

Guidelines on Fundraising and Management of the University Advancement Fund

Established April 1st, 2008
Amended Oct. 20, 2009
Amended Oct. 18, 2018

Chapter 1 Principles

Article 1 All members of the University shall work together to raise funds for the University Advancement Fund, and must never receive any donations that are contrary to the fundraising ethics.

Article 2 The University shall make decisions on the fundraising and the utilization of all advancement funds while maintaining consistency with the University's vision and goals.

Article 3 The fundraising department shall supervise the collection and management of all donations to the University with the approval and instructions of the President and under the discretion of the Vice President of Planning.

Article 4 The University may, when necessary, limit or designate persons to contact donors at the discretion of the President or the Vice President of Planning (director of the fundraising department) before requesting formal and informal donations to the outside.

Chapter 2 Outline

Article 5 (Purpose of Fundraising) The purpose of collecting advancement fund is to secure stable financial resources towards achieving the University's development goals and visions.

Article 6 (Definition of Terms) The definition of terms used in this guideline are as follows.

1. "Cash" refers to money, checks, credit cards, electronic funds transfer (e.g. CMS) and payroll deductions.
2. "Holdings" refer to all kinds of non-cash assets that can be donated such as stocks, bonds, real property, machinery, equipment, book materials, artwork, intellectual property, and other cashable items.
3. "Contribution Value" refers to the amount value of the donated holdings that is calculated based on the Donated Valuables Evaluation Criteria of this very guideline.

Article 7 (Types of Funds)

1. The funds shall be classified as follows based on the goals and the intended use.

- A. POSTECH Strategic Business Fund: funds used to invest in various university development projects, such as special businesses that are strategically promoted for the University development.
 - B. Student Development Fund: funds used for the development and management of the students' scholarship and educational programs, and whose recipients are two or more departments.
 - C. Internationalization Fund: funds used for the internationalization of the University
 - D. Chair Professor Fund: funds used to operate a chair professor program for the academic development of the University
 - E. Academic Research Fund: funds used to support the education and academic research of the University
 - F. Student Welfare Fund: funds used to enhance students' learning environment and the living conditions
 - G. Infrastructure Fund: funds used to expand the University's infrastructure such as construction of buildings
 - H. Entrepreneurial Vitalization Fund: funds used to operate start-up programs and venture business support program within the University
 - I. Departmental Fund: funds used for the purpose of departmental development such as in sub-clause B or H.
 - J. Other funds that are designated and used for specific purpose upon the donor's request or for University's development.
2. The funds shall be classified based on the method of managing funds as follows.
- A. Principal-preserved Fund: funds whose principal amount is preserved and only Return on Investments (ROI) are utilized
 - B. Principal-consumed Fund: funds whose both principal and ROI may be utilized

Chapter 3 Donation Policy

Article 8 (Standards and Scope of Acceptance)

1. The President (Vice President of Planning) shall make judgements to accept or refuse all donations received for the University development.
2. The President (Vice President of Planning) may refuse to accept donations if:
 - A. The donation is not pertinent to the direction of University's development.
 - B. The donation may have a negative impact on University's reputation
 - C. The donation was raised through an unlawful act or processes that violate general fundraising ethics
 - D. The donation designates a particular person as the beneficiary
 - E. If the operational (honoring) expense of the funds is significantly greater than the amount of donation
 - F. If the donor makes a request that challenges the desired direction of University development or its founding ideology in return for the donation
 - G. If the donation is an item or a real estate that receiving such would be impertinent considering its value or its intended use.

3. However, for donations that meet the criteria, the President (Vice President of Planning) shall decide whether or not to receive them.

Article 9 (Receipt of Donation)

1. All donations to the University received from outside the University shall be referred to the fundraising department, and all departments must immediately notify the fundraising department if they receive any donations from any outside sources. However, the scholarships and bursaries the University receives on behalf of the students from the government agencies or nonprofit scholarship foundations shall be made exceptions.
2. When a donation is received, the donor shall be issued a donation receipt in the form prescribed by law.
3. In case of holdings, the person in charge shall fill out the 'Received Items Report' Form (Attachment III-1), obtain an approval from the director of his/her department, and then notify the fundraising department.

