

# **IEEE Foundation**

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**Policy and Procedures Manual  
&  
Service Agreement Between  
IEEE Foundation and IEEE  
&  
Investment Service Agreement  
Between IEEE Foundation and IEEE**

**November 2022**

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## INTRODUCTION

IEEE Foundation, Inc. (the “Foundation”) is a separately incorporated not-for-profit organization affiliated with The Institute of Electrical and Electronics Engineers, Incorporated (the “IEEE”) established exclusively to support the scientific and educational purposes of the IEEE. The U.S. Internal Revenue Service has determined that the Foundation is exempt from United States Federal Income Tax as an organization described in Section 501(c)(3) of the Internal Revenue Code, and that the Foundation is not a private foundation for federal tax purposes. Accordingly, donations, bequests, and grants, intended to further the scientific and educational purposes of IEEE, are made to the Foundation and shall be utilized pursuant to policies established by the Foundation Board of Directors.

This manual contains the policies and procedural framework for governance and administration of the Foundation. The policies contained herein have been established to ensure volunteers and staff have a clear understanding of, and shall carry out, their respective responsibilities regarding the functions and administration of the purposes of the Foundation. Specific procedures, when they exist for implementation of these policies, are developed and maintained with oversight of the appropriate officers and standing committees of the Foundation and the Foundation Board and are contained in the IEEE Foundation Operations Manual. Nothing herein is intended to conflict with the provisions and requirements contained in the IEEE Foundation Certificate of Incorporation and Bylaws. Any capitalized terms not otherwise defined herein shall have the meaning set forth in the Foundation Certificate of Incorporation and Bylaws.

### SECTION 1 - ADMINISTRATION AND GOVERNANCE

#### **1.1 CORPORATE PURPOSE**

The Foundation is established exclusively to support the scientific and educational purposes of IEEE. Accordingly, all funds held by the Foundation must be expended for these purposes and may not be used in support of, among other things, professional activities.

- A. **Vision:** The IEEE Foundation is a leader in transforming lives through the power of technology and education.
- B. **Mission:** The IEEE Foundation inspires an engaged community and leverages the generosity of donors to enable IEEE programs that enhance technology access, literacy, and education and supports the IEEE professional community.

#### **1.2 DIVERSITY STATEMENT**

The IEEE Foundation’s mission to inspire an engaged community and leverage the generosity of donors to enable IEEE programs that enhance technology access, literacy, and education and supports the IEEE professional community requires the talents and perspectives of people with different personal, cultural, and disciplinary backgrounds. The Foundation is committed to advancing diversity in the technical profession, and to promoting an inclusive and equitable culture in its activities and programs that welcomes, engages, and rewards those who contribute

to the field without regard to race, religion, gender, disability, age, national origin, sexual orientation, gender identity, or gender expression.

### **1.3 NON-DISCRIMINATION POLICY**

A. The Foundation is committed to equality of opportunity to all, and to the belief that its best interests are served when a broad spectrum of backgrounds and talent is brought to bear upon its activities. Accordingly, the Foundation prohibits discrimination, harassment and bullying against any person for any reason, for example, because of age, ancestry, color, disability or handicap, national origin, race, religion, gender, sexual or affectional orientation, gender identity, gender expression, appearance, matriculation, political affiliation, marital status, veteran status or any other characteristic protected by law. The Foundation expects that its Directors, Officers, Committee Members, service providers, employees, grant recipients and IEEE Organizational Units delegated expenditure authority per Foundation Policy 3.3.C, when and wherever those individuals are conducting Foundation business or participating in Foundation events or activities, shall maintain an environment free of discrimination, including harassment, bullying, or retaliation.

B. **Definitions:**

**Discrimination.** Discrimination is defined as taking negative action against a person either because the person has one or more protected characteristics or refusing to provide a reasonable accommodation for a person's disability or religious belief, restriction, or requirement, treating people differently, either preferentially or with adverse impact; because they have similar characteristics; or because they are from specific groups, unless differential treatment is reasonable, essential and directly related to conducting Foundation business.

**Harassment.** Harassment is defined as one form of Discrimination. Harassment is conduct based upon one or more protected characteristics that has the purpose or effect of unreasonably interfering with an individual's participation in Foundation activities or creating an environment that would be intimidating, hostile or offensive to a reasonable person in such a situation. Harassment can occur when submission to such conduct is made either explicitly or implicitly a term or condition of an individual's participation in Foundation activities or used as a basis for decisions affecting that individual's relationship to the Foundation.

**Bullying.** Bullying is defined as a form of Harassment. Bullying consists of waging an ongoing and systematic campaign of interpersonal destruction against an individual or group of individuals that a reasonable person would find hostile, offensive and unrelated to Foundation's legitimate business interests on the basis of a protected characteristic. It tends to be an accumulation of many incidents over a long period of time, including treatment which persistently provokes, pressures, frightens, intimidates or otherwise discomforts another person.

Retaliation. Retaliation is defined as punitive actions taken against persons for exercising their employee or other rights under the laws in good faith, reporting violations of the laws to the proper authorities (i.e. “whistle-blowing”) and/or participating in administrative or legal proceedings as a plaintiff, complainant or witness.

