



## **Policies, Procedures and Guidelines**

**Policy Title:** INSEAD Gift Acceptance Policy v5

**Responsible:** Nida Januskis, Associate Dean of Advancement

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### **1. Background**

INSEAD is committed to excellence in teaching and research and to the fundamental principles of academic freedom. As such, we welcome gifts (expendable and endowed, restricted and unrestricted) from individuals, corporations, foundations and governmental organisations and bodies to help us achieve our academic mission and to enhance our programmes and services to students and participants.

In various countries, legislation encourages voluntary gift support of charitable entities like INSEAD and allows substantial tax relief to donors. The significance of the tax laws governing charitable contributions makes it an important obligation of INSEAD to record and acknowledge all gifts received.

It is the responsibility of the Advancement Department to ensure that the highest standards of professionalism are followed in the solicitation of gifts and in working with donors. When negotiating a gift on behalf of the institution, INSEAD representatives must consult with the Advancement Department to ensure due diligence prior to deciding to accept a gift. This should ideally happen as early in the gift discussion process as possible, especially if any risk is detected via prospect research.

### **2. Purpose**

This document has been established to guide decisions about the acceptability of gifts and to outline the types of gifts that INSEAD will and will not accept.

This Gift Acceptance Policy is intended to:

- 2.1 Ensure that informed decisions are made on the acceptance of gifts and enable such gifts to be recorded thoroughly and receipted accurately.
- 2.2 Enable efficient administrative, legal, and accounting practices and procedures to be followed.
- 2.3 Enable accurate reporting of gifts to INSEAD.
- 2.4 Ensure INSEAD's Gift Acceptance Policy meets with CASE (Council for the Advancement and Support of Education) guidelines and all other applicable legal guidelines.

2.5 Ensure consistent and fulsome relations with donors.

### **3. Scope**

This policy governs the acceptance of gifts made to INSEAD and via its various affiliated foundations around the world.

### **4. Gift Eligibility**

4.1 The following types of gifts are deemed eligible for acceptance by INSEAD, subject to provisions defined in articles 5 and 6 below:

- 4.1.1 Outright gifts of cash and cash equivalents
- 4.1.2 Securities (public or privately held, charitable stock options)
- 4.1.3 Gifts of digital assets such as cryptocurrency
- 4.1.4 Gifts-in-kind
- 4.1.5 Gifts of real property
- 4.1.6 Bequests (a residuary bequest, a pecuniary bequest, or a reversionary bequest)
- 4.1.7 Gifts of life insurance or pension plans
- 4.1.8 Personal property in the form of tangible assets (e.g. personal collections of art, books, coins, plaques and other items intended for public display, as well as food or other items used for hosting dinners)
- 4.1.9 Personal property in the form of intangible assets (e.g. intellectual property such as patents, copyrights of cultural, artistic and literary works, computer software under development).

### **5. Gift Acceptance Policy**

INSEAD may choose to accept or decline any gift. INSEAD may not accept gifts, enter any business relationships, or accept external support in the following circumstances:

- 5.1 When accepting the gift knowingly compromises the school's public image or commitment to its academic mission or freedom, as well as its essential values, as articulated by the school's leadership and in its strategic plans. And/or because of its unusual nature, presents questions as to whether it is within the role and scope of INSEAD
- 5.2 When it exposes INSEAD to an uncertain and potentially significant liability, financial, legal, reputational, or otherwise or where there is risk of embarrassment.
- 5.3 When the donor applies unacceptable restrictions or conditions on the gift. For example, if the gift creates scholarships, fellowships, professorships, chairs, or lecture series with restrictive clauses that violate conventions.
- 5.4 INSEAD will exclude donations from individuals and companies involved in:

