

## **GIFTS AND ENDOWMENTS**

### *Table of Contents*

#### **9-100 INTRODUCTION**

#### **9-200 AUTHORITY TO SOLICIT AND ACCEPT GIFTS**

##### *9-210 AUTHORITY OF THE PRESIDENT*

##### *9-220 DELEGATION OF AUTHORITY FOR GIFT MATTERS: CHANCELLORS, VICE PRESIDENT-- AGRICULTURE AND NATURAL RESOURCES, AND SENIOR VICE PRESIDENT—UNIVERSITY AFFAIRS*

##### *9-230 CONDITIONS OF DELEGATION OF GIFT AUTHORITY*

#### **9-300 AUTHORITY TO CONDUCT FUNDRAISING CAMPAIGNS**

##### *9-310 REGENTS' POLICY AND AUTHORITY OF THE PRESIDENT*

##### *9-320 DELEGATION OF AUTHORITY TO APPROVE AND CONDUCT FUNDRAISING CAMPAIGNS*

#### **9-400 CAMPUS FOUNDATIONS AND UNIVERSITY SUPPORT GROUPS**

##### *9-410 POLICIES ON CAMPUS FOUNDATIONS AND UNIVERSITY SUPPORT GROUPS*

##### *9-420 EXTERNAL AUDIT PROGRAM FOR CAMPUS FOUNDATIONS*

#### **9-500 DISTINGUISHING BETWEEN PRIVATE GIFTS AND GRANTS FOR RESEARCH**

##### *9-510 PRESIDENTIAL POLICY: REVIEW OF GIFTS/GRANTS FOR RESEARCH*

##### *9-520 GUIDELINES ON UNIVERSITY-INDUSTRY RELATIONS*

#### **9-600 ADMINISTRATION OF GIFTS**

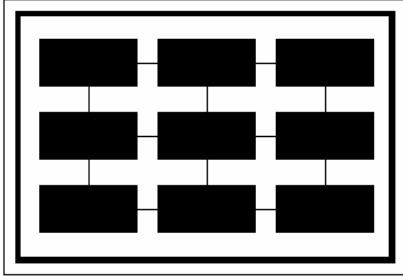
##### *9-610 ACCEPTANCE OF GIFTS*

##### *9-620 REPORTING*

##### *9-630 COORDINATING GIFT AND GRANT ACTIVITIES*

#### **9-700 DELEGATION OF GIFT AUTHORITY AND REQUIREMENTS FOR DEPARTMENT OF ENERGY LABORATORIES**

##### *9-710 LABORATORY DIRECTOR'S CONTINGENCY FUND*



University of California  
Office of the President

Chapter: **9**

Page 2 of 11

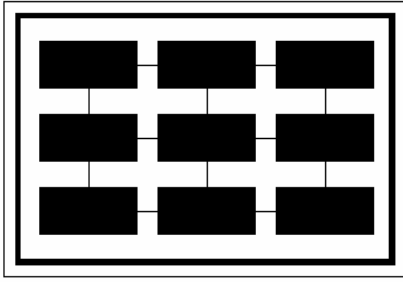
**Contract and Grant Manual**

Issued: March 23, 2006

---

*9-720 GIFTS FOR RESEARCH TO LAWRENCE BERKELEY LABORATORY*

**9-999 RELATED UNIVERSITY REFERENCES**



## **9-100 INTRODUCTION**

The University's policies and procedures on the administration of gifts and endowments are set forth in the *Development Policy and Administration Manual* [<http://www.ucop.edu/ucophome/policies/devpol/>]. While the administration of private grants is subject to policies and procedures in this *Contract and Grant Manual*, there are some overlapping reporting requirements from both *Manuals* which must be followed in the reporting of private grants. However, private grants are considered extramural awards subject to administration under this *Contract and Grant Manual*. This chapter of the *Contract and Grant Manual* is intended to summarize and highlight the essential elements of the University's gift policies. Sections 9-200 through 9-600 below summarize gift policies applicable to the campuses and Office of the President. Section 9-700 summarizes gift policies applicable to the University's Department of Energy Laboratories.

