

SECTION III

PART N CRITERIA AND PROCEDURES FOR IMPLEMENTATION OF 23-5-112 (C.R.S. 1973) CONCERNING GIFTS AND BEQUESTS TO INSTITUTIONS OF HIGHER EDUCATION

Approved August 24, 1976

Revised June 7, 2001

1.00 Authorized Acceptance of Gifts and Bequests

Subsection (1) of 23-5-112 (C.R.S. 1973) authorizes state institutions of higher education to receive gifts and bequests of money or property under stated conditions.

(2) When a governing board of an institution of higher education is offered a gift of property, whether real or personal, which directly or indirectly involves significant ongoing expenditures, the institution shall require in connection therewith, an endowment sufficient to fund such expenses. This subsection (2) shall not apply when the gift has been approved by the Colorado Commission on Higher Education with the understanding that acceptance will require an allocation of state funding and the Commission is satisfied that provision therefore can be made within available resources. The Commission shall prepare a statement of procedures of review and of criteria to be applied in its review of any such gifts, which shall have the approval of the Governor and the Joint Budget Committee.

(3) Prior to acceptance of a gift or bequest covered under the terms of section 23-5-112, C.R.S., the institution shall certify to the CCHE the following information: (a) the proposed or anticipated use of the property by the institution; (b) the proposed or anticipated cost to the institution of the maintenance, operation or improvement of the property by the institution; (c) the proposed or anticipated source of funds to be used by the institution for the operation, maintenance, or improvement of the property; and (d) evidence that the institution has revenues sufficient to maintain, operate, or improve the property within available resource.

(4) In the event the institution cannot satisfy the requirements in (3) (d), it must indicate its intention to submit either a capital funding or operational budget request to accommodate its plans and estimate those needs.

2.00 Definitions and Procedures

The following definitions and procedures shall apply to gifts and bequests covered by 23-5-112 (2), C.R.S., 1973 which directly or indirectly involve significant ongoing expenditures.

2.01 An ongoing expenditure shall be deemed to be "significant" when such expenditure will lead to a specific institutional request for funding from tax fund or cash appropriations, or when it exceeds one-quarter of one percent of the institution's operating budget appropriation in the year concerned, or \$50,000, whichever is less.

- 2.02 An institution, or any person or organization acting in behalf of such institutions or its governing board, will consult with the Commission, through its Executive Director, at the earliest feasible date concerning any gift or bequest covered by 23-5-112 (2) (C.R.S. 1973), or campaign for funds similarly covered, in order to determine appropriate procedures for Commission review and approval relating to the particular situation.
- 2.03 The Commission, in its discretion, may approve an exception from the requirement of an endowment sufficient to cover the ongoing operating costs, upon adequate demonstration by the institution to the Commission of any of the following:
- 2.03.01 The resulting facility or resource is in accord with the institutional master plan including approved statements of institutional role and mission and is shown, through the facility program plan or other appropriate documentation, to contribute to approve programs and functions of the institution such that it would be appropriate to provide the facility or resource through state funds, if such funds were available.
 - 2.03.02 The institution governing board states that the facility or resource will be utilized without requirement of or request for funding beyond the current operating appropriation by reason of the provision of such facility or resource.
 - 2.03.03 The facility or resource is shown to require operating funding beyond the current operating appropriation but in the opinion of the Commission is a facility or resource of such importance to the institutions and its programs that it is justified to expect an ongoing state appropriation for operating expenses.
- 2.04 The criteria set forth in item 2.03 above will not exclude consideration of any gift or bequest or campaign related thereto on an exceptional basis.
- 2.05 Each proposal approved by the Commission which requires or may require funding for operations beyond current appropriation levels, with documentation describing all elements affecting the state interest including operating costs, will be submitted by the Commission to the Governor and to the Joint Budget Committee. Where additional construction or operating costs for facilities will be involved, Commission approval is effective upon approval of the Governor and Joint Budget Committee.