



THE UNIVERSITY OF TEXAS AT DALLAS
Quarterly Compliance Report to the Institutional Compliance Committee

Report for: FY 2007, 3rd Quarter

High Risk Area: Endowments

Responsible Person: Marjie French, Endowment Compliance Executive

Incidents of Non-Compliance this Quarter:

Yes ☒
No ☐

If yes, briefly describe any known incidents of non-compliance and attach back-up documentation as appropriate. An incident of non-compliance is defined as something that you found as part of your monitoring procedures or an instance of non-compliance with the policies and procedures that are defined in your RAMP. Areas of concern are listed below.

Two instances of "not adhering to the terms of the endowment agreement" were noted during monitoring activities.

The first instance involved the EEF Callier Fund Endowment (060033). Funds were being transferred annually to the EEF Fund account (UTD) for "UTD's Office of University Relations". The terms of these EEF endowments were reviewed and clarified by UT System Office of Gift Planning Services in December 2005 (FY 2006). At this time it was determined that these annual transfers should not be continued, according to the terms of the agreements. However, the transfers continued to occur in FY 2006 and FY 2007.

The second instance involved the White Emergency Loan Endowment (060042). Distributions are not being expended. No loans have been made since the establishment of the endowment in 1997. The terms of this endowment were modified in 2005 so that loans could be administered under the terms of UTD's Emergency Short Term Loan Program. However, no loans were made subsequent to 2005 revision.

What did you do as a result of the incident(s) of non-compliance? *Briefly describe the action taken on the above incidents of non-compliance.*

In the first instance (EEF Fund endowments), meetings were held with the interim VP of Business Affairs and the Associate VP for Budget and Resource Planning to further investigate the transfers. As a result, arrangements were made to discontinue these annual transfers effective with the FY 2008 annual budget. President Daniel, Dean Bert Moore, and the Director of the Callier Center, Tom Campbell, were notified of the instances of non-compliance and the remedial actions taken. The Director of Callier will be monitoring this account to prevent further transfers. Endowment Compliance monitoring will also continue for these accounts.



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A meeting was held with Maria Ramos, Director of Financial Aid, Cheryl Freisenhahn, Bursar, and others to discuss and resolve the obstacles to implementing the White Emergency Loan Program as revised in FY 2005. The terms of the endowment agreement were further clarified and submitted in writing to the UT System Office of Gift Planning Services for approval. Clarifications as approved by UT System of Gift Planning Services were provided to Director of Financial Aid and the Bursar. The donor's representative was informed of the status of the endowment and is amenable to whatever clarifications need to be made in order for this money to be utilized.

Monitoring will continue on the status of loans from this account.

Status of Previous Incidents of Non-Compliance: *(Review your previous reports. If you reported "Incidents of Non-Compliance" in your previous report(s), briefly describe their status).*

There are no outstanding non-compliance issues from earlier reports for FY 2007.

Areas of concern: *Briefly describe any concerns you wish to discuss related to your area of responsibility. This would **not** include an incident of non-compliance discussed above. This would include a concern that relates to your high-risk area that could be a potential issue in the future, an issue that is not necessarily a compliance issue, etc.*

The need for ongoing training continues to be evidenced; endowment compliance training will continue to be a focus of the endowment compliance effort in the 4th quarter 2007.

Based on preliminary review of selected accounts, there appears to be a continuing problem with the lack of properly approved account reconciliations as evidenced by the absence of appropriate signatures on account reconciliations. This area will be emphasized during endowment compliance training sessions and will be monitored in conjunction with the review of other compliance issues.

Training Conducted: *(Indicate date, topic, trainer, audience, number trained, as outlined in your RAMP)*

Endowment agreement Detail Reports and FY 2006 Compliance Reports were distributed to 100% of endowment administrators.

Sixteen orientation/training sessions were conducted this quarter (18 participants); see attached spreadsheet.



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Training Received: *(Indicate date, topic, conference or meeting attended and who was trained. This section is for indicating the training received by persons responsible for high-risk areas, including their staff.)*

"Building on Our Strengths", February 26-27, 2007, Annual Conference presented by UT System in Austin, for Development/Advancement personnel from all UT institutions.

"Big Ideas - Advancement Strategies in a Competitive World" CASE District IV Conference presented in Dallas March 31-April 4, 2007. Attendees included CASE members from District IV - Texas, Louisiana, Oklahoma, Arkansas, and Mexico.

"Tools for new Development Officers" departmental inservice presented by Ann Ratliff, Director of Development for Science and Engineering from Rice University at UTD on March 16, 2007. UTD major gift officers, AVP of Development, and the director of endowment compliance attended.

"How to write Donor-Centric Communications and Raise Lots More Money", Association of Fundraising Professionals audioconference Virtual Seminar presented by Tom Ahern on Wednesday, April 18, 2007. UTD major gift officers, AVP for development and director of endowment compliance attended.

CASE teleconference: "Donor Privacy, Gift Agreements, and the Donor's Real Wealth" Thursday, March 29, 2007 at UTD. Presenter: Stephen A. Weldon, J. D. Attendees: Barbara Seale, Laura Beall, Gloria Muhammad, Ralph Cousins, Michael DeFrank

"Qualifying Prospects in the Field", May 4, 2007, teleconference at UTD presented by D. Andrew Brown, Director of Advancement, The Hill School for the Association of Professional Researchers for Advancement (APRA). Attending: Barbara Seale, Toni Loftin, Kirstin Ludwig, Ralph Cousins, Dena Jackson, Patti Carter.

Monitoring Method: *Briefly describe the method of monitoring that took place during this quarter to insure compliance and what follow-up action was taken if non-compliance was found.*

A 100% review of the consistency of NACUBO codes in FINS and UTIMCO records was conducted. Inconsistencies were reported to the controller's office for correction.

Implementation of the one new endowment approved during this quarter was monitored.

Individual accounts were reviewed as issues arose during the preparation of FY 2006 Endowment Compliance Reports.

Have you identified any new high-risk areas?

Yes

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No

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If yes, briefly describe.

This form was prepared by [Barbara Seale](#) **as a draft to be approved by the**
Endowment Compliance Team
on [May 18, 2007](#). **Revised report to be approved** [June 13, 2007](#)

Responsible person should sign OR email this document to the Office of Audit
and Compliance at meeoakc@utdallas.edu **or AD32.**