

# OIST Gift Acceptance Policy

April 1, 2023

Approved by the President

## 1. Purpose

Under the leadership of the Fundraising Office in the Office of the President, OIST encourages soliciting and accepting gifts from diverse sources, such as individuals, foundations, and corporations, which will help fulfill and further its mission. This policy's purpose is to guide OIST BOG/BOC members, alumni, employees, and other people involved in soliciting and accepting gifts (hereinafter referred to as "volunteers"). It also serves as a guide for prospective donors and their advisors, assuring that all donors are treated ethically and equitably.

## 2. Commitment to Legal Responsibilities, Ethical Engagement, and Donor's Rights

- a) OIST is a Japanese university that has the legal responsibility to conduct fundraising and constituent engagement activities in compliance with Japanese laws and regulations.
- b) OIST is committed to ethical engagement. The solicitation and acceptance of gifts shall be aligned with the University's values, strategic goals, and financial needs as a legitimate, sustained, and vital component of our income. Impartial, independent research, scholarship, and teaching are the basis for furthering knowledge. The University shall not accept gifts if this basic principle is not clearly understood and accepted by all parties. Transparency and accountability are paramount in accepting and recording said gifts.
- c) OIST is committed to donors' rights. All solicitations on behalf of the University will be in accordance with the Donor Bill of Rights, as developed by the Council for Advancement and Support of Education (CASE) and other international organizations, as well as adopted by the Japan Fundraising Association. A copy of the Donor Bill of Rights is [available here](#).
- d) OIST urges prospective donors to seek appropriate assistance from legal and financial advisors in matters related to their gifts, including the effects on tax and estate planning.

## 3. General Policy

3.1 OIST will make every effort to accommodate and accept charitable contributions from donors. However, it will not accept gifts that:

- i) Violate laws and regulations;
- ii) Jeopardize OIST's status as a Public Benefits Promotion Organization and a Certified Private School Corporation;
- iii) Are for purposes that do not further OIST's mission;
- iv) Inhibit the independent research, scholarship, and/or teaching at OIST;
- v) Could damage the reputation of OIST;
- vi) Are too difficult or expensive to administer;

- vii) Are directly or indirectly from sources incompatible with OIST's ethical values, such as foreign military organizations;
- viii) May give rise to conflicts of interest, such as a donation by a vendor participating in a bidding process for a contract with OIST.

In case of doubt, or for any other major gifts that are known to come from politically sensitive or ethically questionable sources, OIST employees and volunteers must present the gift proposal to the Donation Review Committee [Link to be included in final version], who will make their recommendation to the President regarding gift acceptance. Final approval by the President will be required to accept these gifts.

### 3.2 Note about gifts by vendors:

Because OIST needs to maintain a fair and competitive process for selecting vendors, all donation proposals by vendors registered with OIST or in a bidding process shall be presented to the Donation Review Committee for review on a case-by-case basis to ensure that there will not be actual or perceived conflicts of interest. Exceptions will be made for charitable sponsorships for research conferences and workshops, which are common practices in academia; unless there are other signs of contention, these standard charitable sponsorships are permitted and welcomed.

## 4. Gift Designation and Restrictions

- a) Gifts may be designated for general purposes (general funds) or subjected to restrictions on use/purpose and/or timing of expenditure. OIST will consider a gift to be restricted if there is a written restriction in the donation instrument (e.g., donation application form, gift agreement, last will and testament, or other written directive) or if a gift is donated in direct response to an OIST solicitation for a specified fund. Absent either circumstance, gifts received will be assumed to be general funds available for general OIST purposes.
- b) A donor may designate both the University entity (e.g., a specific Research Unit or program) as the beneficiary of a gift and a purpose (e.g., scholarship, fellowship, professorship, etc.) for which the gift is to be used.

## 5. Gift Review and Acceptance

- a) Gifts Generally Accepted Through the Standard Business Process

All gifts to OIST shall be reviewed for official approval by the President's Office, the representatives of Accounting and Budget Sections, the VP of Financial Management, and the representative of the Compliance Section, documented through the Business Document Management System (DMS). This type of review and approval can be administered before or after a gift is transferred, depending on the context in which an individual gift is made.

If a gift had been transferred to OIST by the donor but failed to be approved, the fund must be returned to the donor. OIST will ask the donor to bear the transaction costs.

