



TEXAS TECH UNIVERSITY

Operating Policy and Procedure

OP 02.04: Processing, Management, and Publicity of Gifts and Grants from Private Philanthropic Sources

DATE: April 26, 2012

PURPOSE: The purpose of this Operating Policy and Procedure (OP) is to set forth Texas Tech University policies and procedures related to processing, management, and publicity of all gifts, donations, and non-contractual grants from private philanthropic sources, e.g., individuals, foundations, and corporations.

REVIEW: This OP will be reviewed in April of even-numbered years by the vice chancellor for institutional advancement (VCIA). Changes regarding financial procedures will be made with the concurrence of the chief financial officer (CFO).

POLICY/PROCEDURE

1. General

- a. Texas Tech University (TTU) personnel shall not delay the processing of cash, securities, or other gift instruments. These documents shall not be retained or carried by employees except to facilitate their processing. Such documents shall be delivered to the Office of Institutional Advancement (OIA) within one working day of receipt. Upon receipt by the OIA, funds shall be deposited within three working days; however, funds of more than \$100 shall be deposited no later than the following day.
- b. Gifts may be restricted as to use to a specific unit of TTU or to the discretion of a particular member of the staff. However, such restricted gifts are acceptable only if they are applicable to existing programs and uses and with advance approval of the appropriate officer of the institution. Any such restrictions must be stated in writing by the donor.

2. Investment Management Fee

- a. Except as noted in 2(b) below, gifts to TTU and/or Texas Tech Foundation, Inc. (TTFI) shall not be subject to any internal fees.
- b. Due to the costs at the time of liquidation, a one-time development fee of 5 percent will be assessed on the following:
 - (1) All gifts from life insurance policies;
 - (2) All gifts from bequests; and
 - (3) All gifts-in-kind that are to be liquidated rather than held by TTU or TTFI, excluding those gifts-in-kind that are readily marketable securities.

- c. The 5 percent development fee shall not apply to gifts that are designated to establish an endowment fund or to increase an existing endowment fund, even when they are from life insurance, bequests, or gifts-in-kind.
- d. Waivers of the 5 percent development fee will be granted only in limited circumstances and only when good cause is shown for the waiver. If a waiver of the development fee is requested regarding a particular gift, such request must be made in writing directed to the VCIA. Any waiver must be approved by the CFO upon the recommendation of the VCIA.
- e. All endowment funds invested in the Long Term Investment Fund (LTIF) will be subject to an investment management fee of 0.5 percent in accordance with Section 09.02.19.a, *Regents' Rules*.
- f. All development and investment management fees collected will be accumulated and forwarded to the accounts established for the deposit of such fees.

3. Receipts and Acknowledgment Letters

The OIA shall be responsible for generating the following acknowledgment letters and receipts to the donors for gifts made to TTU and TTFI:

- a. A letter receipt personally signed by the chancellor to the donor if the gift is valued at \$500 or more, including gifts-in-kind appraised at \$500 or more; or
- b. A letter receipt bearing the scanned signature of the chancellor to the donor if the gift is valued at less than \$500.
- c. In addition to the above, gifts restricted to a given college, school, department, or program may be acknowledged in writing by an appropriate dean, chair, or director.

4. Publicity

- a. The VCIA, in coordination with the faculty/staff contact person, the donor, and the Office of Communications and Marketing, is responsible for coordinating all publicity related to gifts. In all cases, any special desires of the donor and good taste will prevail.
- b. Before any gift can be publicized, the faculty/staff contact person shall obtain the permission of the donor authorizing publicity of the gift.