**C. Mediation and Enforcement:**

Any person who believes they have witnessed or experienced conduct that violates this policy should contact the Foundation at [foundation-office@ieee.org](mailto:foundation-office@ieee.org) or +1 732 562 3860. The mailing address is IEEE Foundation, 445 Hoes Lane, Piscataway, NJ, 08854-4141, USA. The Foundation Executive Committee shall be informed of all allegations.

The Foundation Executive Committee will oversee the investigation of all allegations and concerns regarding potential violations of this policy.

The goal in every such case shall be to reach a determination on the merits of allegations, if possible. In most cases, this will require an investigation into the facts. Such an investigation may be conducted by IEEE staff, legal counsel, volunteers, private investigators or other individuals deemed qualified to do so. If the evidence shows that there has been discrimination, harassment, bullying, and/or retaliation, the Foundation shall seek to ensure the discrimination, harassment, bullying or retaliation immediately stops and does not recur. The complainant shall be informed generally of the conclusions reached regarding the allegations. Disciplinary sanctions for violation of policy, up to and including termination of employment or seeking expulsion from membership in IEEE, if applicable, will be imposed.

#### **1.4 CONFLICT OF INTEREST**

For the purposes of these policies and procedures, conflict of interest is defined as any situation in which (i) a member of the Foundation Board of Directors, any key employee, any officer or volunteer or other person serving the Foundation in some capacity is in a position to make decisions or cast votes that could substantially and directly, or indirectly, affect any such person’s personal, financial or business interests or (ii) any such person has a fiduciary responsibility to another organization. All such persons shall avoid situations and activities where their personal interests could conflict, or reasonably appear to conflict, with the interests of the Foundation. Members of the Board of Directors have a duty to avoid being controlled by another entity in the exercise of his or her duties, shall not agree to exercise his or her duties in order to benefit any individual or interest other than the Foundation’s interest, and shall abstain from voting on a matter in which he or she has a financial interest and shall not be present at or participate in any board or other committee deliberation or vote on the matter giving rise to such conflict. It is the responsibility of key employees and all persons in any elected, appointed, or volunteer position of a Foundation activity to determine if a conflict or perceived conflict of interest may exist. If a conflict exists, the person with the conflict shall not attempt to influence improperly the deliberation or voting on the matter giving rise to such conflict. Any such recognized potential conflict shall be made known immediately to the person in charge of the activity (or to the next higher authority if the affected individual is in charge) who, after consultation with the President and the other individuals in the activity, will advise the affected

individual of the proper course of action and cause a notation of the action to be entered in the activity's record, including the minutes of any meeting at which the conflict was discussed or voted upon.

In addition, prior to the initial election of any director and annually thereafter, such director shall complete, sign and submit to the Secretary a written statement identifying to the best of the director's knowledge, any entity of which such director is an officer, director, trustee, member, owner (either as a sole proprietor or a partner), or employee and with which the Foundation has a relationship, and any transaction in which the corporation is a participant and in which the director might have a conflict of interest. The Secretary shall provide a copy of all completed statements to the Chair of the Audit Committee.

## **1.5 IEEE ADMINISTRATIVE SERVICES**

### **A. Services Provided by IEEE**

**Corporate Services** include: corporate communications services, making arrangements for meetings, issuing notices of meetings, preparing agendas and Directors' meeting books for the Board, select committees of the Board and of the Foundation, drafting minutes of such meetings, preparing and maintaining governing documents, maintaining files and records, retaining custody of the corporate seal and overseeing IEEE donor supported programs.

**Fundraising & Communication Services** include: creation, modification, and implementation of mission-appropriate fundraising and communication strategies and plans in collaboration with the Foundation Development Committee

**Financial Services** include: cash management, receipts and disbursement functions, accounts receivable, and custody and professional investment management of the Foundation's assets pursuant to an Investment Agreement as described in Schedule B to the Service Agreement

**Accounting Services** include: maintaining a system of accounts, financial procedures and internal accounting controls, performing bank account and investment statement reconciliations, keeping the Foundation's books of accounts, and preparing financial statements, financial forecasts and operating budgets

**Internal Audit Services** include: arranging for audit of the Foundation's financial statements by the independent auditing firm in collaboration with the Foundation Audit Committee and approved by the Foundation's Board of Directors to be conducted in conjunction with IEEE's annual audit

**Strategic Sourcing Services** include: providing procurement services, contract management, and independent contractor qualification

**Tax Matters and Filing Services** include: preparing and filing reports and tax returns required by governmental authorities on behalf of the Foundation

**Insurance Services** include: securing and managing the Foundation's insurance policies - covering Director & Officer liability, travel, general liability, and other coverage deemed appropriate and necessary

**Legal and Compliance Services** include: providing legal and regulatory compliance counsel

**Membership Renewal Services** include: arranging for solicitation of donations from members in conjunction with the annual dues renewal and processing of contributions given in response to the annual dues renewal and other vehicles as appropriate

- B. Service Agreement** – There shall be Service Agreements between the Foundation and IEEE that set forth the administrative and investment management services to be provided by IEEE to the Foundation as well as the fees to be charged for these services. (See Appendix I)
- C. IEEE Support** – IEEE is committed to establishing a line item in its budget each year for financial support of the Foundation to enhance the Foundation's ability to carry out its philanthropic mission in areas of interest to IEEE. The amount of support shown in the line item shall be proposed annually by the Foundation Executive Director or his/her designee and submitted to the IEEE Finance Committee which shall forward its recommendation to the IEEE Board of Directors as a part of IEEE's annual budget approval process.