## **9-200 AUTHORITY TO SOLICIT AND ACCEPT GIFTS**

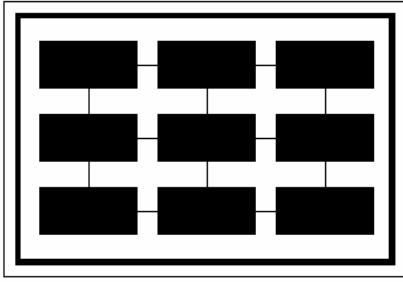
### *9-210 AUTHORITY OF THE PRESIDENT*

Solicitation and acceptance of pledges and gifts are authorized under the Bylaws and Standing Orders of The Regents of the University of California. Standing Order 100.4 [<http://www.universityofcalifornia.edu/regents/bylaws/so1004.html>], Duties of the President of the University, Section (dd) states in part: "... the President is authorized to execute on behalf of the Corporation all contracts and other documents necessary in the exercise of the President's duties, including documents to solicit and accept pledges, gifts, and grants..." The Standing Order then limits the power of the President by specifying that The Regents' approval is required for solicitation or acceptance of any gift that involves:

- a. exceptions to approved University programs and policies [Standing Order 100.4(dd)(1)];
- b. obligations on the part of the University to expenditures or costs for which there is no established fund source [Standing Order 100.4(dd)(1)];
- c. construction of facilities not previously approved [Standing Order 100.4(dd)(8)];

### *9-220 DELEGATION OF AUTHORITY FOR GIFT MATTERS: CHANCELLORS, VICE PRESIDENT-- AGRICULTURE AND NATURAL RESOURCES, AND SENIOR VICE PRESIDENT—UNIVERSITY AFFAIRS*

The authority granted to the President to solicit and accept gifts up to \$5 million under Standing Order 100.4(dd) has been delegated by the President to Chancellors, the Vice President--Agriculture and Natural Resources, and the Senior Vice President -- University Affairs within their respective jurisdictions [March 23, 1994 <http://www.ucop.edu/ucophome/coordrev/da/da2011.html>]. (The delegation of this authority to Laboratory Directors is discussed below in 9-710.) Any redelegation of this authority must be in writing. Note that the authority to solicit and accept grants is included in the same section of Standing Order 100.4(dd) as the authority to solicit and accept pledges and gifts. However, there is a separate delegation that establishes



contract and grant authority apart from the delegation that establishes gift authority (refer to Chapter 13 of this *Manual*). Authority to solicit private grants is included in the contract and grant delegation and is excluded from the delegation of gift authority.

In the aforementioned delegation, the President also delegated to the Senior Vice President -- University Affairs the authority to accept gifts to the University which have not been designated for a specific campus, or which have been designated for use by more than one campus or on a Universitywide basis or are over the \$5 million limit noted above.

#### **9-230 CONDITIONS OF DELEGATION OF GIFT AUTHORITY**

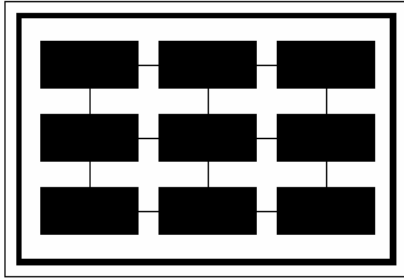
The delegation of authority from the President to solicit and accept gifts also specifies that solicitation and acceptance of certain gifts requires Regents' approval, as outlined in Section 9-210. In addition to those restrictions, the delegation is subject to the following conditions:

- a. If there is any ambiguity in the terms of a gift proposal, the matter shall be referred to the General Counsel for interpretation and advice. Copies of the advice letter shall be provided to the Senior Vice President -- University Affairs. If there is any doubt whether gift terms comply with the policies of the University, including those set forth in the *Development Policy and Administration Manual*, the question shall be referred to the Senior Vice President--University Affairs for interpretation and advice prior to acceptance.
- b. Gifts to The Regents shall be administered, documented, and reported in accordance with established University policies and procedures.
- c. Gifts to Campus Foundations and University Support Groups shall be administered, documented, and reported in accordance with the *Policy and Administrative Guidelines on Support Groups, Campus Foundations, and Alumni Associations* [<http://www.ucop.edu/ucophome/policies/support/>]. (See 9-410)
- d. Gifts to The Regents shall be accepted in the name of and become the property of The Regents of the University of California.