- illegal or controversial military weapons if revenues are more than 30% of firm's revenues;
  - adult or sexual content if revenues are more than 5% of firm's revenues.
- 5.5 When the gift will be difficult for the school to administer or implement or does not meet the academic priorities of INSEAD. Similarly, if the size or benefit of the gift is perceived to be disproportionate to the work or cost required to sustain the gift.
- 5.6 When the gift relies on a third-party appraisal provided to the donor that is perceived to be inaccurate or unreliable.
- 5.7 When there is a question that the source was from illegal activities, from activities that, in INSEAD's opinion, have a negative impact on the economy, society, human rights or the environment, or from an ambiguous financial source.
- 5.8 When the gift is precedent setting or involves sensitive issues.
- 5.9 When the gift could improperly benefit any individual – for example by giving any special consideration for employment to the donor, or to anyone designated by the donor, or that would allow the donor to inappropriately influence student admission, teaching, learning or scholarship of a student, faculty member or programme. In addition, INSEAD will not accept gifts that give special consideration to the procurement of products or services associated with the donor.
- 5.10 When the gift does not comply with relevant income tax/revenue authority regulations and guidelines, or other applicable laws and statutory guidelines.
- 5.11 Scholarship Fund Acceptance Policy. It is critical that INSEAD maintain its independence and integrity in the scholarship selection process to attract and retain the best scholarship candidates.
- 5.11.1 To ensure that the selection process is free of conflicts of interest, objective and non-discriminatory, and operationally-sound, the scholarship selection committee will comprise only of INSEAD employees.
- 5.11.2 While donors can provide general feedback and state their preferences in the Gift Agreement, they cannot be involved in the vetting of candidates nor in the final selection process.
- 5.12 Acceptance of any gift which involves a proposal to name is conditional upon the final approval of the naming by:
- 5.12.1 The Dean and INSEAD Executive Committee for gifts up to €3M euros.
- 5.12.2 The INSEAD Audit, Finance and Risk Committee for gifts above €3M euros.
- 5.13 INSEAD reserves the right not to accept tangible honorary or memorial donations, such as statues, plaques, pieces of art and other items intended for public display. Decision to accept such gifts rests with the Dean and INSEAD Executive Committee

if the gift is deemed to be less than €3M euros, or the INSEAD Audit, Finance and Risk Committee if the gift is deemed to be more than €3M euros.

- 5.14 INSEAD reserves the right to rename its facilities, without incurring any financial responsibility or liability and without having to justify its decision, if in the sole opinion of its Board of Directors there are exceptional or compelling reasons for doing so. Such reasons include but are not limited to any perception by the Board, in light of circumstances prevailing at any relevant time, that the failure to rename the facilities could put at risk or have an impact on INSEAD's reputation and/or brand.
- 5.15 In the case of any gift which has already been received where reputational risk is a concern, its return will be pursued after consultation with the Audit Finance Risk Committee.

## 6. Gift Acceptance Decisions

- 6.1 The Dean and the INSEAD Executive Committee have delegated authority from the INSEAD Board of Directors to make decisions concerning acceptance of gifts up to €3M in accordance with this Policy and are accountable to the Board for implementation of this responsibility.
- 6.2 In determining the acceptability of a gift, the Dean may seek input and advice from other members of INSEAD's Executive Committee on behalf of the Board of Directors.
- 6.3 The Dean may delegate responsibility for decisions under this Policy for gifts of less than €3M euros to the Associate Dean of Advancement.
- 6.4 The INSEAD Audit, Finance and Risk Committee of the INSEAD Board of Directors will make decisions concerning acceptance of gifts of €3M euros and above.
- 6.5 To mitigate any risk to INSEAD of accepting gifts that could affect the school's reputation or about which there could be concerns, an enhanced process will be implemented in December 2017 as follows:
- 6.5.1 Advancement will have a standing placeholder on the Audit, Finance and Risk Committee meeting agendas to bring forward any cases for concern.
- 6.5.2 Any gift discussions of €3M+ will be screened for risk by the Advancement Research area as early as possible in the discussion cycle and, where feasible, in advance of any proposal or gift agreement being presented to the prospect.
- 6.5.3 Advancement Research will elevate concerns if any risks are found to the Advancement leadership and, if necessary, engage an outside provider to conduct additional due diligence.
- 6.5.4 Advancement leadership will either bring the concerns forward at the next Audit, Finance and Risk Committee meeting or, if a decision is needed sooner, an exceptional meeting shall be called to decide next steps.

