

UNIVERSITY OF HOUSTON SYSTEM
ADMINISTRATIVE MEMORANDUM

SECTION: University Advancement

NUMBER: 08.A.02

AREA: General

SUBJECT: ~~Private Support Organizations and Foundations~~ Institutionally Related Foundations

1. PURPOSE

The Board of Regents recognizes the benefits ~~private support organizations~~ institutionally related foundations and foundations may bring to the institution and sets forth in Board policy 32.06 the conditions to ensure the existence, purpose and operations of all ~~support organizations and foundations~~ institutionally related foundations are consistent with System governance. ~~This is required by Texas Government Code Section 2255.001 et seq. This document defines the procedures necessary for compliance with the Board's policy. This document defines the procedures necessary for compliance with the Board's policy and Texas Government Code, Section 2255.001 et seq.~~

2. APPLICABILITY

The provisions of this administrative memorandum apply to the following institutionally related foundations ~~organizations and foundations~~:

- 2.1. Foundation for Education and Research in Vision (FERV);
- 2.2. Houston Cougars Foundation~~Houston Athletics Foundation~~;
- 2.3. Houston Public Media Foundation~~Association for Community Broadcasting~~;
- 2.4. UH College of Business Foundation;
- 2.5. UH Law Foundation;
- 2.6. University of Houston Alumni Association Foundation (UHAAF)~~Houston Alumni Organization~~;
- 2.7. University of Houston Foundation; and
- 2.8. Other institutionally related foundations Approved by the Board.

3. WRITTEN AGREEMENT

- 3.1. All institutionally related foundations support organizations must have a written agreement (MOU) with the Board in accordance with Board policy 32.06. These agreements shall be negotiated by the Vice Chancellor for University Advancement, reviewed by General Counsel and approved by the Chancellor.
- 3.2. All such agreements must address:
 - 3.2.1. ~~Use of the names or any parts thereof, of the University of Houston System, and its component institutions by the support organization~~ Use of the names, logos, symbols, or marks or any parts thereof, of the University of Houston System and its institutions by the support organization institutionally related foundation;
 - 3.2.2. ~~Administration and investment of funds received by the support organization/foundation for the benefit of the institution; including reporting and auditing requirements concerning assets, gifts, and distributions; Solicitation, acceptance, administration and investment of funds received by the support organization/foundation institutionally related foundation for the benefit of the institution, including reporting and acknowledgement/receipting requirements concerning assets, gifts, and distributions;~~
 - 3.2.3. Use of System staff, facilities, and other resources;
 - 3.2.4. Service by an officer or employee of the system and/or its ~~component~~ universities as an officer or director of the ~~support organization/foundation~~ institutionally related foundation;
 - 3.2.5. ~~Monetary enrichment Remuneration~~ of an officer or employee of the System and/or its ~~component~~ universities by the ~~support organization/foundation~~ institutionally related foundation;
 - 3.2.6. Access to the records and documents of the ~~support organization/foundation~~ institutionally related foundation by the System, including its Internal Auditor;
 - 3.2.7. The compatibility of the activities of the ~~private support organization/foundation~~ institutionally related foundation in relation to the mission of the System;
 - 3.2.8. Standards of ethical conduct and disclosure requirements for financial advisors and service providers of ~~support organizations~~ institutionally related foundations in accordance with Board policy 58.02; ~~and~~
 - 3.2.9. A succession plan for any institutionally related foundation paid staff; and

3.2.10. Other issues the Chancellor deems necessary in establishing rules governing all aspects of conduct and compliance of the System and its employees in relationship to the ~~support organization/foundation.~~ institutionally related foundation.

3.3. Requests for new and revised ~~support organization~~ institutionally related foundation agreements (MOUs) shall be submitted to the Vice Chancellor for University Advancement.

3.4. All agreements shall be reviewed annually by the Vice Chancellor for University Advancement and General Counsel prior to the Chancellor's annual report to the Board.

