

June 16, 2023

MARLENE SHAVER  
Associate Vice Chancellor, Advancement Services  
0940

**Subject: Faculty Gifts  
Report 2023-05**

The final report for Faculty Gifts, Report 2023-05, is attached. We would like to thank all members of the department for their cooperation and assistance during the review.

Because we were able to reach agreement regarding management action plans in response to the audit recommendations, a formal response to the report is not requested. The findings included in this report will be added to our follow-up system. We will contact you at the appropriate time to evaluate the status of the management action plans.

UC wide policy requires that all draft reports be destroyed after the final report is issued. We also request that draft reports not be photocopied or otherwise redistributed.

Christa Perkins  
Director  
Audit & Management Advisory Services

Attachment

cc: Judy Bruner  
Alexander Bustamante  
Christina Chase  
Ross Dammann  
Jennifer Ford  
Lisa Meredith  
Pierre Ouillet  
Corinne Peek-Asa  
Ann Spira  
Gail Robotta  
Cheryl Ross

# UC San Diego

## AUDIT & MANAGEMENT ADVISORY SERVICES

Faculty Gifts  
Report No. 2023-05  
June 2023

### FINAL REPORT

**Performed By:**

Tessa Melendez, Senior Auditor  
Evans Owalla, Manager

**Approved By:**

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**TABLE OF CONTENTS**

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I. EXECUTIVE SUMMARY ..... 1

II. BACKGROUND..... 3

III. AUDIT OBJECTIVE, SCOPE, AND PROCEDURES ..... 4

IV. CONCLUSION..... 6

V. OBSERVATIONS REQUIRING MANAGEMENT ACTION ..... 6

    A. Faculty Gifts to Own Research..... 6

    B. Corporate Gift Classification & Reporting ..... 9

ATTACHMENT A – Gift Acceptance Form - UDEV 100

ATTACHMENT B – PI Acknowledgment Template (in use prior to February 2022)

ATTACHMENT C – Current PI Acknowledgment

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## I. EXECUTIVE SUMMARY

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Audit & Management Advisory Services (AMAS) has completed a review of Faculty Gifts as part of the approved audit plan for Fiscal Year 2022-23. This report summarizes the results of our review. The objective of our review was to evaluate faculty donations to UCSD and the UCSD Foundation to determine whether internal controls provide reasonable assurance that processes for oversight of gift funds from faculty donors are effective and in compliance with University policy. The review also included a review of donations from corporate entities to evaluate the intended use of the funds and consider whether elements which might suggest classification as a research agreement are present.

Based on our review, we concluded that internal controls generally provided reasonable assurance that processes for oversight of gift funds from faculty donors and corporate donations were effective and in compliance with University policy.

However, we identified four faculty who had received salary and benefits from funds to which they had donated. In three of the instances, the salary and benefit payments appeared to be made in error and not with intent to receive a personal benefit from the donation. The fourth instance requires additional follow-up, which will be performed outside of this review.

A new policy on *Faculty Gifts in Support of Their Own Research* will clarify the disallowance of salary and benefits on funds to which a faculty has donated. The policy is still in draft form and is being prepared for submission to the Academic Senate. Advancement has also recently revised the Principal Investigator acknowledgment form required of faculty donors to emphasize the requirements for faculty gifts. Once the new policy is finalized, a campus wide announcement would help educate and remind fund administrators and managers.

Gifts received from the company donations we reviewed were properly classified based on information available to the central offices responsible for review and classification; however, we did note an opportunity for reporting to enhance departmental awareness in order to help ensure department leadership is aware of funding arrangements from corporate donors.

Management Action Plans to address these findings are summarized below.

### A. Faculty Gifts to Own Research

1. Advancement has implemented a standalone acknowledgment for faculty donors that specifies the prohibition of gift funds donated by the faculty for use for their salary and benefits.
2. Advancement is working to finalize a new policy which will expressly prohibit use of faculty donations to their own research to be used as a source of salary to that faculty donor.
3. One instance in the Infectious Diseases & Global Public Health department of faculty receiving salary from their own gift funds has been remedied by the department by transferring the amount off of the fund. Two instances (Physics and Pharmacology) are

in the process of being remedied by the respective departments. One instance in the Department of Psychiatry is being managed outside of this review.

