

State Law Relevant Definitions

- (1) Charitable Purpose – the promotion of a scientific, educational, philanthropic, or environmental purpose, social welfare, the arts and humanities, or another civic or public purpose described by Section 501(c)(3) of the Internal Revenue code of 1986. (UPMIFA §163.003)
- (2) Endowment fund – an institutional fund or part that, under the terms of a gift instrument, is not wholly expendable by the institution on a current basis. The term does not include assets that an institution designates as an endowment fund for its own use.
- (3) Gift instrument – a record or records, including an institutional solicitation, under which property is granted to, transferred to, or held by an institution as an institutional fund.
- (4) Institutional fund – a fund held by an institution exclusively for charitable purposes. The term does not include:
 - a) program-related assets;
 - b) a fund held for an institution by a trustee that is not an institution; or
 - c) a fund in which a beneficiary that is not an institution has an interest, other than an interest that could arise upon violation or failure of the purposes of the fund.
- (5) Program-related asset – an asset held by an institution primarily to accomplish a charitable purpose of the institution and not primarily for investment.
- (6) Institution of higher education – any public technical institute, public junior college, public senior college or university, medical or dental unit, public state college, or other agency of higher education as defined in this section. (Education Code §61.003(8))
- (7) University System – the association of one or more public senior colleges or universities, medical or dental units, or other agencies of higher education under the policy direction of a single governing board. (Education Code §61.003(10))
- (8) State agency – an office, department, commission, board or other agency that is part of any branch of state government, includes an institution of higher education as defined by Section 61.003, Education Code and any nonprofit corporation acting on behalf of any of those entities (See: Bus.Org.Code §22.356(a) and Public Funds Investment Act, Govt. Code §2256.002(13))
- (9) “Unrestricted” fund – donation that is available for a charitable organization to use for any purpose. Unrestricted funds may go toward the operating expenses of an organization, for example.
- (10) “Restricted” fund – donation designated for a particular purpose or project. An example is a gift to a particular scholarship fund at a university.