Article 10 (Establishment of Funds)

1. The establishment of new funds shall be made at the request of the donor or by the needs of the University and must be approved by the Vice President of Planning
2. The criteria for establishing a new fund and naming the fund are as follows:
 - A. If the University's policy decisions require new funding for special projects.
 - B. If the donor donates more than KRW 50 million and specifies that his/her fund be continuously used for a particular purpose. However, if he or she promises to raise a total of KRW 50 million or more within 10 years, a new fund may also be established at the time of promise.

Article 11 (Termination of Fund)

1. In principle, the funds shall be permanently maintained unless otherwise specified in the agreement. However, a fund may be terminated in the following cases.
 - A. Upon the request or consent of the donor (only if the donor is alive)
 - B. Fund is being left unused and is without an increase for two years or more
 - C. Fund whose balance is less than KRW 1 million after use
 - D. If there are any reasonable circumstances in which the maintenance of the fund is made difficult
2. Any balance left of the terminated fund shall be transferred to other fund(s), taking into account its originally intended use.

Article 12 (Fees and Charges)

1. In principle, the University shall never grant any kind of reward or brokerage fee to any person or organization that donated to the University. However, the costs made in producing a non-monetary gift of appreciation such as an honorary award shall be made exceptions.
2. In principle, the University shall pay for the statutory fees, credit card fees, and holdings evaluation costs that directly relate to the donation.

Article 13 (Execution of Funds and Approval of Budget)

1. The procedures for the annual (quarterly) budget request, review, and preparation (approval) of the advancement fund are as follows:
 - A. The department that wishes to execute the University advancement funds must make its budget request during the annual (quarterly) budget preparation period of the University.
 - B. The fundraising department shall consider various factors such as the suitability of intended use and the balance of funds when deliberating and making adjustments regarding all fund-budget requests.
 - C. The department in charge of budget shall finalize the amount of budget after comprehensively deliberating the advancement fund budget against the entire University budget, and finally prepare and allocate the budget in accordance with the University's budget preparation procedures.
2. The budget execution of all unplanned projects is subject to budget and accounting regulations of the University.
3. The utilization of the approved budget shall be supervised by the department of concern and shall receive cooperation of the fundraising department while executing the budget.
4. In the event that the part or all of the donation need to be utilized for a particular purpose during the very year in which the donor made a promise to donate, the budget may be prepared and executed with the approval of the director of the department in charge of budget and the deliberation of the director of the fundraising department.

Chapter 4 Honoring Donors

Article 14 (Honoring Donors)

1. For donors of the Advancement Fund, the following honorary treatment can be given according to the amount and nature of their donation. The criteria for honorary treatment based on the amount of donation can be found in “[Attachment VI-1] Honorary Treatment for Donors of Varied Amount.” However, an exception could be made outside of the criteria if it is deemed particularly necessary after comprehensively considering the donor’s circumstances and the nature of donation such as the meaning of donation and the willingness for further donation.
 - A. Issuance of a receipt in the name of the President which is entitled to income tax and corporate tax benefits
 - B. An access to all types of welfare facilities managed and operated by the University
 - C. Printed materials (e.g. promotional materials, university newspapers and calendars, etc.) published by the University sent through postal mail.
 - D. An appreciation plaque, a certificate/letter of appreciation, or University souvenirs or memento
 - E. Imprinting donor’s name onto the University facilities such as campus buildings, or having the University space or fund named after the donor.
 - F. Any other honorary gift, privilege or treatment that could express gratitude towards the donor and honor his/her noble spirit.
2. If the representative of the donating organization and the individual donor happen to be the same person, he or she could receive an honorary treatment based on the total sum of two respective donations.

Article 15 (Installation of Monument) The decision regarding the installation of monument such as its location, scale/size, and type shall be made by the President.

