Title	**Conflict of Interest – Acceptance of Gift, Grant, Donation, or Other Consideration for Employee Salary Supplement**	**5915**
Legal Authority	**Approval of the Board of Trustees**	**Page 1 of 2**
Date Approved by Board	**Board Minute Order dated October 28, 2013**	

House Bill 12 (83rd Legislature, Regular Session) amended Subchapter B, Chapter 659, Government Code, by adding Section 659.0201, which created additional reporting requirements for higher education institutions.

Section 659.0201 also requires colleges to adopt a board approved policy on conflict of interest regarding the acceptance of a gift, grant, donation, or other consideration to be used as a salary supplement for an employee of the college and requires colleges to post related provisions on their Internet website.

Gift, Grant, Donation or Other Consideration Received from Entity Created Solely to Provide Support to the College

If the person making a gift, grant, or donation or providing other consideration to the college for the purpose of a salary supplement is an entity created solely to provide support for the college, the entity shall report to the College, the following:

- The name of each person who makes gifts, grants, or donations, or provides other consideration to the entity, in an amount or having a value that exceeds $10,000, unless the person has made a request to the entity to remain anonymous
- The amount or value of each specific gift, grant, donation, or other consideration.

If the College receives a gift, grant, donation, or other consideration described above, the College shall compile the information the College receives into a report and submit the report to the state auditor and the legislature.

The information provided to an institution of higher education is confidential and is not subject to disclosure under Chapter 552.

The state auditor may review the report submitted to identify any conflicts of interest or any other areas of risk. The state auditor shall report the results of an audit performed to the legislature.

The state auditor shall adopt a schedule and format for reporting information required that does not require the release of information that identifies an anonymous donor.

If the College receives a gift, grant, donation, or other consideration from a person that is designated to be used as a salary supplement for a named person, position, or endowment, the College shall report the following information to the state auditor in the form determined by the state auditor.

- Whether the person making the gift, grant, or donation or providing other consideration to the College is an individual or an entity;
- If the person is an entity, the type of entity;
- if the entity is a nonprofit entity or organization, whether the entity is classified as a supporting organization by the Internal Revenue Service;
- if the entity is classified as a supporting organization by the Internal Revenue Service, the type of supporting organization, the name of the supported organization, and any other information relating to that classification;
- if the entity is classified as a supporting organization by the Internal Revenue Service, the type of supporting organization, the name of the supported organization, and any other information relating to that classification;
- any internal or external oversight procedures the College has established to monitor the use of any gift, grant, donation, or other consideration the College receives; and
- how the College uses gifts, grants, donations, and other consideration the College receives, including whether they are used to provide salary supplements for employees.

The state auditor shall compile the information received into a report and submit the report to the legislature.

<u>Post on College's Internet Website</u>

If the College accepts a gift, grant, donation, or other consideration from a person that the person designates to be used as a salary supplement for an employee, the College shall post on the College's Internet website, the amount of each gift, grant, donation, or other consideration. The College may not post the name of the person.