



The Attorney General of Texas

January 14, 1982

MARK WHITE
Attorney General

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Mr. John Lloyd Bluntzer, Chairman
Board of Regents
Pan American University
Edinburg, Texas 78539

Opinion No. MW-425

Re: Disposition of restricted
purpose funds donated to a
university

1607 Main St., Suite 1400
Dallas, TX. 75201
214/742-8944

4824 Alberta Ave., Suite 160
El Paso, TX. 79905
915/533-3484

1220 Dallas Ave., Suite 202
Houston, TX. 77002
713/650-0666

806 Broadway, Suite 312
Lubbock, TX. 79401
806/747-5238

4309 N. Tenth, Suite B
McAllen, TX. 78501
512/682-4547

200 Main Plaza, Suite 400
San Antonio, TX. 78205
512/225-4191

An Equal Opportunity/
Affirmative Action Employer

Dear Mr. Bluntzer:

You request an opinion of the legal status of \$58,324 in funds transferred from your Unrestricted Donations Account No. 2901 to the Business School Excellence Fund.

It appears from your letter and supporting data that Pan American University received \$76,725 in donations from various companies. These funds were restricted to use in the business school and were set aside as a Business School Excellence Fund. It further appears that a transfer of \$58,324 was made from the Business School Excellence Fund, where the restricted funds were placed, to Unrestricted Donations Account and then returned to the Business School Excellence Fund.

Section 112.34 of the Texas Education Code provides:

The board may accept donations, gifts, and endowments for the university to be held in trust and administered by the board for the purposes and under any directions, limitations, and provisions that may be declared in writing in the donation, gift, or endowment, consistent with the laws of the state and the objectives and proper management of the university.

That statute is controlling. The \$58,324 in question was, according to the information you have furnished to this office, placed in the Business School Excellence Fund, removed, and returned. That sum is now in the proper account and any use of it is governed by section 112.34 of the Texas Education Code.

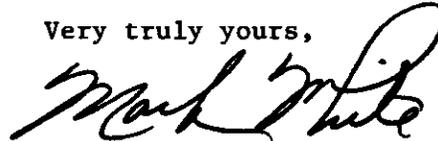
Your letter also indicates that a report of the Governor's Budget and Planning Office suggested that this sum be placed in the General Revenue Fund of the state. Such transfer would be contrary to section 112.34 of the Texas Education Code. The funds may be used only for

those purposes authorized by the donor pursuant to section 112.34 of the Education Code.

S U M M A R Y

Funds received by Pan American University by gift or donation are subject to the provisions of section 112.34 of the Texas Education Code.

Very truly yours,



MARK WHITE
Attorney General of Texas

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First Assistant Attorney General

RICHARD E. GRAY III
Executive Assistant Attorney General

Prepared by Jerry Cain
Assistant Attorney General

APPROVED:
OPINION COMMITTEE

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Jon Bible
Jerry Cain
Rick Gilpin
Jim Moellinger
Bruce Youngblood