



UArctic Policies & Processes - Philanthropic Financial Support

Approved by the Board of UArctic in December 2020

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PURPOSE

This policy and process document governs UARctic's solicitation, acceptance, and recognition of private philanthropic support received by UARctic for the benefit of its programs or those of its member organizations. This includes gifts from individuals, corporations, foundations, and organizations.

ROLES AND RESPONSIBILITIES

Staff and volunteers engaged in UARctic fundraising activities will abide by ethical principles in fundraising including honesty, respect, integrity, empathy, and transparency.

The **Board of Directors** is responsible for oversight of all UARctic activities, including oversight of this policy on philanthropic financial support. The Board should review this policy every two years and update it as needed.

The **President** is responsible for the final review and approval of all gift agreements.

The **Gift Acceptance Committee** reviews naming opportunities, minimum gift levels for endowments, and all non-standard gift agreements.

The VP Finance, Development and Engagement oversees UARctic's fundraising strategy and is supported in this effort by staff at the International Secretariat. The **Philanthropy Manager** defines, leads, and participates in a broad array of fundraising activities. To ensure coordination, any UARctic staff member or volunteer who is engaging with a donor should first make contact with the Philanthropic Manager.

The **finance support staff of UARctic** is responsible for matters related to the accounting of contributions. They will ensure that sound financial operational support is available, that accounting and reporting is carried out according to UARctic policies and processes, and will ensure compliance with the appropriate governing and legal entities. The Vice President of Finance also will review any gift that is in a form other than cash, involves or may involve the law of another country, or is otherwise unusual, and may refer the decision on whether to accept such gifts to the Gift Acceptance Committee.

The **Donor** is responsible for securing their own independent legal, tax, and financial advice for all gifts to UARctic. UARctic will not act as an advisor to any donor in any of these respects.

GIFT ACCEPTANCE

A gift is a voluntary transfer of cash or assets given with intent and without expectation of any return to the donor, other than appropriate acknowledgment and recognition. Gifts may be made by individuals, foundations, corporations and other types of organizations, such as trade associations.

Acceptance of a gift may have attached conditions to be fulfilled and followed by the donor, as stated in a gift agreement.

Gifts may be designated for use by UARctic or by one or more of its member organizations. UARctic accepts gifts for use in the current fiscal year or near-term future and endowment gifts for investment in perpetuity. In general, donors of less than €25,000 in a single year are encouraged to support UARctic with an unrestricted gift.



Gifts That Can Be Accepted

Gifts are accepted from a wide variety of sources who are willing to support UARctic in fulfilling its mission. Gifts and pledges may only be made by the entity exercising legal control over the assets to be given.

A gift may be accepted if:

- The donation and its terms are in accordance with our values, purpose, and strategy.
- The donation and its terms don't endanger the reputation, limit autonomy, or conflict or compromise the operating or other principles of UARctic.
- UARctic is familiar with the donor and the origin of the donation well enough, and the donation is consistent with the laws of the country from which the donation originates.
- The financial costs or other liabilities arising from the donation are within reasonable limits.

Gift Acceptance Committee

The Gift Acceptance Committee will convene as needed to review certain non-standard gifts and requests for exceptions. UARctic reserves the right to refuse or return gifts that may be deemed inappropriate by the Gift Acceptance Committee.

The Gift Acceptance Committee shall consist of the following individuals or their designees:

- President
- Vice President for Organization
- Vice President for Finance, Development and Engagement
- Philanthropy Manager

Gifts that Require Review

The majority of gifts will be documented with a customary gift agreement and will not require the review of the Gift Acceptance Committee. However, a gift must be reviewed by this committee if:

- It comes from a donor whose values and purposes are in conflict with UARctic
- It may result in an unacceptable conflict of interest or perceived conflict of interest
- It may expose UARctic to reputational or financial harm
- It will compromise UARctic's control over its research or programs, or otherwise limit the full and impartial operation of UARctic
- It requires UARctic to return the gift if certain conditions are not met
- The intended purpose of the gift cannot foreseeably be met
- The terms are so narrowly defined that effective use or administration, immediately or over time, would be problematic
- The cost to administer the donation or sponsorship will constitute a substantial portion of the funds raised.

Decisions will be made by a majority of the committee. At its discretion, the Committee may choose to elevate a gift acceptance question to the Finance Policy Committee.



