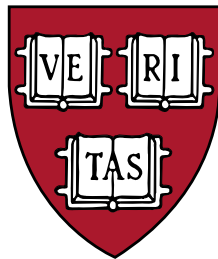


HARVARD UNIVERSITY



Gift Policy Guide

MAY 2020



OVERVIEW

Throughout its history, Harvard University has benefited from the generosity and foresight of philanthropists. The work of the institution—to expand and deepen knowledge, to advance teaching and learning, and to drive progress across many areas of human endeavor—would not be possible without the consistent commitment and thoughtful support of donors who have helped build and grow the University over centuries.

This document outlines the manner in which philanthropic gifts are considered, accepted, and administered within Harvard. Following are several broad considerations that guide the University's efforts to solicit and accept gifts, to agree to gift terms, to recognize donors, and to manage funds:

UPHOLDING ACADEMIC FREEDOM

The University maintains a fundamental and enduring commitment to academic freedom and the rigorous pursuit of knowledge across many different fields of inquiry and from many different points of view.

ADHERING TO INSTITUTIONAL VALUES

The University is committed to respecting the rights, differences, and dignity of individuals; to demonstrating honesty and fair play in all dealings; and to pursuing excellence at all times in all aspects of its work.

AVOIDING CONFLICTS OF INTEREST

The educational and research activities of the University should be guided by a paramount concern for enhancing learning, advancing knowledge, deepening understanding, and pursuing truth, not by financial or other interests that would undermine the fulfillment of such aims.

ENSURING ALIGNMENT AND AUTONOMY

The University seeks and depends upon philanthropic gifts aligned with the priorities and needs of the institution, honors the intentions of donors as expressed in the terms of such gifts, and maintains control and flexibility regarding the use and administration of gift funds.

These overarching considerations inform the University's approach to the solicitation and acceptance of gifts and facilitate consistent and principled gift administration in support of the University's mission. The University is mindful that, under IRS regulations, a philanthropic gift must be characterized as the complete transfer of assets from the donor to the University without receiving a material return benefit. The donor irrevocably transfers ownership and control over the funds to the University.

SOLICITATION OF GIFTS

University development staff, faculty, and administrators are responsible for knowing and adhering to restrictions on gift acceptances and volunteer engagement that may be related to perceived conflicts and other considerations. These restrictions include policies pertaining to the solicitation of gifts from donors while they have a family member applying for admissions; gifts that might be construed as advancing a donor's business interests rather than the interests of the University; and gifts that would pose substantial risks to the University, whether due to the source or purpose of the funds. The University will decline to pursue or accept donations that are inconsistent with the considerations outlined in this guide.

Faculty, staff, and researchers of the University are prohibited from making a tax-deductible gift, either individually or through a foundation or donor-advised fund, that is restricted to support (or otherwise directly benefit) their own work or that of an immediate family member.

All large corporate gifts and all corporate naming recognition must be reviewed by the Gift Policy Committee, and all solicitation of corporate donors must be reviewed by Alumni and Development Services.

ACCEPTANCE OF GIFTS

Gift terms are required for all new funds established at the University. All terms must be drafted from or conform to approved templates. Certain provisions are required. The University must be authorized to

- invest, administer, and distribute the fund in accordance with its policies; and
- redesignate a fund, working in consultation with the donor, if possible, if the designated purpose of a fund is no longer feasible or appropriate.



Other provisions are prohibited. The University cannot be required to

- waive assessments;
- prevent funds from being used to pay overhead, indirect costs, or administrative costs;
- provide “vendor rights” in exchange for the contribution;
- compel a work commitment or appointment acceptance;
- enforce return-to-home-country requirements or similar future restrictions;
- grant the donor the right to enforce the terms and conditions of the gift; or
- stipulate governing law other than that of the Commonwealth of Massachusetts.

The University sets minimum levels to establish endowed funds. Schools are permitted to set higher minimums. The minimum amount must be reached through actual gifts received rather than capitalized income.

Only authorized individuals may sign gift terms on behalf of Harvard. The Harvard Corporation has designated certain individuals as authorized signatories.

RECOGNITION OF DONORS

Consistent with the longstanding tradition of anonymous giving, if requested by an individual donor, Harvard may treat the donor’s gift as anonymous, to the extent permitted by law. Such gifts are subject to a review process. Harvard will not accept a gift anonymously that it would not accept publicly. Corporations are not granted anonymity.

Harvard may recognize a donor’s generosity through the naming of a fund, physical space, collection, faculty position, or scholarship, among other vehicles. Certain types of naming recognition, such as corporate recognition in residential space, are not permitted, and some names may not be used, including those of governments, sitting heads of state, and current University staff and faculty members.

Physical spaces may be named for the useful life of the space. Corporate naming recognition must be approved by the Gift Policy Committee. Naming a building, deanship, or School requires special approval.

Namings acknowledge the source of a donation and, like the act of accepting gifts, should not be understood as a judgment of the donor's character or conduct. However, as noted above, the University will not agree to accept a gift, with or without naming recognition, if doing so would be inconsistent with the considerations described in this document.

The University, with approval of the Corporation, may choose to revoke naming recognition when the gift commitment supporting the naming has not been fulfilled, or where the donor's actions are so outside the bounds of acceptable conduct, as judged by reference to prevailing societal norms, that continued use of the name is damaging to the interests of the University. Prevailing societal norms ordinarily will be assessed at the time of the gift, not later.

MANAGEMENT OF FUNDS

As is the case with all University funds, donated funds are subject to the policies of the University. Each endowed fund is assigned units in the Harvard endowment, which are invested collectively under the direction of Harvard Management Company, in a manner that seeks to support current programmatic needs while preserving the endowment's purchasing power for future generations. Harvard does not accept gifts that would limit its discretion in managing and investing University funds.

All programmatic activities supported by donor funds have associated overhead costs that must be covered, including information technology, facilities operations and maintenance, student services, academic planning, and human resources. Harvard assesses donor funds for such costs, applying a portion of the amount made available for annual spending from a donor fund to defray direct and indirect facilities and administrative costs.

The University's current assessment structure has been approved, and is subject to change, by the Harvard Corporation.

Activated endowment funds are generally eligible to receive an annual distribution for expenditure according to fund terms, based on a rate approved by the Harvard Corporation.

On an annual basis, following the issuance of the University's audited financial results, Harvard produces endowment fund reports, which include a fund financial update and an endowment overview.

GIFT POLICY COMMITTEE

As fiduciaries of the University, the Harvard Corporation has ultimate authority over the acceptance of gifts they delegate to the president and provost. The Gift Policy Committee is charged with advising the provost on the development and oversight of Harvard's policies related to the solicitation, acceptance, and administration of charitable gifts, which they may amend from time to time. This Committee is chaired by the provost and includes the vice president for Alumni Affairs and Development, the vice president and general counsel, the vice president and secretary to the Corporation, and other senior University administrators and faculty members. The Gift Policy Committee is responsible for reviewing unusual or complex issues pertaining to certain gifts, considering the application of gift policies to particular cases brought to the Committee, including exception requests, and performing other functions as requested by the Corporation, president, or provost.

Generosity has made Harvard University what it is today. By ensuring that every contribution is used wisely, effectively, and fairly, the University honors the aspirations and hopes of those who sought—and seek—to preserve its excellence and advance its mission in perpetuity.