- b) Gifts Subject to Review Prior to Acceptance

Gifts for certain purposes or of certain types must be reviewed by the Donation Review Committee prior to acceptance. All final decisions on the acceptance and refusal of a gift shall be made by the President in consultation with the recommendation of the Donation Review Committee. Gifts subject

to prior review include, but are not limited to:

- 1) Gifts for the purpose of establishing a new Course (or equivalent academic program), a new Research Unit (or equivalent research project/program), or a new Faculty Position (dean, professor, associate professor, assistant professor, or equivalent positions);
- 2) Gifts of a complex financial structure, such as real estate, closely-held securities, life insurance, charitable gift annuities, etc.;
- 3) Gifts to name a physical space or academic enterprise (See Section 7d "Naming Opportunities").

## **6. Gift Agreement**

A gift agreement documents the mutual understanding between a donor and OIST in relation to the donor's charitable contribution.

- a) A formal gift agreement is generally required for new obligations entered by the University, both for multi-year commitments and one-time gifts of 5 million JPY or more in support of a specified purpose (as opposed to general purposes/general funds). Examples include but are not limited to: new and/or newly named funds, Research Units, programs, or centers; new and/or newly named physical spaces.
- b) Gifts/pledges not documented by formal gift agreements shall be documented in some other way. In general, a signed letter of intent or University donation/pledge form serves as documentation.
- c) When a gift is given by a commercial company, no direct profit-based advantage to the commercial entity shall be part of the gift agreement between the University and the commercial entity giving the gift.
- d) Prior to obtaining any University or donor signatures, an identical gift agreement draft must be approved by all signers.

## **7. Gift Acknowledgement, Recognition, and Stewardship**

### **a) Receipt**

Upon official approval of the gift, the University shall issue the charitable gift receipt and related documents as required by Japanese laws for the donor to file for a tax deduction.

For gifts in kind (non-cash gifts), the gift's fair market value will be indicated on the receipt should the donor provide a proper appraisal in line with the University's accounting standards. It will be the donor's responsibility to secure an appraisal where required.

For gift types that require complex financial management, such as securities, real estate, bequests, trusts, and annuities, the Fundraising Office shall develop further guidelines in due course.

### **b) Recognition**

The Fundraising Office, in consultation with the President, may establish criteria for recognizing donors with certain honors based on various giving levels and gift types. These honors may include the listing of donors' names on an honor roll or plaque noting their significance, or the opportunity to receive invitations to certain donor recognition events. Should the donor wish to remain anonymous, such wish shall be respected, and anonymity shall be maintained as far as Japanese laws allow. However, the anonymous donation shall not have the purpose of shielding the University from

damage to its reputation or disguising a gift which it would otherwise not have accepted.

The purpose of recognition programs is to honor donors for their altruistic support to the University, and the programs shall be conducted in accordance with OIST's mission and the donor's philanthropic intention.

c) Stewardship

Donors entrust funds to the University with the expectation that their gifts will be recognized and managed in a timely and fiscally responsible manner. Acceptance of all gifts to the University should be in accordance with this policy, and every effort will be made to ensure that donors' confidence in the University's stewardship is well placed and that all monies contributed are expended for their designated purposes under the guidelines and within the time frames specified in the donor agreements.

d) Naming Opportunities

Naming opportunities exist to recognize the dedication, accomplishments, and/or generosity of extraordinary individuals and organizations whose support is invaluable to the mission of OIST. Elements of physical space or academic enterprise may be named for individuals or organizations.

Physical space includes (but is not limited to) buildings and other major facilities, areas within buildings (e.g., foyers, specific rooms, lecture halls, laboratories, auditoriums, etc.), grounds, outdoor renovations, gardens, trees, benches, and real property.

Academic enterprise includes divisions, programs, institutes, centers, academic positions, discretionary funds, scholarships, fellowships, and other funds or naming opportunities.

While naming opportunities generally last for the useful duration of an element of the physical space or academic enterprise, the University reserves the right to revoke and terminate a naming in various extraordinary circumstances, including, but not limited to, any situation in which being associated with the donor could cause harm to the University and its reputation or if the donor does not fulfill his or her donation pledge. Removal of name shall be suggested by the Donation Review Committee and approved by the President. These policies are defined in naming guidelines.

## **8. Amendments to the Gift Acceptance Policy**

The Donation Review Committee shall periodically review the policy to ensure that it continues to adequately provide guidance with respect to the acceptance of charitable gifts. Further amendments or revisions of the policy shall be conducted according to OIST's Document for Approval Process with the President to be the final approver.

### **Supplementary Provisions**

This Guideline shall come into effect on April 1, 2023.