Article 16 (Donor Roll Management) The fundraising department shall permanently preserve the list of donors and their donation histories, and allow donors to freely view their own data.

Chapter 5 Evaluation and Management of Donations

Article 17 (Evaluation) All donations made to the University shall be evaluated as follows, in principle.

1. In terms of cash, its whole amount is considered as the donation.
2. Holdings
 - A. Stocks and bonds shall be assessed in accordance with the Property Assessment Criteria of the “Inheritance Tax and Gift Tax Act” or Enforcement Decree of the equivalent act.
 - B. Personal Property and Real Estate Property
 - The assessment of personal property shall be made based on objective evidence or the evaluation of the accredited evaluation agency.
 - The assessment of real estate property shall be made based on the Property Evaluation Criteria of the “Inheritance Tax and Gift Tax Act.”
 - C. The tangible or intangible intellectual property rights shall be assessed according to the reasonable assessment result of the accredited evaluation agency immediately following donation.

Article 18 (Management) The donated funds shall be received, managed, and utilized by the fundraising department, and the funds shall be managed by the finance and accounting department in principle. The procedures for management is as follows:

1. Any cash donations shall immediately be transferred to the finance and accounting department and be accounted as soon as they are received.
2. In case of holdings, stocks and bonds shall be kept and managed by the finance and accounting department, and any properties and assets by the asset management department.
3. The donated holdings shall only be recognized with the additional approval of the director of the managing department, and may be retained or disposed at the discretion of the director of the managing department.

Article 19 (Standard of Selling off or Disposing Donated Holdings) The principles of the standard of selling off or disposing donated holdings are as follows:

1. Stocks and Bonds

- A. Listed (registered) stocks and bonds shall be sold within one year of receipt.
- B. Unlisted (unregistered) stocks shall be sold once they become listed (registered).

However, if there is an agreement with or request from the donor, or if the University finds it particularly necessary, the time of sale may be adjusted after an approval by the President (Vice President of Planning).

2. In principle, the real estate property shall be sold immediately upon receipt. However, the time of sale may be adjusted if the time of sale has already been decided by the agreement, or if the University finds the adjustment particularly necessary.

3. Periodic Evaluation and Disposal

- A. The fundraising department shall evaluate the market price of its holdings (e.g. stocks, bonds, real estate, etc.) in consultation with the finance and accounting department.
- B. The fundraising department shall report the holdings' market price evaluation results to the President (Vice President of Planning) and obtain the final approval of disposal.
- C. For holdings (e.g. stocks, bonds, real estate, etc.) whose disposal have been approved, the fundraising department shall request the finance and accounting department (stocks, bonds) and the purchasing and property department (real estate) to have them sold.
- D. The profits from sale shall immediately be included in the accounting of Advancement Fund.

4. Approval Criteria for Disposable Items

- A. An approval of the President is required for the items whose estimated total market price is over KRW 1 billion.
- B. An approval of the Vice President of Planning is required for items whose estimated total market price is less than KRW 1 billion. However, the fundraising department may report to the Planning and Budget Committee and receive their deliberation if the University finds doing so particularly necessary.

Addendum

This guideline was established on April 1, 2008 and shall take effect from this date.

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This guideline was amended on October 20, 2009 and shall take effect from this date.

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This guideline was amended on October 18, 2018 and shall take effect from this date.

[Attachment III-1] Receipt Report of Goods

Receipt Report of Goods		Approval		Person in Charge	Director of the Team	Vice President
Name of the Item	In Korean		Model NO.			
	In English		Manufacturing NO.			
Product Standards			Manufacturer			
Unit			Quantity			
Unit Price	KRW		Price	₩		
	\$			US \$		
Name of Donor	In Korean		Address			
	In English		Occupation			
Intended Means of Use			Date of Receipt			
Purpose of Donation						
Utilization Plan	Opinions of the Receiving Department					
	Opinions of the Department in Charge					

POSTECH

Month Day 20XX

Director of the Receiving Department