4. REPORTING REQUIREMENTS

4.1. All ~~support organizations~~ institutionally related foundations must submit the following information annually to the Vice Chancellor for University Advancement by April 15 and/or ahead of the annual May Board of Regents meeting:

4.1.1. Articles of incorporation and bylaws: at the time the original agreement is established and whenever there are changes to either document;

4.1.2. List of officers (titles) and board members (names, addresses, e-mail addresses and phone numbers): at the time the original agreement is established and whenever there is a change to the membership;

4.1.3. Changes to 501(c)(iii) status: when changes occur;

4.1.4. Minutes to board meetings: as requested;

4.1.~~54~~. Audited financial reports (including but not limited to balance sheet, income statement and statement of change of financial position): within 120 days of the end of the ~~support organization's~~ institutionally related foundation's fiscal year;

4.1.~~65~~. Copy of Internal Revenue Services Form 990 (and Form 990T where applicable): within 30 days after its filing;

4.1.~~76~~. ~~Copy of investment policies: annually by January 31; Copies of investment policies, gift acceptance policies, and conflict of interest policies;~~

- 4.1.87. Signed disclosure statement: ~~no later than January 31 of each year~~, from all outside financial advisors and service providers consistent with the Texas State Auditor’s Office Uniform Disclosure Form;
- 4.1.98. Other financial information (itemization of assets, asset distribution, etc.): as requested;
- 4.1.109. ——— Gift information for each donor as specified by the System Business Operations Office of Advancement-Development: each month or as directed otherwise by the Vice Chancellor for University Advancement; ~~and, the System Office of Development; and,~~
- 4.1.110. ——— Other information as determined by the Chancellor: as requested.

4.2. The Vice Chancellor for University Advancement will maintain a complete set of the submitted documents, ~~and disseminate~~ audited financial reports and other financial information collected from the institutionally related foundations support organizations, ~~to the Executive Vice Chancellor for Administration and Finance.~~

4.3. Expenses incurred by an institutionally related foundation support organization on behalf of ~~the a System component~~ universities are collected using the Foundation Payment Request form, which is located at <http://www.uh.edu/finance/pages/forms.htm> <https://uh.edu/office-of-finance/forms/>. These expenses are recorded in the finance system by the university’s System university’s component General Accounting Department.

4.4. Costs associated with financial audits and other reporting requirements are the sole responsibility of the support organizations institutionally related foundations.

5. COMPLIANCE AND REVIEW RESPONSIBILITIES

5.1. The Vice Chancellor for University Advancement is responsible for conducting an annual compliance review by August 31 to ensure that the support organizations institutionally related foundations are in compliance with the written agreements and this policy. Results of the annual compliance review are reported to the Chancellor.

5.2. The Chancellor and/or ~~their his or her~~ designee shall report to the Board annually on the compliance status of each support organization institutionally related foundation.

5.3. When a support organization institutionally related foundation is found to be in violation of Board policy, the Chancellor shall:

- 5.3.1. Notify the ~~organization~~ foundation's President and/or Chairperson about the non-compliance issue(s)
- 5.3.2. Delegate responsibility and authority to the appropriate member or members of the System to discuss the non-compliance with the support organization institutionally related foundation. ~~proceed with negotiations with the support organization not in compliance~~
- 5.4. ~~Support organizations~~ Institutionally related foundations found not to be in compliance of Board policy are subject to losing status as an support organization institutionally related foundation for the System and its System component universities.
- ~~5.5. The Vice Chancellor for University Advancement and General Counsel are responsible for conducting an annual review of all written agreements with support organizations;~~
- 5.5.6. The ~~Office of the~~ Vice Chancellor for University Advancement shall provide the audited financial reports and other financial information collected from the support organizations institutionally related foundations to the Senior Executive Vice Chancellor for Administration and Finance. The Senior Vice Chancellor for Administration and Finance is responsible for conducting an annual review of all support organizations institutionally related foundations' financial statements and reports, investment policies, IRS Form 990's and other financial information and for implementing the necessary procedures to help ensure that all reported support provided to the System by the support organizations institutionally related foundations is properly accounted for in the System's financial records; and,
- 5.6.7. Colleges/Units that have an associated support organization institutionally related foundation (i.e. The UH College of Business Foundation) should develop policies and procedures to govern employee and other types of support of the foundation organization, to clearly defining situations where employee expenses should be borne by the support organization institutionally related foundation, as well as the procedures for obtaining reimbursement and to comply with Texas Government Code 659.0201.

6. REVIEW AND RESPONSIBILITIES

Responsible Party: ~~Associate~~ Vice Chancellor for University Advancement

Review: Every two years ~~on or before September~~ March 1

7. APPROVAL

Approved: Michael Rierson

Vice Chancellor for University Advancement

Renu Khator

Chancellor

Date:

January 12, 2011