MAKING A GIFT

How to Make a Gift

Gifts may be made directly to UArctic or to one of the affiliates with which UArctic has a Memorandum of Understanding governing fundraising. These include:

- University of Lapland (Finland)
- Northern (Arctic) Federal University (Russia)
- Arctic Circle Assembly
- UArctic Foundation US

Gifts made directly to UArctic are preferred, as they provide the most immediate benefit and least administrative expense. However, to enable donors to make the most tax advantaged giving decisions for their individual financial situations, UArctic maintains a Ways of Giving document detailing all the means a donor may use to transmit their gift.

Forms of Giving

For gifts made directly to UArctic, UArctic accepts the following forms of giving:

Cash and cash equivalents, which includes credit card transactions, and electronic fund transfers.

Pledges, which must be recorded in a written gift agreement outlining a mutually agreeable payment schedule over a maximum period of five (5) years.

Planned/deferred gifts, in which UArctic will receive the gift at a future date (usually upon the death of the donor or beneficiary) or over a period of time. These may be estate gifts or other deferred giving vehicles permitted by the donor's country of residence (e.g., life insurance or retirement plan beneficiary designations, charitable remainder trusts, charitable lead trusts). Final determination of the acceptability of any planned/deferred gift shall rest with the Gift Acceptance Committee, who may refer the decision to the Board of Directors.

GIFT RECORDING

All gifts and pledges will be recorded by UArctic, regardless of whether they are made directly to UArctic or pass through a partner organization. This database will constitute the complete record of funds raised but will not constitute an auditable financial record, as those records will remain with the receiving entities.

Gift Counting and Crediting

For gifts made directly to UArctic:

- Gifts of cash will be recognized at their present value at the time the gift is received
- Gifts of securities will be receipted at the mean value of the highest price and lowest price on the date the stock arrives in UArctic's brokerage account



Pledges will be recognized at their full value in the year they are made with annual payments to be made as stipulated in the gift agreement.

Gifts and commitments to UArctic may be announced and recognized only once they are officially recorded.

Donors who inform UArctic they have made a planned/deferred gift will be requested written documentation of the gift (e.g., a copy of the bequest, retirement plan, or other document outlining the ultimate source of the gift). Such gifts will not be valued or recorded until the gift is ultimately received by UArctic, typically at the time of death. Unless specified in writing, all such gifts will be considered unrestricted in designation.

Restricted Donations

It is the policy of UArctic to invest a percentage of all restricted gifts in the organization's mission-critical activities. For all restricted donations of €10,000 and above, UArctic applies 5-10% toward the organization's core activities, including administration of the gift. The percentage depends on whether the gift was made to UArctic directly or through a partner organization and, in the case of the latter, whether any gift administration expenses were required.

Gift Agreements

UARctic requires a gift agreement under the following circumstances:

- Gifts over \$10,000 Euro
- Gifts with multi-year obligations and requirement for on-going recognition and stewardship
- Gifts that establish an endowment fund
- Gifts that provide naming recognition
- Gifts where the terms offer benefits beyond customary donor recognition (e.g., logo use, event attendance, special plaques, sector/industry exclusivity, etc.), including all corporate sponsorships
- Pledges of any value when UArctic will rely on the commitment in advance of payments
- When requested by the donor

The individual executing the agreement on behalf of the donor must have actual control over the assets to be transferred.

All gift agreements must be drafted using approved templates. These templates cover all necessary legal and organizational requirements, and may not be altered except as provided in the templates.

The President will be responsible for reviewing and approving all gift agreements. Any gift agreement that deviates from the approved template also must be approved by the Gift Acceptance Committee who, in their discretion, may refer it to the Board Finance Policy Advisory Group.



Gift Acknowledgements

All other gifts, regardless of receiving entity, will be acknowledged in writing with a gift acknowledgement letter that includes:

- Name of legal donor
- Gift amount
- Date of receipt
- Purpose of gift

Gift Receipts

Gift receipts will be provided by the organization through which the gift was made (e.g., UARctic or one of its partner organizations). UARctic will make every effort to assure gift receipts have been issued by the appropriate receiving entities and will assist donors in liaising with relevant staff at partner organizations as needed.

Fundraising Reporting

Total fundraising in support of UARctic will be reported as the total of all new outright gifts, pledge commitments, and philanthropic grants recorded in the UARctic fundraising database. Verbal pledges are not counted in giving totals. The amount of actual charitable receipts is accounted separately.

