



UC San Diego

Policy & Procedure Manual

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GIFTS AND ENDOWMENTS

Section: 410-20

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ALLOCATION, REALLOCATION AND ADMINISTRATION OF GIFTS AND BEQUESTS

I. REFERENCES AND RELATED POLICIES

- A. [Letter dated September 11, 2006 from President Dynes to Chancellors](#) regarding the delegation of authority to allocate and reallocate gifts to the Chancellor
- B. [UCOP Administrative Guidelines for Allocation, Reallocation and Administration of Gifts and Bequests Received by The Regents and the Campus Foundation](#) issued September 11, 2006.

II. INTRODUCTION AND PURPOSE:

To provide campus guidelines for the administration of gift funds when a donor to the University is no longer living or otherwise unavailable, and has not provided all necessary information for the administration of a gift or bequest (i.e., the location, and allocation to a purpose and/or type of fund as defined herein).

III. POLICY

This policy describes how UC San Diego implements the *UCOP Administrative Guidelines for Allocation, Reallocation and Administration of Gifts and Bequests Received by The Regents and the Campus Foundation*, issued September 11, 2006.

Gifts and bequests are allocated, reallocated and administered to benefit the University of California consistent with the legal and fiduciary responsibility to fulfill the donor terms of the gift and bequest.

If the donor has demonstrated or articulated particular interests, the University practice has been to demonstrate the utmost respect for the interests of the donor along with the mission of the University when allocations of the gift are made. If the donor is deceased or unable to provide further guidance as to allocation, the donor's giving history may provide additional guidance as to appropriate allocation. If the University is unable to discern the donor's preference, the University may consult the donor's family members and /or the donor's trustee, attorney, or personal representative. A summary of consultation efforts shall be documented in the gift record. To respect the donor's wishes and to enhance flexibility to administer gifts and bequests for the highest and best purposes, UC San Diego administrative action to complete gift and bequest allocation should not add unnecessary restrictions beyond those necessary to meet the donor's and campus / division/ unit-defined purpose.

IV. PROCEDURES

A. Allocations Requiring Only a Fund Type Designation (purpose is stated):

For all gifts and bequests missing only the fund type (current use or endowed), the allocation steps are as follows:

1. The Vice Chancellor of the benefitting area will be consulted regarding the fund type allocation, and may defer to the unit head of the area for such recommendation and justification rationale.
2. For a gift or bequest over \$50,000, if the campus prefers a current use fund over an endowed or permanent capital use, the allocation letter must include a clear justification for the current use need. In general, allocations to endowment should follow the minimum endowed fund standards noted in [PPM 410-30](#).
3. Advancement Services will notify the appropriate benefitting unit as designated by their Vice Chancellor, solicit the written recommendation of the unit head regarding the type of fund to be created, and ensure that the request is reviewed and approved by the appropriate campus officials as noted in “D. Approval for Allocations” below.

B. Allocations Requiring Only a Purpose Designation (fund type is stated):

For all gifts and bequests missing only the purpose designation, the allocation steps are as follows:

1. Gifts and bequests up to and including \$50,000 for which no purpose has been designated will automatically be allocated to a Chancellor’s discretionary fund.
2. For gifts and bequests over \$50,000, the Chancellor will be consulted to designate the gift purpose. The Chancellor may designate another campus unit to benefit from the gift or bequest depending upon the circumstances, information on record about the donor and their prior gifts to the campus or any other pertinent information.
3. Advancement Services will notify the appropriate benefitting unit as designated by their Vice Chancellor, solicit the written recommendation of the unit head regarding the type of fund to be created, and ensure that the request is reviewed and approved by the appropriate campus officials as noted in “D. Approval for Allocations” below.

C. Allocation and Reallocation of Gifts and Bequests Requiring Both a Purpose and Fund Designation:

The processes noted in Section B above will apply to a situation where both a purpose and a fund type are to be designated.

D. Approval for Allocations:

1. For allocations up to \$50,000, approvals are required by:
 - a. campus counsel; and

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- b. the Vice Chancellor-External and Business Affairs (EBA).
2. For allocations between \$50,000 and \$5,000,000 additional approval is required by the Chancellor.
3. For allocations over \$5,000,000 additional approval is required by the UC President.

V. RESPONSIBILITIES

Benefitting Unit

The role of the benefiting unit, division, or area of the campus is to ensure the donor intent for the gift or bequest is carried out. In making allocation requests, consideration should be given to donor history, the amount of the gift, and the highest and best use for the campus considering short and long-term needs. Whenever possible, creating or enhancing endowment should receive priority. After the allocation or reallocation is complete, the benefiting unit should ensure that the entire current use gift or the annual endowed payout, as the case may be, is expended in a timely fashion for the purposes agreed to in the allocation (2 years for current use, 3 years for endowment).

Benefitting campus units, in conjunction with any assistance needed from the Development Office and Advancement Services, are responsible for proper stewardship and reporting to the donor or donor family regarding the use of the gift or bequest.

Campus Counsel

The role of campus counsel is to confirm that the proposed allocation is in keeping with the bequest provision and UCOP and campus allocation policies.

Advancement Services

The role of Advancement Services is to verify that the proposed allocation is in compliance with UC and campus financial policies and prudent fiscal management, to obtain and route all such requests for approvals, and to monitor compliance over time.

Advancement Services will:

- notify the appropriate campus leader or office of the need for allocation
- assist in properly documenting the requested allocation and ensuring justifications are provided as required.
- route the written request for allocation to the campus counsel for review
- obtain all appropriate signatures, and
- ensure the gift or bequest is financially allocated to the proper fund on the campus or the campus foundation accounting system, as well as invested if an endowment.
- be the central office of record for allocations and reallocations of gifts and bequests, and shall maintain the supporting allocation and reallocation documentation. In addition, it will coordinate the completion of and maintenance of endowment records for endowments allocated and approved at the campus level.

VI. DEFINITIONS

Allocation: The administrative designation of gift and bequest fund terms that have not been specified by a donor, such as the purpose for which funds shall be expended, and the type of fund to be established (endowment, fund functioning as endowment (“FFE”), current or plant fund).

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Benefitting Unit: The administrative unit within UC San Diego (e.g. medical center, school, department, division, organized research unit) responsible for expending the gift or the endowment payout.

Purpose: The general and specific use for the funds as stated by the donor or, if not stated by the donor, as designated by administrative action.

Reallocation: Refers to an administrative decision to modify a pre-existing gift or fund allocation.

Type of Fund: For accounting and administrative purposes UC San Diego shall specify the type of fund for a gift or bequest using one of the following four designations: true endowment, fund functioning as an endowment, current fund, or plant fund.