#### **9-300 AUTHORITY TO CONDUCT FUNDRAISING CAMPAIGNS**

##### **9-310 REGENTS' POLICY AND AUTHORITY OF THE PRESIDENT**

The Regents' *Policy on Fundraising Campaigns* (July 16, 1993) [<http://www.universityofcalifornia.edu/regents/policies/6070.html>] defines fundraising campaigns as organized efforts to solicit gifts and grants for any University purpose from multiple private sources such as individuals, firms, corporations, groups, and/or foundations. This Policy applies to all forms of fundraising campaigns for the benefit of the University, whether conducted by the University, Campus Foundations, University Support Groups, or individuals or organizations outside the University. The Policy does not apply



to instances where family or friends of a deceased person announce that contributions may be sent to the University in lieu of other remembrances.

All fundraising campaigns are subject to the following conditions:

- a) All fundraising activities shall conform to established University programs and policies; and
- b) Fundraising activities shall not obligate the University to expend funds in excess of budgeted items.

#### **9-320 DELEGATION OF AUTHORITY TO APPROVE AND CONDUCT FUNDRAISING CAMPAIGNS**

The President has delegated authority to approve and conduct fund-raising campaigns to the Chancellors, the Vice-President--Agriculture and Natural Resources, and the Senior Vice-President--University Affairs [May 26, 1994 <http://www.ucop.edu/ucophome/coordrev/da/da2018.html>]. The delegation contains the restrictions and conditions outlined in the *Regents' Policy on Fundraising Campaigns* (July 16, 1993). The authority to approve fundraising campaigns may not be re-delegated.

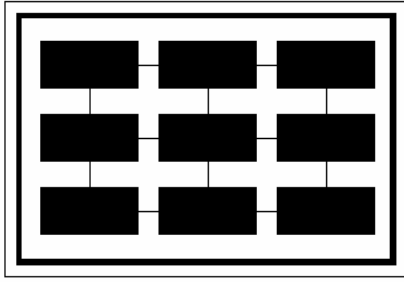
While a fundraising campaign may be approved by The Regents according to Regents' policy, and by the President, the Chancellors, the Vice President --Agriculture and Natural Resources, or the Senior Vice-President--University Affairs as provided in the delegation of authority, the acceptance of gifts and private grants themselves in support of fundraising campaigns must be accordance with the delegations of authority which cover gifts and contracts and grants. (See Chapter 13 of this *Manual* for further information on delegation of contract and grant authority <http://www.ucop.edu/raohome/cgmanual/chap13.html#13-610>.) As such, individual gifts in excess of the authority delegated by the President to Chancellors and the Vice Presidents must be approved separately by the President or Senior Vice President – University Affairs, even if they are part of a previously approved fundraising campaign. Individual grants in excess of the contract and grant authority delegated to Chancellors and Vice Presidents must be accepted by the Office of the President Research Administration Office.

#### **9-400 CAMPUS FOUNDATIONS AND UNIVERSITY SUPPORT GROUPS**

##### **9-410 POLICIES ON CAMPUS FOUNDATIONS AND UNIVERSITY SUPPORT GROUPS**

The *Policy and Administrative Guidelines on Support Groups, Campus Foundations, and Alumni Associations* was adopted by The Regents on September 15, 1995.

[<http://www.universityofcalifornia.edu/regents/policies/6078.html>] *Foundation Guidelines and Support Group Guidelines* [<http://www.ucop.edu/ucophome/coordrev/policy/2-12-04.html>] were issued by the Senior Vice Presidents—Business and Finance and University Affairs in February, 2004. The *Administrative Guidelines for Campus Foundations* [<http://www.ucop.edu/ucophome/coordrev/policy/2-12-04foundation-guidelines.html>] states that



A Chancellor may recognize as a Campus Foundation a single organization that has the following characteristics:

- a. is created and operated solely in support of the University's interests;
- b. has as its purpose the securing, management, and investment of private support for the benefit of the campus; and
- c. among recognized organizations, provides the major private support for the campus.

The *Policy and Administrative Guidelines on Support Groups, Campus Foundations, and Alumni Associations* is incorporated in the delegation of authority to solicit and accept gifts (see 9-220). Campus Foundations and tax-exempt University Support Groups may solicit gifts. Campus Foundations and University Support Groups have *not* been delegated contract and grant authority and, therefore, are *not* authorized to solicit grants for research, training, and public service, which come under the delegation of contract and grant authority.

#### 9-420 *EXTERNAL AUDIT PROGRAM FOR CAMPUS FOUNDATIONS*

Each January, the Board of Regents is presented with an external audit of Campus Foundations. Financial activities of recognized foundations and support groups are governed by the *Guidelines* issued in February 2004.