4. When the new policy on faculty gifts is finalized, Advancement will coordinate with Academic Affairs, Health Sciences and Scripps Institution of Oceanography to distribute notifications to department administrators and fund managers.

**B. Corporate Gift Classification & Reporting**

1. Advancement will develop an annual summary report of corporate gifts to each Vice Chancellor area for dissemination to Department Deans and/or Chairs to achieve greater visibility.

Observations and related Management Action Plans are described in greater detail in section V. of this report.

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## II. BACKGROUND

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Audit & Management Advisory Services (AMAS) has completed a review of Faculty Gifts as part of the approved audit plan for Fiscal Year 2022-23. This report summarizes the results of our review.

The University of California (UC) *Development Reference Guide* (Guide) provides policy and guidance on solicitation and acceptance of private gift funds and gift processing. The Guide defines a gift as “an item given by a donor who expects nothing significant of value in return, other than recognition and disposition of the gift in accordance with the donor’s wishes.” Further, it provides characteristics typical of gifts which may include:

- There is donative intent and the award is voluntary,
- It is non-reciprocal (there is no exchange of goods or services),
- The donor retains no intellectual property rights,
- Funds are non-returnable if spent in accordance with donor’s wishes,
- The donor does not prescribe the method of performance,
- There is no specific period of time associated with the award,
- The funds are unrestricted or very generally restricted (e.g., “Funds to be used in support of the research of Dr. Y”), and
- The donor may inquire how funds have been spent and require general “stewardship reports.”

### Faculty Gifts to Support Their Own Research

The University of California San Diego (UCSD) and the UCSD Foundation may accept charitable gifts from faculty to benefit their own research if the purpose of the gift is to support bona fide University activities or purchases. In these cases, additional oversight is required to ensure that the University's use of the gift is consistent with these principles and that there is no personal benefit to the faculty donor. The Guide specifically discusses gifts from employees to support their own activities. It states,

Gifts to the University from University employees to support their own activities may be accepted if the purpose of the gift is to support bona-fide University activities or purchases. Such gifts must be subject to University policies and procedures for expenditure.

The University should not put itself in the position of acting as a conduit for funds for which employees claim a deduction that is likely to be disallowed by the Internal Revenue Service. Therefore, procedures should provide for approval of expenditures by the Department Chairperson or Dean in order to ensure that the University's use of the gift supports its tax-deductibility.

No campus is obligated to accept a gift that it considers inappropriate.

Any personal benefit to the donor such as salary, travel, or entertainment, would compromise the element of donative intent. Such donations may not be deductible by the donor and may be disallowed by the Internal Revenue Service (IRS).

### Corporate Gifts to Support Research

UCSD also receives donations from corporate supporters, which can raise questions regarding the

intended use of the funds and whether there is appropriate classification of funds as gifts, as opposed to sponsored awards or contracts.

University policy outlines the classification criteria used by central offices to make this determination. Industry Sponsored Research is normally assessed an overhead/indirect cost (IDC) rate (26% for off-campus and 58% for on-campus in Fiscal Years 2022 and 2023), but gifts to the University are not assessed any overhead fees to encourage continued support.

UCSD Policy & Procedure Manual (PPM) policy *150-35 Contracts and Grants (Research): Classification, Acceptance, and Administration of Awards from Private Sources* establishes “procedures for the review, classification and administration of all awards from private sources; to ensure that the purpose for which an award is made is in accord with University policy; to establish criteria by which gifts can be differentiated from grants, contracts, and service agreements...” This policy states that when awards are from for-profit entities, the presence of the following general criteria “may result in the classification of such funds as a grant or contract in lieu of a gift, when such funds are designated for the research of a specific investigator:

1. The research relates to the testing of a product or drug or provides a direct benefit to the proprietary interests of the entity;
2. Human or Animal subjects are involved, or Recombinant DNA;
3. Payments received are based upon specific expenses incurred;
4. The investigator receiving the funds is consulting with the funding entity and intends to use the gift funds for support of research for the same or similar purposes;
5. The investigator receiving the funds has a proprietary interest in the entity;
6. The investigator intends to or has entered into a confidentiality agreement with the funding entity;
7. The investigator has or will be receiving concurrent gifts and grants/contracts from the funding entity.”