## **1.6 LIAISON WITH IEEE COMMITTEES**

Subject to approval by the IEEE, the Foundation Treasurer shall be a corresponding member to the IEEE Finance and Investment Committees, shall receive notice of these meetings, copies of agendas and minutes of Committee meetings, along with their supporting materials, and may attend meetings of these committees without vote.

The IEEE Treasurer shall appoint a member of the IEEE Finance Committee to serve as a corresponding member of the Foundation Board of Directors, and such corresponding member shall receive notice of meetings, copies of agendas and minutes of Foundation Board meetings, along with their supporting materials, and may attend meetings of the Board without vote.

## **1.7 USE OF LEGAL COUNSEL**

Legal services required by the Foundation in all matters related to its policies and interests are provided by the IEEE Legal and Compliance Department. Approval of the Executive Director, Foundation or his/her designee is required on requests for legal advice made by staff members before they are submitted to the Foundation's legal counsel.



## **1.8 CONTRACTS WITH EXCLUSIVE RIGHTS**

The Foundation shall not enter into any contract or agreement (i) that obligates the Foundation to refrain from entering into similar contracts or agreements for goods or services similar to those to be provided by the other party to the subject agreement, or (ii) otherwise grants to such other party exclusivity as to the provision of the goods or services to be provided under the subject agreement, without first notifying the Foundation Board of Directors. Such notification must be made in advance of finalization of the agreement and in sufficient time for the Foundation Board of Directors to consider the action.

## **1.9 MEDIA CONTACT**

Inquiries from the media to officers or members of the Foundation Board of Directors or its committees on material issues including issues involving current proceedings or having the potential for legal action or concerning issues that are potentially detrimental to the Foundation's reputation and positive image, shall be referred to the Foundation Executive Director or his/her designee. Such individuals may comment as long as they clearly state that this is only their personal opinion and is not necessarily the official position of the Foundation. Foundation Executive Director or his/her designee shall be responsible for documenting each inquiry that pertains to legal or sensitive matters and will coordinate the response by the President of the Foundation or, if deemed appropriate, the Foundation's legal counsel.

## **1.10 GUIDELINES FOR IEEE FOUNDATION MARK**

The following is a summary of the guidelines on the use of the Foundation mark. The Foundation mark should be used on the Foundation's publications and also on meeting notices, programs and other promotional literature and products. In every use, the mark must be preserved. The mark should be used only in connection with official business of the Foundation.

## **1.11 ELECTRONIC MAIL POLICY**

It is the policy of the Foundation to encourage and promote the responsible use of electronic communications in administrative, business, and technical operations of the Foundation. E-mail services are provided to the Foundation by the IEEE. The policies and procedures of the IEEE shall govern the use of its electronic mail system of networks.

Individuals must bear responsibility for his or her use of e-mail. The Foundation can accept no responsibility or liability for any actions of the alias recipient or user, or for any consequences resulting from use of e-mail, including, but not limited to, misaddressed, lost or undelivered e-mail messages. The Foundation will cooperate with authorities conducting a legal investigation, or other official inquiry, into illegal activities or unlawful acts associated with the use of an IEEE e-mail alias or e-mail service.

## 1.12 INTERNAL TAX PROCEDURES

- A. **Annual Information Returns – Form 990.** Form 990 is an annual information return which is filed with the Internal Revenue Service (IRS) by tax-exempt organizations described in Section 501(c)(3) of the Internal Revenue Code. The return provides important information and financial reporting that supports the organization’s tax-exempt purpose, which is used by federal and state governments and the general public.

The IEEE Tax Department annually files Form 990 on behalf of the Foundation and is responsible for any audit reviews initiated by the IRS.

Annually, the Foundation President, Treasurer, Assistant Treasurer, and Executive Director shall meet with the tax preparer to review the Form 990. Prior to signing and filing the Form 990, a copy shall be distributed to the Foundation Board of Directors so they may review it and ask questions of the tax preparer.

The three most recent Form 990 filings shall be available on the Foundation web site.

- B. **Other Information Returns – Form 1099.** In accordance with federal regulations, the Foundation is required to file Annual Information Returns (Form 1099) to the IRS on or before February 28<sup>th</sup> of the year following the close of the calendar year with regard to amounts paid to third-party individuals / unincorporated independent contractors, where the amounts are at or above the IRS defined threshold. It is also a requirement that the recipients of the qualified payment be mailed copies of Form 1099 for their tax reporting purposes no later than January 31<sup>st</sup> following the close of the calendar year. If the recipients of the payments are also subject to backup withholding rules, the Foundation is required to file Form 945-Annual Return of Withheld Federal Income Tax for any withholding taxes that are required to be withheld from the recipient’s payments.
- C. **State Solicitation Returns.** On the Foundation’s behalf, the IEEE Tax Department has registered the Foundation in numerous states within the U.S. in order that the Foundation be allowed to solicit for contributions in those states. On an annual basis, state registrations are renewed, which requires that a state registration information return and financial report (based on the Foundation’s Form 990) be submitted for filing and approval. Annual registration fees are required upon each year’s renewal.