#### **9-500 DISTINGUISHING BETWEEN PRIVATE GIFTS AND GRANTS FOR RESEARCH**

##### 9-510 *PRESIDENTIAL POLICY: REVIEW OF GIFTS/GRANTS FOR RESEARCH*

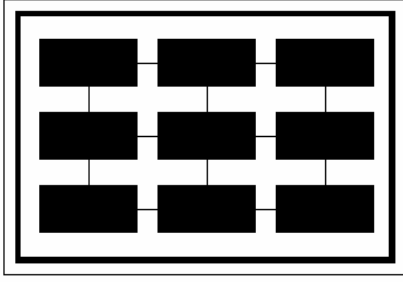
In a Report of the Office of the Auditor General to the Joint Legislative Audit Committee, August 1, 1978, titled "University of California: Review of Privately Supported Research," the State Auditor General concluded that in many cases monies awarded to the University which should have been classified and processed as grants were classified and processed as gifts.

To clarify this situation and to insure greater consistency among campuses, the President issued a policy entitled *Review of Gifts/Grants for Research* on July 8, 1980.

[<http://www.ucop.edu/ucophome/coordrev/policy/7-08-80.html>] Following are the guidelines specified in this Policy:

In general, classify funds as gifts when the following characteristics exist:

- donor does not impose contractual requirements;
- funds are awarded irrevocably.



In general, classify funds as grants when the following characteristics exist:

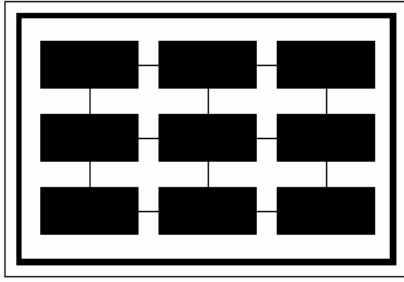
- provision for audits by or on behalf of the grantor;
- the grantor is entitled to receive some consideration such as a detailed technical report of research results or a report of expenditures;
- testing or evaluating of proprietary products is involved;
- the research is directed to satisfying specific grantor requirements (e.g., terms and conditions stating a precise scope of work to be done rather than a general area of research);
- a specified period of performance is prescribed or termination is at the discretion of the grantor;
- funds unexpended at end of period shall be returned to the grantor;
- patent rights requested by grantor.

Since, in many situations not all of the above characteristics will be present, campuses must exercise judgment in order to classify the gift/grant in accordance with the intent of this *Policy*. The decision as to whether a particular award should be considered a gift cannot be made based upon the presence or absence of a single characteristic or criterion. Rather, one must look at the award as a whole in order to make a judgment as to its proper classification.

Regardless of whether an award is designated as a gift or a grant (or a contract), it will be subject to the research review process as well as to the administrative rules and procedures which apply to all University funds. The processing of gifts does not include the application of indirect costs, but may include assessment of a campus gift fee. Indirect costs are discussed in Chapter 8 of this *Manual*. Processing of grants and contracts will include the application of indirect costs in accordance with University policy set forth in Chapter 8.

#### 9-520 *GUIDELINES ON UNIVERSITY-INDUSTRY RELATIONS*

On May 17, 1989, the President issued *Guidelines on University-Industry Relations* [<http://www.ucop.edu/ucophome/coordrev/policy/5-17-89.html>]. Guideline 12, "Recovering Costs from Research Sponsors: Gift/Grant Distinctions," reconfirms the importance of adhering to the University *Policy on Review of Gifts/Grants for Research*: "The proper distinction between gifts and grants, with the different obligations in each case, is important to the integrity of the University's sponsored research program."



## **9-600 ADMINISTRATION OF GIFTS**

### *9-610 ACCEPTANCE OF GIFTS*

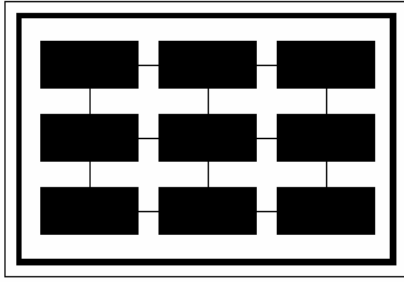
Private grants are accepted under the delegation of contract and grant authority and are solicited and accepted according to the procedures outlined in Chapter 2 and Chapter 13 of this *Manual*. Acceptance of gifts falls under the delegation of gift authority and follows procedures outlined in the *Development Policy and Administration Manual*.