According to UCSD Blink guidance pertaining to gifts vs. grants, the decision as to whether a particular award should be considered a gift cannot be made based upon the presence or absence of a single characteristic or criterion. Rather, one must look at the funding as a whole in order to make a judgment as to its proper classification. At UCSD, the Office of Contract & Grant Administration (OCGA) collaborates with Advancement Services (Advancement) to determine the classification of a gift vs. grant/contract. As noted above, a gift is defined as a contribution that is donative in intent, given voluntarily and without expectation of consideration, whereas a grant/contract is defined as an externally funded activity where there is an agreement representing transfer of money or property in exchange for specific services, often including deliverables and specific reporting requirements.

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### **III. AUDIT OBJECTIVE, SCOPE, AND PROCEDURES**

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The objective of our review was to evaluate faculty donations to UCSD and the UCSD Foundation to determine whether internal controls provide reasonable assurance that processes for oversight of gift funds from faculty donors are effective and in compliance with University policy. The review also included a review of donations from corporate entities to evaluate the intended use of the funds and

consider whether elements which might suggest classification as a research agreement are present. In order to achieve our objective, we performed the following:

- Reviewed University policy for gifts:
  - UCSD PPM 150-35 *Contracts and Grants (Research): Classification, Acceptance, and Administration of Awards from Private Sources*;
  - UCSD PPM 410-1 *Gifts and Endowments: Solicitation, Acceptance, and Administration of Gifts to the University*;
  - UC Development Reference Guide; and
  - Related local Blink guidance;
- Identified faculty who had received salary and benefits from funds to which they had donated and reviewed the following:
  - Gift acceptance forms, including Principal Investigator (PI) acknowledgment;
  - Gift letters; and
  - Distribution of Payroll Expense Reports (DOPE);
- Interviewed personnel from the following departments to discuss faculty gift processes:
  - Psychiatry;
  - Infectious Diseases & Global Public Health;
  - Center for Astrophysics/Space Science (CASS),
  - School of Pharmacy and Pharmaceutical Sciences;
  - Pathology;
  - Physics;
  - Chemistry/Biochemistry;
- Judgmentally selected a sample of corporate donors and reviewed the following:
  - Gift acceptance forms;
  - Gift letters from donors;
  - Related correspondence between UCSD administrative offices regarding the donations;
  - Conflict of Interest Office's analysis of faculty members' *700-U, Statement of Economic Interests for Principal Investigators*; and
  - University of California Outside Activity Tracking System (OATS) reports; and
- Interviewed the following:
  - Associate Vice Chancellor, Advancement Services;
  - Senior Director – Gift Services, Advancement Services; and
  - Director, Conflict of Interest Office.

The scope of our faculty gifts review included faculty donations of \$5,000 or more with a designated purpose of “research” or “department support” from July 2016 through July 2022.

The scope of our corporate gift review included corporate donations in the amount of \$10,000 or more that were made for research purposes in the five years prior to April 21, 2022.

#### IV. CONCLUSION

Based on our review, we concluded that internal controls generally provided reasonable assurance that processes for oversight of gift funds from faculty donors and corporate donations were effective and in compliance with University policy.

However, we identified four faculty who had received salary and benefits from funds to which they had donated. In three of the instances, the salary and benefit payments appeared to be made in error and not with intent to receive a personal benefit from the donation. The fourth instance requires additional follow-up, which will be performed outside of this review.