## 1.13 WHISTLEBLOWER AND NON-RETALIATION POLICY

It is the policy of the Foundation not to take any retaliatory action against any Director, Officer, manager, employee, IEEE member (in any capacity), or IEEE non-member participating in a Foundation activity for raising a good faith compliance or ethics concern, for making a good faith report of a possible violation of laws applicable to the Foundation, the IEEE Code of Conduct, IEEE Code of Ethics, or related policies, or assisting or cooperating in an investigation of a possible violation of the foregoing. Such matters shall be handled in accordance with Section 4.7 of the IEEE Foundation Operations Manual. Any elected Director or Officer of the Foundation and any staff manager or employee who engages in any such retaliatory action can

be punished by penalties up to and including seeking expulsion from IEEE membership for a volunteer and termination of employment for any IEEE staff member.

All staff of the Foundation have the responsibility to promptly report violations, or concerns regarding potential violations, of Foundation or IEEE Policies or the IEEE Code of Conduct.

Volunteers are encouraged to report such violations. Anonymous reports can be made to the IEEE Hotline at +1 888 359 6323. Reports of retaliation should be made immediately to the IEEE Legal and Compliance Department.

## SECTION 2 – ORGANIZATION

### **2.1 IEEE FOUNDATION BOARD OF DIRECTORS**

The activities of the Foundation shall be managed by its Board of Directors. The Foundation Board shall establish policy, oversee the activities of its committees and committees of the Foundation, and approve all grants and contributions and other financial obligations of the Foundation. Article III of the Foundation bylaws describes the make-up of the Foundation Board along with the rules and procedures governing elections to membership and its operation. In addition, the IEEE Treasurer shall be a corresponding member of the Foundation Board and shall receive notices, agendas, and minutes of Board meetings, may participate in all meetings without a vote, and may attend all Board meetings at their own expense.

### **2.2 OFFICERS**

The officers of the Foundation shall be the President, Vice President - Development, Vice President - Programs, Secretary and Treasurer. The immediate Past President shall be an officer of the Foundation during the first year following his or her term as President. The duties, powers and terms of office of the officers are described in Article IV of the Foundation bylaws.

With the approval of the IEEE Executive Director, the Foundation Board may appoint the IEEE Chief Financial Officer and the IEEE Controller as Assistant Treasurer(s). It may also appoint the Foundation Executive Director and his/her designee.

### **2.3 COMMITTEES OF THE IEEE FOUNDATION BOARD**

Article III, Section 13 of the Foundation's bylaws describe the rules governing committees of the Foundation Board and committees of the Foundation.

The following are committees of the Foundation Board and shall be composed of sitting members of the Foundation Board of Directors. The Executive Committee will annually appoint the members of the IEEE Foundation Committees. The action is likely to occur via an email ballot process. Results shall be reported to the Foundation Board.

- A. Executive Committee** – The membership and powers of the Executive Committee are described in ARTICLE III, SECTION 14 of the Foundation's bylaws. In addition, the Executive Committee shall be responsible for preparing operating and strategic plans for consideration by the Foundation Board. The President shall preside over meetings of the Foundation Executive Committee.
  
- B. Nominating and Corporate Governance Committee** – The Nominating and Corporate Governance Committee shall consist of three or more members. The Committee shall prepare a slate of Directors to be presented at the meeting held immediately prior to the Annual Meeting and a slate of officers to be presented at the Annual Meeting of the Foundation Board. The Committee shall have such other duties as are set forth in a

charter approved by the Foundation Board, which is found in the IEEE Foundation Operations Manual.

- C. IEEE Foundation Audit Committee** – The Foundation Audit Committee shall be composed solely of independent directors as defined by the New York Not for-Profit Corporate Law. It shall (1) recommend appointment of the independent auditors for the Foundation’s annual financial statements, (2) review and approve the independent auditors’ proposed scope of audit, (3) review the annual financial statements of the Foundation, (4) monitor corrective action plans initiated in response to recommendations by the independent auditors accepted by the Foundation Board of Directors to assure they satisfy the concerns identified, (5) review the independent auditors report and recommendations, if any, regarding accounting policy and practice and related internal controls, (6) act as liaison between the independent auditors and the Foundation Board of Directors, (7) assist the Foundation Board of Directors in overseeing the management of enterprise risk and (8) such other duties as are set forth in a charter approved by the Foundation Board and the New York Not-for-Profit Corporation Law, as amended from time to time. The Foundation Audit Committee shall be responsible to the Foundation Board of Directors. It shall consist of three or more independent members as defined by the New York Not-for-Profit Corporation Law, including the Chair, who are Directors-At-Large, but not officers of the Foundation. The Chair and Committee members shall be appointed for one-year terms.

## 2.4 COMMITTEES OF THE FOUNDATION

- A. Life Members Committee** The purpose and scope of the IEEE Life Members Committee is described in ARTICLE III, SECTION 13 of the Foundation’s bylaws.

The Life Members Committee shall report to the IEEE MGA Board through the Member Engagement and Life Cycle Committee with administrative responsibility and operational support assigned by the IEEE Board of Directors to the Member and Geographic Activities Board.