A gift to the University becomes legally complete upon notification to the donor of the University's acceptance of the gift. Such notification should include the date of receipt of the gift and the amount or a description of the gift sufficient to link it to the donor's records. An acknowledgment provides timely confirmation to a donor that a gift has been received and may or may not also constitute an acceptance of a gift. If an acknowledgment letter is signed by a person authorized to accept gifts on behalf of the University, indicates acceptance, and includes a description of the gift and the date of receipt, it constitutes legal acceptance of the gift. Letters of acknowledgment from persons other than those with delegated acceptance authority do not constitute legally recognized acceptance and should not state or imply that a gift has been accepted. Chancellors are responsible for establishing appropriate acceptance procedures for their campuses.

### *9-620 REPORTING*

All gifts and private grants are reported to their respective campus Development Offices. Within the Office of the President, gifts are processed by Development Policy and Administration unit of the Senior Vice President – University Affairs. Private grants are accepted and administered by the OP Research Administration Office and reported to the OP Development Policy and Administration unit. At the campuses, the campus Development Office processes gifts and the campus Research Administration or Sponsored Project Office accepts and administers private grants which it reports to the campus Development Office. Campus Development Offices report the aggregate totals of all campus private gifts and grants to the OP Development Policy and Administration unit quarterly and annually so that the Development Policy and Administration Office can compile Quarterly and Annual Reports to The Regents on Private Support to the University. In addition, campuses report private gift and grant totals annually to the Council for Financial Aid to Education (CFAE) Survey of Voluntary Support of Education.

The Gift/Private Grant Acceptance Report (UDEV 100) is the University's official internal record of acceptance of a donation by an authorized official. This form should be used to report each gift, pledge, or grant from a non-government source. Some campuses may use a modified electronic contract and grant award form for reporting private grants, in accordance with guidelines produced by the OP Development Policy and



Administration Office. Reporting instructions are included on the cover sheet that accompanies the hard copy of the UDEV 100.

Since July 1983, acceptance reports have been initiated in the Office of the President only for gifts requiring Presidential or Regents' approval, after which they are sent to the campus for completion. Forms for all other gifts are initiated by the campus either in the department that received the gift or in the central gift processing office, depending on campus procedures.

#### *9-630 COORDINATING GIFT AND GRANT ACTIVITIES*

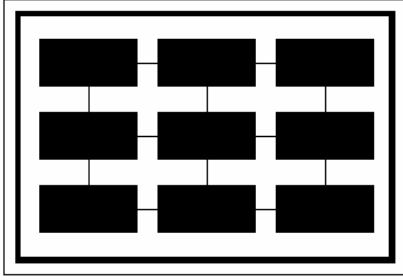
It is important to the success of contracts and grants and development activities that close cooperation be maintained between Research Administration or Sponsored Projects and Development Offices. Because the Research Administration and the Development Offices on a campus may be working with the same private sponsors, because procedures must be developed for making the gift/grant distinction, and because private grants must be reported to both the Office of the President Research Administration Office and the Development Policy and Administration Office, each campus has developed procedures to coordinate contract and grant and gift award processing activities. In addition, Research Administration Offices may be called upon to play a special role in major fund-raising campaigns and Development Offices may be called upon to develop matching funds for contract and grant awards.

#### **9-700 DELEGATION OF GIFT AUTHORITY AND REQUIREMENTS FOR DEPARTMENT OF ENERGY LABORATORIES**

##### *9-710 LABORATORY DIRECTOR'S CONTINGENCY FUND*

The President has re-delegated part of the authority delegated under Section 100.4(dd) of the Standing Orders of the Regents to the Laboratory Directors of the Lawrence Berkeley National Laboratory and the Lawrence Livermore National Laboratory (DA 0730 May 11, 1982). The President has delegated the authority to solicit and accept gifts from private sources solely for the purpose of establishing and maintaining a fund to be known as the Director's Contingency Fund. Individual gifts shall not exceed \$5,000; no more than \$25,000 shall be accepted each fiscal year; and the balance in the Director's Contingency Fund shall at no time exceed \$25,000. The delegation of authority includes conditions for *the Administration of the Director's Contingency Funds and Procedures for Gift Acceptance*. The delegation includes the same requirements for Regents' approval as outlined in Section 9-220. The authority may not be redelegated.