- 6.6 In addition, INSEAD shall seek the recommendation of the Audit, Finance and Risk Committee on all gifts of significant risk. All such gifts shall be documented by a written understanding between the donor and INSEAD (usually via a Gift Agreement or Memo of Understanding, if necessary).
- 6.7 Gifts of Significant Risk include:
- 6.7.1 All gifts of real property/real estate
  - 6.7.2 All gifts of real or tangible personal property subject to donor restrictions regarding the disposal of such property
  - 6.7.3 Cash gifts with significant donor restrictions
  - 6.7.4 All gifts of unusual items or gifts of questionable value
  - 6.7.5 Any security with sale restrictions or stipulations
  - 6.7.6 Any gift or challenge grant that will require an outlay of INSEAD resources to either accept, maintain, or will provide any exposure to liability.

## **7. Gift Agreements**

Where appropriate, and especially for unusual gifts or gifts of significant risk, Gift Agreements will be subject to legal review and be recorded between the donor and INSEAD.

## **8. Restricted and Unrestricted Gifts**

- 8.1 It is possible for a donor to stipulate certain restrictions on a gift or designate it to a specific purpose. INSEAD will review the restrictions to ensure that it is able to comply and to clarify its duties in fulfilling the restrictions, and to ensure that these restrictions are acceptable under all applicable laws and guidelines. The Advancement Department, in consultation with other departments as necessary, may request that the terms of the gift be revised, be subject to a power to vary, or recommend to the appropriate individual that the gift be declined.
- 8.2 Unrestricted gifts shall be used at the discretion of the Dean for such purposes as to best advance INSEAD's mission.

## **9. No Advice to Donors**

- 9.1 INSEAD does not provide any legal, accounting, tax, or financial advice to donors with respect to gifts made to the school. Donors are encouraged to seek independent legal, accounting, tax or financial advice from professionals and are responsible for all costs incurred in relation to obtaining such independent professional advice. INSEAD cannot suggest or endorse a third party as a source of

gift advice. Where necessary, donors will be requested to provide INSEAD with an acknowledgement that:

- 9.1.1 Independent professional advice has been obtained; or
- 9.1.2 Independent professional advice has been waived though recommended by INSEAD; and
- 9.1.3 INSEAD is released from any liability that may arise in relation to the making of the gift.

## **10. Refunding of Gifts**

- 10.1 In rare instances, INSEAD may deem it necessary to refund gifts, either because it is in the best interest of the school, or because condition agreed in accepting a gift cannot or will not be met. In such cases, the relevant Boards and Committees shall be informed (i.e. Audit, Finance and Risk Committee, relevant Foundation Boards).
- 10.2 Conditions under which gifts may be refunded:
  - 10.2.1 When conditions of acceptance cannot be met or cannot be agreed to.
  - 10.2.2 When it is in INSEAD's interest and when continuing to hold a gift would not enhance INSEAD's reputation either with the donor or with the general public.

## APPENDIX

### DEFINITIONS

<b>Gift</b>	<p>A voluntary and irrevocable transfer of property (e.g. an asset with determinable value such as cash, securities, life insurance, art, or real property) to be used for either expendable or endowed purposes.</p> <p>To qualify as a gift to INSEAD, the following conditions must be met:</p> <ul style="list-style-type: none"> <li>• The transfer of cash or other assets must be unconditional</li> <li>• The transfer must be in furtherance of INSEAD’s charitable mission, and</li> <li>• The transfer must be non-reciprocal, which means there must be no implicit or explicit statement of exchange, purchase or services, or provision of exclusive information to the donor in exchange for his or her gift.</li> </ul>
<b>Expendable Gift</b>	Expendable gifts are available to INSEAD for immediate expenditure, in return for which no valuable benefit flows to the donor from INSEAD.
<b>Endowed Gift</b>	A donation where INSEAD received property (a “gift”, as outlined above) from the donor to hold, as trustee, in a charitable purpose trust and spending allocations are generated for use in support of the purpose or object of the endowment.
<b>Restricted or Designated Gift</b>	A donation where the donor has specified restrictions on the use of the donation. Endowments are to be considered designated unless the gift is specifically directed to an “undesignated endowment”.
<b>Unrestricted or Undesignated Gift</b>	A donation where the donor has not specified restrictions on the use of the donation.
<b>Securities</b>	<p>Gifts of privately or publicly held shares, digital assets or charitable stock options.</p> <p>The value of securities is determined on the recognized gift date, which is established when the donor relinquishes control of the securities. The average of the high and low trading prices on the gift date determines the value of securities for reporting purposes.</p>
<b>Gifts-in-kind</b>	Gifts-in-kind are generally defined as non-cash donations, other than real and personal property. Gifts-in-kind might include such items as equipment, software, software licences, printed materials, food or other items used for hosting dinners etc. Gifts-