The Life Members Committee shall act on behalf of the best interests of Life Members. It shall consider suggestions for activities of interest for retired members, and it may make recommendations to other IEEE organizational units and to the IEEE Foundation for policies and activities appropriate for such members. It shall seek ways to encourage continued IEEE activity and involvement by Life Members at all levels of IEEE in collaboration with the IEEE Foundation. It shall participate in the raising of charitable donations for the LMF by performing duties including, but not limited to raising awareness of the programs supported through the LMF, soliciting donations, stewarding donors, and each LMC member is expected to make an annual donation to the LMF at the level consistent with their comfort level. It shall be responsible for the management and prudent expenditure of the LMF in support of meaningful activities that are of professional concern and interest to IEEE.

The Life Members Committee shall consist of not more than nine members including the

Chair and Immediate Past Chair. The IEEE Member and Geographic Activities Board shall appoint the Chair, Immediate Past Chair and up to five Members-at-Large who shall normally have Life Member status. The IEEE Foundation shall appoint up to two Members-at-Large, who need not, but shall normally have, Life Member status with at least one also being a member of the IEEE Foundation Board of Directors.

The Chair of the Life Members Committee shall be an ex-officio member of the Foundation Board without vote, with all other rights and privileges of Foundation Board Directors and shall report periodically, at their own expense, to the Foundation Board concerning the Committee's activities.

- B. Development Committee** – The Development Committee shall be responsible for the preparation and execution of fundraising and communication plans to raise the financial resources needed to support the Foundation's purposes and objectives. The Committee shall consist of the Chair plus three or more members, up to two of whom may be non-voting Directors, and the Chair. The Vice President – Development shall chair the Committee and shall report regularly to the Foundation Board on Committee activities.
- C. IEEE Foundation Programs Committee** – The IEEE Foundation Programs Committee shall be responsible for the oversight and reporting of the activities of the programs supported by the funds managed by the IEEE Foundation.

The Programs Committee shall consist of the Chair plus three or more members, up to two of whom may be non-voting Directors. The IEEE Foundation Vice President, Programs, shall be the Chair of the Committee and report regularly to the Foundation Board on Committee activities.

- D. Finance Committee** – The Finance Committee shall be responsible for reviewing and recommending the Foundation's budgets and reviewing the forecasts; advising and assisting the Foundation Board with investment management policy and activities as specified in the Investment Operations Manual; providing oversight of the Foundation's expenditure of donated funds; and reporting its findings and conclusions to the Foundation Board.

The Committee shall also provide to the Foundation Board such comments and recommendations as it deems appropriate concerning the financial condition of the Foundation. The Committee shall consist of the Treasurer, the Vice President Development, Vice President Programs, plus three or more members, up to two of whom may be non-voting Directors. The Treasurer shall chair the Committee and report regularly to the Foundation Board on Committee activities.

## **2.5 ELECTIONS**

The procedures for election of Directors are described in ARTICLE III, SECTION 5 of the bylaws of the Foundation. The procedure for election of officers is described in ARTICLE IV, SECTION 2 of the bylaws. The Foundation Nominating and Corporate Governance Committee

shall prepare a recommended slate of officers and Directors-at-large for consideration by the Foundation Board. Election of Directors-at-large shall take place at the Foundation board meeting held immediately prior to the Annual Meeting and the election of officers by the Foundation Board shall take place at the Annual Meeting of the Foundation Board. Committee member appointments shall be made by the Executive Committee as soon after the Annual Meeting as practical and ratified by the Board at its first regular meeting after the Annual Meeting.

## **2.6 MEETINGS**

The Annual Meeting of the Foundation Board shall be held in accordance with ARTICLE III, SECTION 11 of the bylaws during the fourth quarter of each year. Regular meetings of the Foundation Board shall be held during the first and second quarters respectively of each year. Special meetings of the Foundation Board, along with notice of all meetings of the Foundation Board, shall be in accordance with ARTICLE III, SECTION 12 of the bylaws. Proposals for meeting venues shall be made by staff and approved by the Foundation Board. Location shall be based on accessibility, cost and availability of meeting space, and shall be made with consideration for special IEEE events.

- A. All meetings of the Foundation Board and its committees, unless otherwise required by the bylaws or applicable law or as agreed upon by the members, shall be conducted using procedures in accordance with Robert's Rules of Order.
- B. Directors are urged to attend all meetings of the Foundation Board. Where attendance would place an unreasonable burden on the member, arrangements should be made with staff for participation using telecommunications.
- C. Committee Chairs are urged to make cost effective use of telecommunications and e-mail in the conduct of committee proceedings.

## SECTION 3 – FINANCIAL OPERATIONS

### **3.1 FINANCIAL STABILITY**

The financial stability of the Foundation is based upon, but not limited to, a sound system of internal control and a commitment to prudence in order to ensure short-term and long-term viability.

#### **A. Internal Controls**

It is Foundation policy to maintain sound internal controls. As part of their oversight responsibilities, specific members of the Foundation Board of Directors or their designee and the Foundation's independent auditors evaluate the system of internal controls.