A new policy on *Faculty Gifts in Support of Their Own Research* will clarify the disallowance of salary and benefits on funds to which a faculty has donated. The policy is still in draft form and is being prepared for submission to the Academic Senate. Advancement has also recently revised the PI acknowledgment form required of faculty donors to emphasize the requirements for faculty gifts and specifically state:

I understand that University policy prohibits the use of the gift funds in a way that provides me, as the donor, with personal benefit such as personal travel and entertainment. I further understand that my gifts may not be used as a fund source to pay salary and benefits to me. Decisions on how to use my gift to support the costs of my research or academic work must be made by the Department Chair or the Dean who oversees the donated funds.

Once the new policy is finalized, a campus wide announcement would help educate and remind fund administrators and managers.

Gifts received from the company donations we reviewed were properly classified based on information available to the central offices responsible for review and classification; however, we did note an opportunity for reporting to enhance departmental awareness in order to help ensure department leadership is aware of funding arrangements from corporate donors.

#### V. OBSERVATIONS REQUIRING MANAGEMENT ACTION

<b>A.</b>	<b>Faculty Gifts to Own Research</b>
We identified four instances where faculty received salary and benefit payments from funds they donated.	
<b>Risk Statement/Effect</b>	
Faculty donors who receive a personal benefit from their own gift funds may not be in compliance with federal tax regulations and University policy.	

<b>Management Action Plans</b>	
A.1	Advancement has implemented a standalone acknowledgment for faculty donors that specifies the prohibition of gift funds donated by the faculty for use for their salary and benefits.
A.2	Advancement is working to finalize a new policy which will expressly prohibit use of faculty donations to their own research to be used as a source of salary to that faculty donor.
A.3	One instance in the Infectious Diseases & Global Public Health department of faculty receiving salary from their own gift funds has been remedied by the department by transferring the amount off of the fund. Two instances (Physics and Pharmacology) are in the process of being remedied by the respective departments. One instance in the Department of Psychiatry is being managed outside of this review.
A.4	When the new policy on faculty gifts is finalized, Advancement will coordinate with Academic Affairs, Health Sciences and Scripps Institution of Oceanography to distribute notifications to department administrators and fund managers.

#### **A. Faculty Gifts to Own Research – Detailed Discussion**

Current policy does not explicitly prohibit the use of faculty gift funds for their own salary; however, it does prohibit the University from “putting itself in a position of acting as a conduit for funds which employees claim a deduction that is likely to be disallowed by the IRS.” Any personal benefit to the donor (such as salary, travel, and entertainment) would compromise the element of donative intent and may be disallowed by the IRS. The new policy, described below, will explicitly prohibit the use of these gift funds for personal benefit.

For our review of faculty gifts, Advancement provided a listing of faculty (or faculty emeriti) donations of \$5,000 or more with a designated purpose of “research” or “department support” from Fiscal Year (FY) 2017 through July 2022. Advancement performed a judgmental review of the listing to identify gifts that were likely to support the faculty-donor’s own research. We compared DOPE reports of the funds that Advancement identified to the faculty-donors and found two faculty-donors who had received salary and benefits from the funds to which they donated:

- A Department of Psychiatry faculty member donated \$359,376 from FY 2017 through July 2022 to a research fund. The faculty member had received \$241,875 in payroll from the gift fund from July 2021 through November 2022.

We met with the department to review the FY 2022 salary payments. The department was previously aware of the salary payments and was conducting further review in consultation with UCSD Health Legal. This matter requires additional inquiry and will be managed outside of this review.

- An Infectious Diseases & Global Public Health department faculty member had received recognition credit for a \$25,000 gift from their spouse in FY 2020 to a fund for which the faculty member was the designated PI. In July 2022, the faculty member began receiving a recurring monthly salary and benefit expenses, totaling \$35,177 through January 2023.

We met with the department to discuss the processes surrounding faculty gift payments and the salary and benefits the faculty member had received from the gift fund. The PI was unaware that they had been drawing salary on a fund their spouse had donated to and indicated they would stop the expense and move the salary to another fund. As of March 8, 2023, salary and benefits totaling \$36,869 were transferred from the fund, and the recurring salary and benefit expense had ceased.

