

# UC Davis Policy and Procedure Manual

## Chapter 260, Gifts and Endowments

### Section 15, Solicitation and Acceptance of Private Support

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Responsible Department: University Relations

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#### I. Purpose

This section outlines the basic policies and procedures governing the solicitation and acceptance of private support, including gifts, pledges, philanthropic private grants, and similar contributions from private sources.

#### II. Definitions

- A. Acceptance—agreement between the University and the donor to the terms and conditions of a gift.
- B. Acknowledgement—written notification sent to inform a donor that private support has been received (see Section 260-25).
- C. Donor—individuals, trusts, estates, corporations, business and professional associations, foundations, and other non-government agencies or organizations who give private support to the University.
- D. Gift—anything of assignable value that is voluntarily and legally transferred to the University's ownership and possession, is donative in intent, is without expectation of tangible compensation, is awarded irrevocably, and for which contractual or grant requirements generally are not imposed.
- E. Philanthropic private grant—an award that is noncontractual in nature but for which one or more of the following characteristics might apply:
  - 1. Provision for audits by grantor.
  - 2. Specified period of performance is prescribed or termination is at the discretion of the grantor.
  - 3. Grantor requires report of research results or expenditures.
  - 4. Testing or evaluation of proprietary products is involved.
  - 5. Grantor states a precise scope of work rather than general area of research.
  - 6. Unexpended funds must be returned to the grantor.
  - 7. Grantor requests patent rights or right to review publications prior to submission.

The determination of when private support constitutes a philanthropic private grant must be made by looking at the award in its entirety rather than through a defined set of criteria.

- F. Receipt—IRS specified written notification sent to a donor after private support is received (see Section 260-25).
- G. Solicitation—submission of a verbal or written proposal or letter of intent that seeks private support or proposes to accept a proffered gift, including the nature and scope of research to be conducted under a proposed gift in support of research.

#### III. Policy

- A. Policy regarding private support originates in the Standing Order of The Regents 100.4(dd) with certain authority to solicit and accept private support delegated to the President, and from the

President to the Chancellor (see DA 2011 for further redelegation of authorities).

- B. The terms and conditions of any private support solicited or accepted for the University shall conform with established University programs and policy and shall not constitute a commitment requiring expenditures in excess of budgeted items, or obligations on the part of the University to expenditures or costs for which there is no established fund source.
- C. All private support shall be accepted in the name of, and become the property of, The Regents of the University of California or the UC Davis Foundation and shall be managed according to University fiscal and investment policies and practices.
- D. If private support is accepted by the University without disclaimer to the donor, the University assumes the legal obligation to administer the award in a manner consistent with the terms specified by the donor.
- E. All gifts are subject to a gift fee (see Section 260-50).

#### **IV. Solicitation of Private Support**

- A. All solicitations of private support require advance approval of officials in University Relations or the Chancellor as designated in DA 2011. Solicitations of private support for specific purposes require additional advance approvals as follows:
  - 1. Solicitations for support of ongoing University programs require approval from the appropriate vice chancellor, vice provost, or dean.
  - 2. Solicitations for support of new programs or activities require approval from the appropriate vice chancellor, vice provost, or dean; the program must be formally approved prior to solicitation (see Section 200-25).
  - 3. Solicitations for support of research require approval from the Office of Research.
  - 4. Solicitations for deferred gifts that will be established through a charitable trust, gift annuity, pooled income fund, or other deferred gift vehicle require approval by the Associate Vice Chancellor—Development, Executive Director—Planned Giving, and Executive Director—Administrative Services.
  - 5. Before soliciting for support of a construction or other capital project, the project must be formally approved as indicated by its inclusion in the University's most recent Capital Improvement Program.
    - a. Required campus plans or environmental review processes must already be completed.
    - b. Private support may be used only for those portions of the project funding that is indicated as coming from non-State sources in the Capital Improvement Program.
    - c. Any private support for construction projects that were not previously approved must be authorized by The Regents prior to acceptance.
- B. New initiatives that involve mass solicitation of multiple donors, primarily through mail and telephone, for the same purpose require approval of the appropriate vice chancellor/vice provost/dean, Associate Vice Chancellor—Development, Executive Director—Administrative Services, and Director—Advancement Services.
  - 1. Departments shall submit draft solicitation pieces to the Development Office prior to any solicitation.
  - 2. Solicitation materials shall be reviewed by the Associate Vice Chancellor—Development and the Executive Director—Administrative Services to ensure pieces conform to University requirements and include appropriate disclosures.

