility, all gifts raised through an affiliated entity for the benefit of the TTU system or one or more of its component institutions shall be supported and/or coordinated by TTUS IA and the benefitting component institution(s). Affiliated entities are the preferred depositories for gifts and philanthropic grants benefitting:

- a. The Texas Tech Foundation, Inc. ("TTFI") is a Texas nonprofit corporation qualified under section 501(c)(3) of the Internal Revenue Code of 1983, as amended, organized and operated exclusively to support and promote all component institutions of the TTU system through philanthropic support. TTFI is the preferred depository for all gifts and philanthropic grants benefitting the TTU system and all component institutions.
- b. The Angelo State University Foundation, Inc. ("ASUF") is a Texas nonprofit corporation qualified under section 501(c)(3) of the Internal Revenue Code of 1983, as amended, organized and operated exclusively for the support of Angelo State University, a member of the TTU system. ASUF is the preferred depository for all gifts and philanthropic grants benefitting Angelo State University.
- c. The Midwestern State University Foundation, Inc. ("MSUF") is a Texas nonprofit corporation qualified under section 501(c)(3) of the Internal Revenue Code of 1983, as amended, organized and operated exclusively for the support of Midwestern State University, a member of the TTU system. MSUF is the preferred depository for all gifts and philanthropic grants benefitting Midwestern State University.
- d. In addition to the nonprofit corporations listed above, there are numerous other affiliated entities established solely for the

benefit of the TTU system or one or more of its component institutions. All gifts raised through an affiliated entity for the benefit of the TTU system or one or more of its component institutions shall be supported and/or coordinated by TTUS IA. A more inclusive, though not exhaustive, list of Affiliated Entities shall be maintained in Chapter 4 of the Texas Tech University System Regulations.

- 06.05.2 Memoranda of understanding. The TTU system and its component institutions shall engage affiliated entities to develop, execute and review Memoranda of Understanding (“MOU”), or the equivalent thereof, to ensure existence, alignment of missions and operations of all such organizations are in compliance with federal, state, and local laws and are consistent with the board’s policies and objectives for the TTU system. The process shall involve the benefitting component institution(s) and the affiliated entity, including the component institution president, the affiliated entity’s chief executive officer, or the equivalent thereof, and the chair of the affiliated entity. Representatives of the component institution’s office of advancement, TTU system’s offices of the chancellor, institutional advancement, and general counsel, should be engaged as necessary throughout the process.

- 06.05.3 Periodic assessment. The TTU system and its component institutions shall engage affiliated entities to periodically assess the role and effectiveness of the affiliated entity and its relationship with its supported component institution(s) by reviewing the MOU every three (3) years following execution. The renewal period and responsible parties should be clearly identified in the MOU.

Dates Approved or Amended:

- *Comprehensive review of chapter*08-09-2013 • amendments throughout
- *Amendment*10-11-2013 • added §06.01.5
- *Technical adjustment*10-10-2014 • to §06.05.4.b
- *Amendments*03-06-2015 • to §06.03.2 and §06.03.3
- *System cleanup legislation revisions*10-09-2015 • to §06.01.2.b

-- <i>Amendments</i>	08-05-2021	<ul style="list-style-type: none"> • to deleted §06.06 related to namings
-- <i>Amendment</i>	09-01-2021	<ul style="list-style-type: none"> • added §06.05.4.e
-- <i>Comprehensive review of chapter</i>	08-11-2022	<ul style="list-style-type: none"> • amendments throughout
-- <i>Amendment</i>	05-08-2025	<ul style="list-style-type: none"> • added §06.00.1.d definition of an endowment was moved from the LTIF policy statement • §06.02.1 updated to reference “prospect management” • newly added §06.03.3. with subsections added addressing: 1) establishing minimums for endowments; incorporates language related to permanent endowments; 2) incorporating language related to permanent endowments; 3) incorporates language related to quasi-endowments from the LTIF policy statement; and 4) added language to align with the Uniform Prudent Management of Institutional Funds Act.

See also the document entitled “Comprehensive Reviews and Updates” for a more complete explanation of the amendments listed above.