##### *9-720 GIFTS FOR RESEARCH TO LAWRENCE BERKELEY LABORATORY*

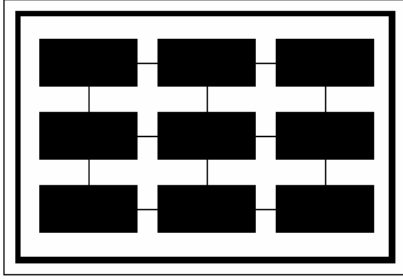


In addition to the May 11, 1982 delegation, the President has delegated part of the authority under Section 100.4(dd) of the Standing Orders to the Director of the Lawrence Berkeley Laboratory to solicit and accept gifts for research, including gifts of equipment, with an individual value not exceeding \$100,000 [March 24, 1986 <http://www.ucop.edu/ucophome/coordrev/da/da0896.html>]. The delegation includes the same requirements for Regents' approval as outlined in Section 9-220 and is subject to the following conditions:

- a. Gifts shall be accepted in the name of and become the property of The Regents of the University of California.
- b. If there is any ambiguity in the terms of a gift proposal, the matter shall be referred to the General Counsel for interpretation and advice. Copies of shall be provided to the Senior Vice President—University Affairs. If there is any doubt about whether gift terms comply with the policies of the University, including those set forth in the *Development Policy and Administration Manual*, the questions shall be referred to the Senior Vice President—University Affairs before acceptance.
- c. Gifts shall be solicited, accepted, administered, documented, and reported in accordance with applicable University policies and procedures.
- d. Consultation with the Department of Energy (DOE) shall be initiated by the Laboratory Director whenever there is any question of compliance with the DOE contract, scope of work, or budget.

#### **9-999 RELATED UNIVERSITY REFERENCES**

- *Development Policy and Administration Manual* <http://www.ucop.edu/ucophome/policies/devpol/>
- Standing Order 100.4, Duties of the President of the University; Section (dd).  
<http://www.universityofcalifornia.edu/regents/bylaws/so1004.html>
- Bylaw 21.3, Secretary of The Regents, Section (f)(2)(aa).  
<http://www.universityofcalifornia.edu/regents/bylaws/bl21.html#bl21.3>
- Presidential Delegation of Authority--To Solicit and Accept Gifts, to Chancellors, Vice President--Agriculture and Natural Resources and Vice President—University Affairs, March 23, 1994.  
<http://www.ucop.edu/ucophome/coordrev/da/da2011.html>
- Policy on Support Groups, Campus Foundations, and Alumni Associations, September 15, 1995  
<http://www.ucop.edu/ucophome/coordrev/policy/9-15-95rp6078.html>
- *Administrative Guidelines Governing University Support Groups*, issued on February 12, 2004.  
<http://www.ucop.edu/ucophome/coordrev/policy/2-12-04support-guidelines.html>



- *Administrative Guidelines for Campus Foundations*, February 12, 2004.  
<http://www.ucop.edu/ucophome/coordrev/policy/2-12-04foundation-guidelines.html>
- *Policy on Fundraising Campaigns*, November 19, 1993.  
<http://www.ucop.edu/ucophome/coordrev/policy/7-16-93rp.html>
- Presidential Delegation of Authority--To Approve and Conduct Fundraising Campaigns to Chancellors, Vice President--Agriculture and Natural Resources, and Senior Vice President—University Affairs, May 26, 1994. <http://www.ucop.edu/ucophome/coordrev/da/da2018.html>
- *Presidential Policy on Review of Gifts/Grants for Research*, July 8, 1970.  
<http://www.ucop.edu/ucophome/coordrev/policy/7-08-80.html> (Reprinted in the *Development Policy and Administration Manual*, Section: Original Source Documents)
- Presidential Delegation of Authority--To Solicit and Accept Gifts for the purpose of establishing a Director's Contingency Fund, to Directors, Lawrence Berkeley Laboratory, Lawrence Livermore National Laboratory, and Los Alamos National Scientific Laboratory, DA 0730 May 11, 1982.
- Presidential Delegation of Authority--To Solicit and Accept Gifts for Research, to the Director, Lawrence Berkeley Laboratory, March 24, 1986. <http://www.ucop.edu/ucophome/coordrev/da/da0896.html>
- Guidelines on University - Industry Relations, May 17, 1989  
<http://www.ucop.edu/ucophome/coordrev/policy/5-17-89.html>
- *Administrative Guidelines for Campus Alumni Associations and Constituency Alumni Groups*, January 27, 1999 <http://www.ucop.edu/ucophome/policies/support/alumniguide.html>