We conducted further analysis of the larger faculty gift listing that Advancement provided that included faculty donations that were not specifically identified to their own research and selected ten funds to perform additional DOPE reviews. We identified two additional faculty who had received salary benefits from gift funds they had donated to for the period July 2016 through July 2022:

- A Physics professor's July and August 2020 salary and benefits totaling \$26,768 was charged to a CASS fund they received recognition credit for, with donations totaling \$1.9 million from FY 2018 through 2022.

The department's MSO had only been in their role since July 2021 and was unaware of why the faculty member's salary and benefits were charged to the fund. The MSO stated salary and benefits charged in 2020 would be moved off the project in June 2023.

- A Pharmacology professor received salary and benefits totaling \$977 from March 2020 through July 2020 from a fund they had donated \$580,000 from FY 2017 through 2022.

The department's Associate Dean for Business and Fiscal Affairs stated the salary charges had been posted to the fund in error. The department moved \$602.10 off the project in March 2023 and is in the process of moving the remaining amount, which was charged prior to conversion to the new financial system.

Prior to February 2022, PIs who donated funds to their own research could either sign section 13 of Advancement's Gift Acceptance Form – UDEV 100, which was a brief statement on the form which reads, "I am aware of the University policy that Prohibits the use of these funds by myself on a personal basis for such items as travel, entertainment, etc." (see Attachment A) or provide their own acknowledgment letter via a template Advancement provided (see Attachment B). While policy never allowed faculty to use gift funds donated to their own research for personal benefit, the acknowledgment did not always specify salary and benefits were not allowed.

In February 2022, Advancement began using a new template for PIs to sign which contains additional language and expressly states, "I understand that University policy prohibits the use of the gift funds in a way that provides me, as the donor, with personal benefit such as personal travel and entertainment. I further understand that my gifts may not be used as a fund source to pay salary and benefits to me."

The new PI acknowledgment template further states that the Department Chair or Dean must oversee the use of the gift funds (Attachment C).

In addition to the above changes, PPM 410-7 Policy on *Faculty Gifts in Support of Their Own Research* is currently in development. The new policy will expressly state, "gifted funds from faculty may not be

used as a source for the payment of any component of the salary benefits of that faculty donor.” In addition, the form at Attachment C will be a required component for faculty donors to sign and will include a link to the full policy. According to the Director of Academic Policy and Family Programs, the draft policy is still in the review stage, with the intention to have it submitted to the Academic Senate for review before the end of the winter quarter or early spring 2023.

<b>B.</b>	<b>Corporate Gift Classification &amp; Reporting</b>
Gift classification was coordinated among central offices when necessary. However, additional reporting could enhance department awareness and policy compliance.	
<b>Risk Statement/Effect</b>	
Improperly classified gifts circumvent the requirement for grants to be administered by the OCGA and improperly denies the University indirect cost recovery in accordance with University policy.	
<b>Recommendation</b>	
B.1	Advancement will develop an annual summary report of corporate gifts to each Vice Chancellor area for dissemination to Department Deans and/or Chairs to achieve greater visibility.

<b>B. Corporate Gift Classification &amp; Reporting – Detailed Discussion</b>
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When Advancement receives a corporate donation of \$500 or more for a named researcher, they notify the Conflict of Interest (COI) office via a ServiceNow (SNOW) ticket. The COI office then sets up a case in Quali COI<sup>1</sup>. The SNOW ticket also generates a notification to the PI’s department. Advancement does not process the gift until the COI office review process has been completed.

The COI office will clear the matter without financial interest disclosures. If the PI makes a positive financial interest disclosure, the COI office will follow up to obtain more information or involve the Institutional Review Board (IRB), if necessary, to determine whether a management plan is necessary. If Advancement determines additional review of the proposed gift is warranted, they will seek input from OCGA on classification.

Advancement provided a list of corporate donations of \$10,000 or more for research purposes in the five years prior to April 21, 2022. We judgmentally selected a sample of 12 funds from the list that had received total corporate donations greater than \$500,000 in the prior five years.