#### **B. Prudent-Person Rule**

It is Foundation policy to operate reasonably and prudently. The legal standard by which all aspects of operations of a not-for-profit organization are tested is reasonableness and prudence. A fiduciary is a person who has responsibilities in connection with the administration, investment, or distribution of property or assets that belong to someone else. The standard underlying fiduciary responsibility is prudence, and the standard of behavior for a fiduciary is known as the "prudent-person rule." This rule charges fiduciaries with conducting themselves with the same degree of judgment and prudence when administering the affairs of the organization, as they would in their personal affairs.

#### **C. Short-Term and Long-Term Outlook**

It is Foundation policy to ensure its Board of Directors has the tools to keep the short-term financial health of the Foundation in perspective relative to the long-term goals of the Foundation. For purposes of this policy, short-term is defined to be approximately one year or less.

To be committed to its goals, the Foundation Board of Directors, shall take an approach that looks beyond specific calendar dates and always considers where the Foundation is going and where it has been with a distinct emphasis on the future. The strategic planning process, budget process, and financial performance shall provide the framework for making decisions important to the vitality of the Foundation.

### **3.2 ASSET/LIABILITY MANAGEMENT**

For purposes of these policies the Foundation's adherence to this policy regarding Asset/Liability Management shall be the same inside and outside of the United States, except as otherwise required by applicable law. Where there is a conflict, the spirit of the Foundation Policy must still be observed.



## **A. Asset Management**

### **1. Investments**

The investments of the Foundation are its largest asset and represent gifts entrusted to the Foundation by donors to further the scientific and educational purposes of IEEE. Careful management of these assets is critical to support the overall mission of the Foundation. The Board of Directors, in its sole discretion, shall exercise the final decision regarding how these assets shall be invested and approve asset allocation targets.

The Foundation's investment assets shall be commingled and broken down into two pools: short-term and long-term. The short-term pool shall be invested only in secure short-term instruments focused on preservation and availability of cash. The long-term pool shall be well diversified and invested in a conservative fashion to satisfy the primary objective of preservation of capital with the secondary objective of maximizing the total returns on investment assets. Procedures and additional details shall be specified in the IEEE Foundation Investment Operations Manual.

Investment income, including dividends, interest, realized and unrealized gains and losses, shall be allocated to each of the funds administered by the Foundation in proportion to the value of the amount invested.

### **2. Bank Account Signatures**

The Foundation shall have at least one Foundation Assistant Treasurer and at least one Foundation Assistant Secretary on accounts at banks, trust companies or other banking institutions of the Corporation. In addition, the Foundation Board of Directors may elect a designee as an alternate signatory. The signatory is empowered in accordance with the Standard Banking Resolution on file. Signature card administration shall be managed through the IEEE professional staff.

### **3. Capital Procurement Policy**

The procurement of capital assets, including equipment, furniture, and fixtures, shall be made only with the approval by the Foundation Board of Directors.

### **4. Accounts Receivable and Collection**

The Foundation shall record a receivable on its books for amounts due from donors and others for grants or donations pledged. Generally, a discount is booked on the net present value of the recorded revenue.

## **B. Liability Management**

### **1. Accrual Method**

The Foundation shall utilize the accrual method of accounting. It shall be the Foundation policy to accrue significant items during the year, when reasonable estimates are possible. At year-end all unbilled items, above the annually designated threshold shall be accrued.

### **3.3 FUND MANAGEMENT**

#### **A. About Fund Management**

The Foundation establishes and manages Funds on behalf of itself and IEEE organizational units to accept, manage, steward, and account for donations and subsequent expenditures for purposes that further the scientific and educational purposes of IEEE.

Funds shall remain active and meaningfully support the purpose for which it was created. The minimum requirement to qualify as remaining active and providing meaningful support includes meeting the minimum gift requirements in Policy 4.5.B within three years of establishment and expending program dollars annually. If these minimum requirements are not fulfilled corrective action may be taken as prescribed in the IEEE Foundation Operations Manual.

#### **B. Categorization of Funds**

Foundation Funds shall be categorized based on upon the programmatic purpose to be supported and the type of gifts received. Together these two categories determine the classification for accounting.

1. Programmatic Support – The Foundation breaks down its programmatic purposes into the following categories. Other descriptive programmatic groupings may be created and used for marketing and promotional purposes.
  - a) IEEE Foundation Fund – is the main fund of the Foundation and supports activities and programs consistent with the Foundation’s mission ,
  - b) Single Activity Fund - supports a specific, distinct IEEE program such as an award, scholarship, fellowship, travel grant, or distinguished lecture.
  - c) Broad Based Support Fund - is used to solicit and support complex, multi-faceted IEEE programs such as the IEEE Life Members Fund, IEEE History Center, IEEE-Eta Kappa Nu or IEEE PES Award Endowment Fund.
  - d) Disaster Response Fund - is used to solicit and disburse disaster relief support for unforeseen natural or human-made disasters.
2. Type of Gift – The definitions for each type of gift are found in Policy 6.
  - a) Endowment Fund –is used for permanent endowment and term endowment gifts.
  - b) Quasi Endowment Fund –is used for gifts that the Foundation and the donor(s) agree should be managed to last long-term but are not endowments.
  - c) Non- Endowment Term Fund –is used for gifts that can be spent until depleted such as annual support gifts for a program frequently in the form of a multi-year pledge, lump sum gift or gifts received through an ongoing fundraising effort.