3. Solicitation materials for support for research require additional review by the Office of Research.
  4. Sample solicitation materials and disclosure statements are available from the University Relations Gift Administration Office.
  5. Solicitation guidelines are available at <http://as.ur.ucdavis.edu/giftadmin.aspx>.
- C. All solicitations of \$25,000 or more must be cleared through the University Relations Prospect Management and Tracking System (PMATS) prior to any solicitation.
1. A prospect's PMATS status and Relationship Manager shall be verified on the AIS system.
  2. No contact shall be initiated with a PMATS prospect prior to coordinating with the PMATS Relationship Manager.

**V. Acceptance of Private Support**

- A. The authority to accept private support on behalf of the University is limited as described in DA 2011.
1. Vice chancellors, vice provosts, and deans are authorized to accept gifts not exceeding \$1,000,000 on behalf of their department but not on behalf of the University. All gifts must be submitted to University Relations for formal acceptance (see VI.F, below).
  2. Department heads may be authorized by their vice chancellors, vice provosts, or deans to accept gifts not exceeding \$250,000 on behalf of their department but not on behalf of the University. All gifts must be submitted to University Relations for formal acceptance (see VI.F, below).
    - a. This authorization must be made in writing on a Delegation of Signature Authority for Gifts form and filed with the Gift Administration Office, University Relations.
    - b. Forms must be reviewed annually to renew authorizations.
    - c. Department heads may not authorize a designee to accept gifts.
  3. No person shall accept any gift that they have solicited.
- B. All gifts shall be submitted to University Relations for formal acceptance on the appropriate gift form.
1. UC Davis Foundation gifts shall be submitted on the Foundation Gift Form UCDF 100-4.
  2. UC Regents gifts shall be submitted on UDEV 100-3.
  3. Gifts less than \$1,000 acquired through the online automated gift acceptance process shall be submitted with the online automated gift form and appropriate documentation.
  4. Only those individuals described in V.A.1-2, above are authorized to submit gifts for formal acceptance.
- C. Prior to acceptance, University Relations shall review each gift to substantiate the following:
1. The terms and purpose of the gift are acceptable to the University and are clearly supported by accompanying documentation or instructions.
  2. The commitment of departmental resources related to acceptance of the gift has been properly approved.
  3. The donor's terms and conditions have been properly conveyed in the processing of the gift.

4. The donor's written instructions, related documentation, and direct follow-up with the donor supports that the transaction represents a gift rather than another type of payment (e.g., rebate, fee for service).
  5. Proper acknowledgement or receipt of the gift has been forwarded to the donor by the receiving department (see Section 260-25).
- D. The minimum principal required to establish an endowment or a fund functioning as an endowment (i.e., a fund where the principal must remain inviolate) through a UC Davis Foundation or UC Regents fund is \$25,000. Additional information regarding endowments is available from the Development Office.
- E. Expenditure of private support
1. Gift monies accepted by either the UC Davis Foundation or UC Regents must be tendered to a UC Regents account before the expenditure of funds can be authorized, directed, or recommended.
  2. Expenditure of gifts shall be in accordance with donor wishes as agreed to by the University.
  3. Employees who donate gifts shall not have signature approval over expenditures from that gift fund.
    - a. The department head or vice chancellor/vice provost/dean shall retain signature authority over those funds.
    - b. The department head or vice chancellor/vice provost/dean shall verify in writing acknowledgement of this requirement prior to acceptance of the gift.
  4. Gifts and private grants cannot be deposited into any agency fund (see Section 330-09).
- F. Gifts can be allocated or reallocated as described in DA 2169.