	<p>in-kind usually (though not always) come from companies, corporations, or vendors, in contrast to individuals, who typically give personal property.</p> <p>For all gifts-in-kind, especially items such as equipment and software, INSEAD reports the educational discount value (if an educational discount is offered) – this is, the value the institution would have paid had it purchased the item outright from the vendor. Regardless of what the estimated value a vendor may place on a gift-in-kind, the recipient (INSEAD) should only count as a gift the amount it would have paid for the item or items were they not donated.</p>
<b>Gifts of Real and Personal Property</b>	<p>Real property (also called real estate or realty) is defined as land, its natural resources, and any permanent buildings on it.</p> <p>Personal property is defined any anything other than real property that is subject to personal ownership. Real or personal property becomes a gift to an institution when a transfer of ownership takes place.</p>
<b>Bequests: Residuary Bequest</b>	<p>A residuary bequest is a gift whereby all or a percentage of the donor's remaining estate, after expenses and other legacies has been paid out (for example to friends and family), goes to one of INSEAD's charitable trusts around the world.</p>
<b>Bequests: Pecuniary Bequest</b>	<p>A pecuniary bequest is a gift of a fixed sum of money for the benefit of INSEAD.</p>
<b>Bequests: Reversionary Bequest</b>	<p>A reversionary bequest is a gift of assets for INSEAD's benefit, subject to the rights of a named individual or individuals to receive the benefit of those assets during their lifetime. For instance, one could leave a house to an INSEAD charitable trust on condition that a family member can continue to live there for the rest of his or her life.</p>
<b>Personal Property: Tangible Assets</b>	<p>This includes personal collections of art, books, coins, statues, plaques and other items intended for public display, as well as food or other items used for hosting dinners.</p> <p>Gifts of real and personal property, tangible and intangible, that qualify as a charitable deduction for a donor should be counted at fair market value regardless of the value the donor may be able to take as a charitable deduction (for gift substantiation, the donor has the responsibility for valuing property for tax deduction purposes).</p> <p>*Gifts of real and personal property with fair market value of more than €3,500 euros or \$6,000 Singapore dollars, or the equivalent,</p>



	<p>should be counted at values placed on them by qualified independent appraisers. In the rare instances when the donor is not required to provide an appraisal (for example, if the donor is the creator of a piece of donated artwork, in which case the donor's deduction is limited to the cost of materials), the institution's own appraisal obtained for insurance purposes is sufficient.</p> <p>**Gifts of €3,500 euros or \$6,000 Singapore dollars, or the equivalent, or less, may be counted in a number of ways including, the value placed on the gift by an independent appraiser; the value declared by the donor, the value determined by a qualified expert on the faculty or staff of the institution, yet not an individual whose fund-raising totals are directly affected by the gift. Local laws should be consulted for further details.</p>
<p><b>Personal Property:</b> <b>Intangible Asset</b></p>	<p>This includes intellectual property such as patents, copyrights of cultural, artistic and literary works, computer software under development.</p> <p>If the fair market value of intellectual property is not known and cannot be readily determined, the institution reports the asset in the year the value becomes known.</p> <p>As noted above, gifts of real and personal property, tangible and intangible, that qualify as a charitable deduction for a donor should be counted at fair market value regardless of the value the donor may be able to take as a charitable deduction (for gift substantiation, the donor has the responsibility for valuing property for tax deduction purposes).</p> <p>Please refer to * and ** above.</p>

**Approved by:** INSEAD Leadership and INSEAD Audit and Finance Committee in May 2014

**Approval of revised policy v2:** INSEAD Audit Finance Risk Committee in February 2018

**Approval of revised policy v3:** INSEAD Audit Finance Risk Committee in June 2021

**Approval of revised policy v4:** INSEAD Audit Finance Risk Committee in November 2022