### 3. Classification for Accounting Purposes

- a) Net Assets With Donor Restrictions – Represent net assets which are subject to donor-imposed restrictions whose use is restricted by time and/or purpose. A portion of the Foundation’s net assets with donor restrictions is subject to donor-imposed restrictions that require the Foundation to use or expend the gifts as specified, based on purpose or passage of time. When donor restrictions expire, that is, when a purpose restriction is fulfilled or a time restriction ends, such net assets are reclassified to be assets without donor restrictions and are reported on the statement of activities as net assets released from restrictions. Another portion of net assets with donor restrictions stipulates that the corpus of the gifts be maintained in perpetuity, but allows for the expenditure of net investment income and gains earned on the corpus for either specified or unspecified purposes.
- b) Net Assets Without Donor Restrictions – Represent net assets which are not restricted by donors. Net assets without donor restrictions are funds fully available, at the discretion of the Board of Directors and management, for the Foundation to utilize in any of its programs or supporting services. Net assets without donor restrictions may be designated for specific purposes by the Foundation’s Board of Directors or may be limited by legal requirements or contractual agreements with outside parties.

### C. Establishment of Funds

Any donor, group of donors, corporation, foundation, or IEEE in the name of one or more of its organizational units may request the establishment of a new Fund. The Foundation Board of Directors shall approve the establishment of all Funds to be managed by the Foundation with the exception of:

#### 1. Single Activity Funds

The IEEE Development Office shall be delegated authority, with the advice and consent of the Vice President, Development, to approve the establishment and management of Funds that shall be limited to a single activity (specific, distinct IEEE program such as an award, scholarship, fellowship, travel grant, or distinguished lecture). The IEEE Development Office shall report the Funds it approves for establishment and management at the next regular meeting of the Foundation Board of Directors.

#### 2. Disaster Response Fund

Disaster Response Funds shall be automatically established on behalf, and at the request, of IEEE when it is determined by the IEEE President that urgent action is required. The IEEE Development Office shall notify the Foundation President when a Disaster Response Fund is established and report it to the Foundation Board of Directors at the next regular meeting.

These Funds shall be spent until depleted and classified as with donor restrictions for accounting purposes. Contributions shall be coordinated by the IEEE Development Office consistent with Policy 4. Expenditure from a Disaster Response Fund shall be in accordance with in Policy 5.9.

**D. Delegation of Expenditure Authority to IEEE Organizational Units**

The Foundation Board may delegate expenditure authority for Funds to an accountable IEEE organizational unit. The terms and conditions attending such delegation of authority shall be set forth in an agreement describing the purposes for which expended funds are to be used, the specific and appropriate thresholds for both discrete (individual) expenditures and cumulative expenditures, the guidelines that shall govern the expenditure decisions by the organizational unit to which this authority is delegated, the requirements for documentation and support of expenditures and the requirements for periodic reports on the use of funds to the Foundation Board.

The Foundation reserves the right to rescind delegated expenditure authority and/or disallow expenditures approved by an IEEE Organizational Unit if said expenditure is unlawful and/or inconsistent with the approved purpose of the fund. In the event a delegation of expenditure authority is rescinded, the Foundation shall, as appropriate, work with the donor, to repurpose the funds to meet the donor's original intent.

**E. Withdrawal of Money from an IEEE Foundation held Fund**

1. Procedures for Use of Funds:
  - a) All uses of money shall be as authorized in accordance with the delegated expenditure authority. This shall include, but not be limited to, grants, awards, scholarships, authorized travel and other areas within the scope of the overall Foundation mission and donor imposed restrictions.
  - b) Proper support prior to any disbursement with authorized signature(s) must be present with request for payment. Support includes, but is not limited to, minutes, status reports, invoices, and travel expense report with receipts attached.
  - c) All withdrawal requests shall include the payee, vendor number and address. For an individual requesting payment for the first time, a signed completed W-8 or W-9 form must be included.
2. Limitations on Withdrawals of Funds
  - a) The purposes of the expenditure and its uses must be in accordance with a 501(c)(3) corporation, consistent with the defined purpose of the Fund and the donor imposed restrictions.
  - b) Any single withdrawal over \$25,000 requires dual signature which includes either the Foundation Assistant Treasurer or Assistant Secretary.
  - c) Availability of money in the Fund is required prior to any withdrawal.
3. Reporting on the Use of Funds

- a) Reports on the use of funds shall be provided. This should include, but not be limited to, committee minutes and grantee status reports.

### **3.4 RISK MANAGEMENT/INSURANCE COVERAGE**

The Foundation engages in a wide range of activities that may give rise to some level of risk. It is the policy of the Foundation to manage these risks to the best of its ability and safeguard its assets. Adequate insurance coverage shall be maintained to protect the Foundation and its volunteers against risks arising from Foundation business operations.