## **VI. Responsibilities**

- A. University Relations is responsible for the following:
1. Administering and overseeing all matters related to fundraising, including implementation and enforcement of private support related policies.
  2. Determining the acceptability and terms of proffered private support in accordance with Regental and University policy.
  3. Maintaining private support records and reporting private support to the appropriate campus officials and Office of the President.
  4. Coordinating with academic units to provide information and assistance to donors and prospective donors.
- B. The Office of Research is responsible for reviewing and coordinating all matters relating to solicitation of private grants in support of research, coordinating with University Relations to assure that proposed research programs comply with University policies.
- C. College/School/Unit development offices are responsible for coordinating the following with University Relations:
1. Ensuring unit fundraising and gift processing activities are in compliance with University policies.
  2. Assisting faculty and staff in interpreting University policies related to fundraising and gift acceptance.

3. Assisting authorized faculty and staff in the solicitation of private support.
  4. Assisting departments in properly acknowledging gifts and in donor stewardship.
- E. Benefiting departments are responsible for coordinating the following with University Relations:
1. Assuring that private support is used in accordance with donor instructions as accepted by the University.
  2. Properly acknowledging gifts (see Section 260-25).
  3. Properly processing gifts for University acceptance (see Section 260-25).
  4. Properly reviewing gifts to assure compliance with University policies prior to acceptance of gift on behalf of the department.
- F. Vice chancellors, vice provosts, deans, and department heads accepting private support on behalf of their departments are responsible for coordinating the following with University Relations:
1. Reviewing the gift to determine that the terms and purpose are acceptable to the unit and the University and ensuring compliance with such terms.
  2. Ensuring that the terms and purposes of the gift are clearly supported by the documentation and donor instructions accompanying the gift.
  3. Ensuring that appropriate approvals have been secured related to committing departmental resources related to acceptance of the gift.
  4. Reviewing written donor instructions, related documents, and directing follow-up with the donor to ensure that the transaction represents a gift rather than another type of payment (e.g., rebate, fee for service).
  5. Ensuring that proper acknowledgement is forwarded to the donor (see Section 260-25).
  6. Submitting the gift for formal acceptance by University Relations.

## VII. Further Information

- A. Contact your unit development office or the Development Office, University Relations for questions regarding the solicitation or acceptance of private support, or the appropriateness of inquiries.
- B. Contact the Office of Research for questions regarding private support for research.
- C. Contact University Relations, the UC Davis Foundation, or the Extramural Funds Division, Accounting and Financial Services, for questions regarding the establishment and expenditure of funds resulting from private support.

## VIII. References and Related Policies

- A. [Standing Order 100.4\(dd\) of The Regents](#).
- B. Office of the President (<http://www.ucop.edu/ucophome/coordrev/ucpolicies/>):
  1. Development Policy Manual.
  2. Review of Gifts/Grants for Research.
  3. DA 2011, Delegation of Authority—To Solicit and Accept Gifts.
  4. DA 2018, Delegation of Authority—To Approve and Conduct Fund-Raising Campaigns.
  5. DA 2169, Delegation of Authority—Allocation and Reallocation of Gifts.
- C. UCD Policy and Procedure Manual (<http://manuals.ucdavis.edu/PPM/about.htm>):

1. Section 230-01, Private Support of Research.
2. Section 260-25, Gift Reporting Procedures.
3. Section 260-35, Donor Recognition.
4. Section 260-40, Memorial/Commemorative Funds.
5. Section 260-50, Gift Fee: Assessment and Distribution.
6. Section 270-16, Fundraising on University Property.
7. Section 330-09, Agency Account Services.