We conducted detailed testing of each fund, including reviewing gift documentation, conflict of interest, and conflict of commitment disclosures, any communications with OCGA, and performing a search for research study protocols and material transfer agreements.

Based on our review of gifts letters received in support of the donations, we determined that the language in the letters met the gift characteristics described in the Background section above.

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<sup>1</sup> UCSD’s web-based system for UCSD faculty and staff to submit and manage COI disclosure activities.

Additionally, our review noted the information available to Advancement Services, COI, and OCGA supported the determinations for classifying these funds as gifts. However, we did not review personal (email) communications between the PI and the donor companies, which could disclose additional arrangements not available to central offices in charge of reviewing and classifying gift funds (Advancement, COI, and OCGA).

Advancement has a system known as STAR that departments can use to access all donor information. Advancement also provides quarterly reports to all levels of financial and academic personnel that oversee gift funds, including Vice Chancellors, Deans, Assistant Deans, Department Business officers and fund managers. In addition, PIs and fund financial managers receive specific gift information from the Advancement daily gift report and specific notifications when SNOW tickets are created for new funds. Even with this information, department leadership may not have considered the need for visibility into the overall volume of gifts from specific corporate donors. An annual summary report from Advancement to each Vice Chancellor and their respective chief business officer of all corporate gifts given to benefit faculty research could provide a source for review and dissemination to their various units, and would provide increased visibility on this subject. It would allow for a review of recurring and high-dollar corporate gifts so that departments can have oversight of the relationship with the PI and the corporate donor and ensure the terms of the gifts remain in alignment with gift classification and policy, and the donor receives no substantial return benefit.

ATTACHMENT A – Gift Acceptance Form - UDEV 100

UNIVERSITY OF CALIFORNIA, SAN DIEGO  
GIFT ACCEPTANCE FORM UDEV 100-6 (R-05/11)

Department Completes

3/8/2023

<b>DONOR INFORMATION</b>		<b>GIFT/GRANT INFORMATION</b>	
1. Donor Name (Last, First, Middle)		3. Amount Pledged/Grant Award:	4. Amount Received:
2. Address:		6. Nonmonetary Gift: Date Received: _____	7. If applicable, check one: <input type="checkbox"/> Post Doc Fellowship <input type="checkbox"/> Graduate Fellowship <input type="checkbox"/> Endowment <input type="checkbox"/> Matching Gift
<input type="checkbox"/> check here if this is a change of address		9. Other: <input type="checkbox"/> Cash <input type="checkbox"/> Bequest <input type="checkbox"/> Securities	8. Financial Disclosure (700U) No: _____ <input type="checkbox"/> Negative <input type="checkbox"/> Positive Approval Date: 10. <input type="checkbox"/> Pledge Payment
<b>SUPPORTING DOCUMENT CHECK LIST (incomplete documents will delay allocation of gift funds)</b>			
11. Gift Designated for General Department Use: <input type="checkbox"/> Solicitation/Proposal Information <input type="checkbox"/> Original donor gift letter. <input type="checkbox"/> Dept. Acknowledgment letter <input type="checkbox"/> Health Care Vendor Form (if donation is from a health care company)		12. Gift Designated for Specific Principal Investigator's Research <input type="checkbox"/> Solicitation/Proposal Information <input type="checkbox"/> Original donor gift letter <input type="checkbox"/> Dept. Acknowledgment letter <input type="checkbox"/> 700U- Principal Investigator's Economic Interest Form <input type="checkbox"/> Health Care Vendor Form (if donation is from a health care company)	
13. Principal Investigator's Gift to Own Research Principal Investigator's signed statement: "I am aware of the University policy that Prohibits the use of these funds by myself on a personal basis for such items as travel, entertainment, etc." TYPE NAME: _____ SIGNATURE: _____			
14. Nonmonetary Gift <input type="checkbox"/> Two signed copies of Deed of Gift form (FMV) <input type="checkbox"/> If Donor is giving to a P.I. research, PI must complete Economic Int. Form Note: If FMV is over \$5,000-donor needs an appraisal	15. Fellowship application/solicitation <input type="checkbox"/> Fellowship application/solicitation <input type="checkbox"/> Terms and Conditions <input type="checkbox"/> Donor award notice <input type="checkbox"/> Acknowledgement letter.	16. Existing IFOPAL CODE _____ (for internal use) (Index / Fund/ Org / Program / Account) _____ To establish a new IFOPAL: Index Prefix: _____ Org# _____ Prog# _____	
JOURNAL #'s FEUNR _____ BAUR _____ FMUR _____ ALLOCATION DATE: _____ <small>(for internal use)</small>			
<b>PURPOSE INFORMATION</b>			
17. Purpose/Use (as designated by donor). Description of Property (if nonmonetary). If additional space is needed, please see addendum:			
18. Principal Investigator:		19. Financial ledgers to be sent to: Mail Code: _____	
<b>FORM PREPARATION INFORMATION/APPROVAL AND ACCEPTANCE</b>			
20. Form Prepared by:		Department :	
21. Approval by Department		Address/Mail Code/E-mail address/Phone Extension:	
Signature:	Typed Name:	Date:	
	Title:		
22. Acceptance by (Chancellor/President/Designee)- Gift Administration Use Only			
Signature:	Typed Name:	Date:	
	Title:		
23. Stewardship Office sends acknowledgements from Chancellor for individual gifts over \$25,000 and corporate gifts over \$50,000; and if appropriate from Vice Chancellor External Relations for individual gifts of \$10,000 to \$24,999.			