Confidentiality and Anonymity

All information obtained from or about donors and potential donors will be held in strict confidence. Neither the donor's name, gift amount, nor other conditions of the gift will be made public without approval of the donor, unless required to do so by law.

UARctic will respect a request for a gift to remain anonymous as far as is reasonable, provided that anonymity would not conceal a real or perceived conflict of interest or raise any other ethical or authoritative concerns. A donor's request for anonymity must be approved by the Gift Acceptance Committee, which may refer the question to the Board of Directors.

File of Record

The UARctic International Secretariat maintains the file of record for all documents related to gifts. In the case of written gift agreements, the original signed agreement will be retained by the Secretariat.

ENDOWMENT FUNDS

Endowment is a permanent fund whose principal is invested in perpetuity for the purpose of providing perpetual funding for UARctic or its positions, programs, or other activities.

Individual endowment funds are pooled and invested, and the income is expended in accordance with the prevailing investment and spending policies of UARctic and applicable laws and regulations. Income from new endowment gifts will be available for expenditure a full fiscal year after the completion of the gift, depending on the purpose of the gift and the income needed to fund the donor's intent.



The purpose of an endowment fund should be defined broadly in the gift agreement to ensure UArctic can continue to fulfill the donor’s intention while accommodating unforeseen future changes in the needs and operation of UArctic. If another use of a fund is deemed necessary in the future, consent for using the funds in a different manner may be sought from the donor or may be altered in accordance with the terms of the gift agreement. If the use becomes impossible or impractical, court approval may be sought to alter the use.

Endowments require a minimum level of funding to be established, as outlined below. The Gift Acceptance Committee is authorized to update these amounts as necessary.

Endowment Type	Description/Notes	Minimum Gift
General Endowment	For UArctic’s unrestricted use or for a designated purpose that is approved by UArctic	€50,000
Endowed Scholarship for Mobility	To support a student’s participation in north2north or other Mobility programs	€200,000
Endowed Research Fund	To fund research costs and related support for specified projects or programs	€250,000
Endowed UArctic Fellowship	To support the academic endeavors of a specified position and his/her programs	€500,000
Endowed UArctic Chair	To support academic endeavors for a specified position and his/her programs	€500,000
Vice Presidents	To support the work of a Vice President and enhance the visibility of UArctic	€4,000,000
President	To support the work of the President and enhance the visibility of UArctic	€5,000,000

If an endowment will be established by a planned/deferred gift, the realized value must meet the minimum funding requirements in place at the time of receipt. If it does not, the gift will be added to UArctic’s general endowment fund.

NAMING OPPORTUNITIES

Naming opportunities enable UArctic to honor those who have made a prominent and/or permanent investment in UArctic through substantial philanthropy. These require a minimum level of funding in order to be established.

The Philanthropy Manager will maintain an inventory of all naming opportunities, including programs, positions, and endowed funds. The inventory must be reviewed and approved by the Gift Acceptance Committee, which is authorized to update these amounts as necessary.

Naming opportunities to establish a new center, institute, or program must be approved by the Board of Directors.



All naming opportunities require a written gift agreement and must be funded with outright gifts. The gift agreement must specify the name to be used, the time limit of the naming recognition, and when the name will be added to the position/program. Naming recognition is typically bestowed once the commitment for full funding is signed or accepted cash flow procedure is provided to fund a program or position annually in place.

Naming recognition can be bestowed on individuals or organizations. Individual donors may choose recognition that includes their spouse or domestic partner. Families are recognized as an entity. No more than two names will be listed when recognizing individuals.

Organization logos, text type, and images will not be used as part of or in association with a naming opportunity.

Where funds are pledged over a period of time, UARctic may revise or withdraw recognition if the agreed flow of funds ceases or changes from the terms outlined in the gift agreement, without refunding any monies received.

UARctic reserves the right to revise or withdraw naming recognition if the name is likely to damage UARctic's reputation (for example, if there is a change in the donor's reputation subsequent to the name being assigned). The Gift Acceptance Committee will consider whether the naming recognition should be withdrawn or revised and will make a recommendation to the Board of Directors, which has final approval.

UARctic will have no obligation to transfer naming recognition if a named position or program ceases to exist.

EXCEPTIONS

In rare circumstances, projects may require special consideration that warrant an exception to this policy, including terms that deviate from the standard gift agreement templates. Requests for such exceptions must be made to the Gift Acceptance Committee, who may refer the decision to the Board of Directors.