

Application for Grant If an employer, including a college district, applies for money provided by the United States, an agency of the United States, or a privately sponsored source, and if any of the money will pay part or all of any employee's salary, the employer shall apply for any legally available funds to pay state contributions to the Teacher Retirement System as set out in Government Code 825.404 and 830.201.

When an employer receives funds to pay for state contributions for retirement and insurance pursuant to this application, the employer shall immediately send the money to the retirement system for deposit in the state contribution account. Monthly, employers shall:

1. Report to the system in a form prescribed by the system a certification of the total amount of salary paid from federal funds and private grants and the total amounts provided by the funds and grants for state contributions for the employees; and
2. Retain the name of each employee paid in whole or in part from a grant, the source of the grant, the amount of the employee's salary paid from the grant, the amount of money provided by the grant for state contributions for the employee, and any other information the retirement system determines is necessary to enforce this section.

The retirement system may require from employers reports of applications for money, require evidence that the applications include requests for funds available to pay state contributions to the retirement system for employees paid from the grant, and examine the records of any employer to determine compliance with this section and rules promulgated under it.

An employer who fails to comply with Government Code 825.406 may not, after the failure, apply for or spend any money from a federal or private grant. The attorney general shall bring a writ of mandamus against the employer to compel compliance.

A person commits an offense if the person is an administrator of an employer and knowingly fails to comply with Government Code 825.406.

Gov't Code 825.406; Insurance Code Ch. 1575, Subch. F

Financial Statement The governing body of a junior college district shall prepare an annual financial statement showing for each fund subject to the authority of the governing body during the fiscal year, the total receipts of the funds, itemized by source of revenue, including gifts or other general sources from which funds are derived. *Local Gov't Code 140.005*

Private Donations

A state agency, including a college district, which is authorized by statute to accept money from a private donor or for which a private organization exists that is designed to further the purposes and duties of the agency shall adopt rules governing the relationship between:

1. The donor or organization; and
2. The agency and its employees.

Rules adopted under Government Code Chapter 2255 shall govern all aspects of conduct of the agency and its employees in the relationship, including:

1. Administration and investment of funds received by the organization for the benefit of the agency;
2. Use of an employee or property of the agency by the donor or organization;
3. Service by an officer or employee of the agency as an officer or director of the donor or organization; and
4. Monetary enrichment of an officer or employee of the agency by the donor or organization.

A rule adopted under Government Code Chapter 2255 may not conflict with or supersede a requirement of a statute regulating:

1. The conduct of an employee of a state agency; or
2. The procedures of a state agency.

Gov't Code 2255.001

Certificate of Recognition

On receipt of a written request from an institution of higher education, including a college district, providing the information necessary to establish the donor's eligibility for the certificate, the Coordinating Board shall prepare and provide at no cost to the institution a certificate of recognition designed by the Coordinating Board under this section recognizing the gifts or donations of a person who in any year contributes to the institution, for the support of any purposes, programs, or activities of the institution, one or more gifts or donations in a total amount of at least \$10,000. *Education Code 61.0903*

Endowment Fund

The board of trustees of a public junior college may establish an endowment fund outside the state treasury in a depository selected by the board of trustees.

The board of trustees may deposit local funds collected by the board to the credit of the endowment fund.

APPROPRIATIONS AND REVENUE SOURCES
GRANTS, FUNDS, DONATIONS FROM PRIVATE SOURCES

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The board of trustees may accept gifts and grants from any public or private source for the endowment fund.

The endowment fund consists of local funds deposited to the credit of the endowment fund, gifts, grants, and income from investing the endowment fund.

The board of trustees may invest the endowment fund in securities, bonds, and other investments that the board considers prudent. In making investments under this section, the board shall exercise the judgment and care under the circumstances then prevailing that a person of ordinary prudence, discretion, and intelligence exercises in the management of the person's own affairs.

The board may not spend any money deposited in the endowment fund as local funds, gifts, or grants but may spend any income from investing the endowment fund for the operation or maintenance of the junior college.

Education Code 130.007

**Transfer of Funds to
Nonprofit
Foundation**

Charitable trust funds donated to a public junior college for the restricted purpose of providing scholarships to needy students of the college are not general assets of the junior college. Accordingly, should the trustees of the junior college as trustee of these funds view the administrative costs associated with their retaining control of the funds as substantially impairing the accomplishment of the trust purpose, the trustees may petition a court of competent jurisdiction to modify the trust under Property Code 112.054, substituting as trustees over the funds the trustees of a nonprofit corporation created to provide support to the college, subject to the continuing restriction that the funds may only be used for their original purpose as scholarship funds. Because of the trust impressed upon these funds, the constitutional restrictions on the donation of public money or credit to a private entity would not be implicated by such a consolidation. However, any grant of general college funds by the trustees to the foundation would implicate such constitutional questions. *Atty. Gen. Op. JC-138 (1999)*