ATTACHMENT B – PI Acknowledgment Template (in use prior to February 2022)

**Name**  
**Address**  
**Phone**

**Date**

Marlene D. Shaver  
Assistant Vice Chancellor,  
Advancement University of  
California, San Diego 9500 Gilman  
Drive, 0940  
La Jolla, CA 92093-0940

Dear Ms. Shaver:

I wish to gift \$xxx to **Fund Name and Number** to support **Brief statement on how the funds will be used.**

I am aware of the University policy that prohibits the use of these funds by myself on a personal (non-research) basis for such items as travel, entertainment, etc. I understand that the Department Chair or their designee will oversee the use of the expenditures of this gift.

Sincerely,

**Name and Signature**

ATTACHMENT C – Current PI Acknowledgment

Disclosure for Faculty making gifts to support their own research:

I write to state that I am making a charitable gift to UC San Diego for the purpose of support my research activities in the department of \_\_\_\_\_, in the amount of \$\_\_\_\_\_.

I am aware that gifts to the University from University employees to support their own activities may be accepted if the purpose of the gift is to support bona fide University activities or purchases. Such gifts must be subject to University policies and procedures for expenditure.

I am further aware that by legal definition, a charitable gift must be given with charitable intent, meaning a gift may not be required or compelled. It must be a voluntary act. Gifts also must be given without consideration, meaning there is no expectation or requirement for the University to provide remuneration, benefits, or perform under contractual terms in return to the donor. Lastly, to qualify as a charitable gift, donors must fully relinquish control and oversight of the gift to the University.

I understand that the University will not put itself in the position of acting as a conduit for funds for which employees claim a deduction that is likely to be disallowed by the Internal Revenue Service (i.e., transactions that do not meet the criteria to qualify as a gift as described above). Advancement, when setting up the gift fund, and Departments, when managing the use of the fund, must have procedures to ensure the Department Chairperson or Dean have the direct oversight of gifts funds and approval of expenditures of gifts from faculty in order to ensure that the University's use of the gift supports its tax- deductibility.

I understand that University policy prohibits the use of the gift funds in a way that provides me, as the donor, with personal benefit such as personal travel and entertainment. I further understand that my gifts may not be used as a fund source to pay salary and benefits to me. Other specific decisions to use my gift to support the costs of my research or academic work must be made by the Department Chair or the Dean that oversees the fund use.

\_\_\_\_\_  
Faculty Member Signature

\_\_\_\_\_  
Date