

09.300 Endowment Funds

09.301 Endowment Funds Policies. The System, the System Administration, and each Institution shall adopt and maintain policies to accept and administer endowment funds in a manner consistent with federal and state law and these Regents Rules. Institution policies shall also comply with applicable System policies.

09.302 Permanent Endowment Funds. Permanent endowments are assets designated by the donor to be held in perpetuity. Earnings and capital gains must be expended in accordance with the terms and conditions established by the donor and in accordance with this Regents Rule and applicable policies of the System, the System Administration, or the Institutions.

1. Policy Statement. The Board welcomes all voluntary support, regardless of amount, that will aid in the educational mission of the System, the System Administration, or an Institution. Due to the high cost of maintaining and servicing individual funds accounts, however, the Board requires a minimum gift amount for the establishment of a permanent endowment fund.
2. Minimum Amount. Gifts to initiate a new, separate endowment fund must equal or exceed at least \$10,000 to be endowed. If the initial gift is less than \$10,000, donors and sponsors may be given additional time to solicit or make contributions until the required minimum is met, normally within three years. Exceptions may be granted by the Chancellor for the System and the System Administration and the Presidents for the Institutions.

09.303 Fiduciary Responsibility. The Board has a fiduciary responsibility to comply with the restrictions imposed by the donors of endowment funds. Members of the Board also have a legal responsibility to ensure that the management of endowment funds is in compliance with

Texas Education Code §§ 51.002 –.009 and Chapter 163 of the Texas Property Code.

09.304 Investment Policy. The Board has exclusive control over investment of endowment funds, and the System, the System Administration, and the Institutions shall not accept any endowment in which the donor directs the investment transactions or holdings, or approves any investment policy or strategy.

09.305 Administrative Fee. Pursuant to Texas Education Code § 105.105, the Board delegates to the Chancellor for the System and the System Administration and to the Presidents for their respective Institutions the authority to assess a fee for institutional endowment administration and management.

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