### **3.5 CONTRACTS**

- A. Authorized Foundation officers, including, but not limited to, the President, any Vice President, Secretary, Treasurer, and the Executive Director and their respective designees may negotiate contractual arrangements for the Foundation. Once satisfied with the proposed terms of such agreements and following consultation with the legal counsel of the Foundation where appropriate, all contracts, agreements, and Memorandums of Understanding shall be forwarded to the Foundation President, Treasurer, or Executive Director, or their respective designees, for review and execution as outlined below:
  - 1. Exclusive Contracts - The IEEE Foundation Board of Directors must approve exclusive contracts in accordance with Policy 1.6 prior to such contracts being executed unless otherwise allowed by another specific controlling policy. (i.e. Gift Agreement Contracts)
  - 2. Purchase Order - Any purchase with an expected value greater than \$50,000 requires a written purchase order approved by at least two officers of the Foundation. Once reviewed and approved, the contract may be executed and sent to the vendor.
  - 3. Gift Agreement – A gift agreement shall be issued for donations to the Foundation in accordance with Policy 4.6. The Foundation Executive Director, or his/her designee, is delegated the authority to execute Gifts Agreements on behalf of the Foundation.
  - 4. Grant Agreement – A grant agreement shall be issued for all approved grants in accordance with Policy 5.3. The Foundation Executive Director, or his/her designee, is delegated the authority to execute Grant Agreements on behalf of the Foundation.
  - 5. Delegation of Expenditure Authority Agreement – A delegation of expenditure authority agreement shall be issued when expenditure from a Foundation managed fund is delegated to an accountable IEEE organizational unit in accordance with Policy 3.3.D. The IEEE Foundation Executive Director, or his/her designee, is authorized to execute Delegation of Expenditure Authority Agreements on behalf of the Foundation.
- B. Control Limits – Any contract with value limits above \$250,000 will be subject to the Foundation Board of Directors' approval with the exception of gift agreements, for which

Foundation Board of Directors approval shall be secured in accordance with Policy 4.5.A.3 and executed by the Foundation President or Executive Director.

- C. Inability to Execute- Any defective draft contract will be returned to the originator with outstanding issues identified, determined by the Foundation Board of Directors and/or the Foundation's legal counsel, with a request for resolution of such issues, if possible, and a timely resubmission.
- D. All contracts will be maintained in a central record retention. E-mail or fax transmittal of all documents is recommended. Original signed agreements with a value of \$250,000 will be retained in the safe maintained by the IEEE Foundation's legal counsel.

### **3.6 ANNUAL & INTERIM REPORTING REQUIREMENTS**

- A. Audited Financial Statements - Audited Foundation Financial Statements shall be made available by the Foundation Treasurer to all voting members of the Foundation Board of Directors annually. Such statements shall be audited by an independent auditor approved by the Foundation Board of Directors.

The three most recent Audited Foundation Financial Statements shall be made available on the Foundation website.

- B. Form 990 Annual Tax Return – Annually, Form 990 shall be prepared in accordance with Policy 1.11.
- C. Budget - Foundation Treasurer shall submit to the Foundation Finance Committee for review an annual operating budget covering anticipated contributions and expenses. The Foundation Finance Committee shall report its recommendations to the Foundation Board of Directors at its last scheduled meeting of the current year. The Foundation Treasurer shall report any significant variances from the budget at each subsequent meeting of the Foundation Board of Directors.
- D. Forecast - The Foundation Treasurer shall submit to the Foundation Finance Committee a midyear forecast that provides a four (4) year historical record of actual performance as well as the current and subsequent two (2) years' forecast of investment performance, fund balance, operating income, contributions, and expenses. The purpose of this forecast is to identify opportunities and risks to achieving planned targets.
- E. Investment Reporting – Reports on investment performance, measured both against investment objectives and benchmarks for comparable investments shall be reviewed during each Foundation Board of Directors meeting. At least once every three years, the Foundation Finance Committee shall conduct a formal assessment of the Investment Policy and the corresponding IEEE Foundation Investment Operations Manual to determine whether it is fulfilling the needs of the Foundation. The Foundation Finance Committee shall report the results and recommendation from its assessment to the Board of Directors for action.

### **3.7 BUSINESS EXPENSE REPORTING**

#### **A. Travel Policy and Funds**

It is recognized that travel by the Foundation Board of Directors and volunteers is necessary for many of the essential activities of the Foundation. Therefore, funds shall be allocated to cover travel expenses for its Board members.

It is Foundation policy to reimburse such travel expenses, including, but not limited to, transportation, mileage, lodging, meals, telephone, and gratuities. Guidelines and procedures for reimbursement, required receipts and related limitations shall be specified in the IEEE Foundation Operations Manual.

It is the responsibility of all the Foundation staff members and volunteers who authorize reimbursement for hired consultants to make such individuals or organizations aware of the travel policies and reimbursement procedures prior to arranging travel plans and to reach a satisfactory understanding with such consultants.

### **3.8 COST ALLOCATIONS**

#### **A. Cost Sharing of External Fees**

Investment fees shall be allocated to each of the various Funds managed by the Foundation in proportion to the value of the amount invested. Credit card merchant fees shall be allocated to each of the various funds managed by the Foundation in proportion to the value of the gifts received via credit card.

#### **B. Fund Management Fees**

All funds managed by the IEEE Foundation shall be assessed a reasonable administrative fee. Funds with assets invested in the IEEE Foundation Long Term Investment Pool shall be also assessed a reasonable investment management fee. Guidelines for the implementation of these fees are outlined in the IEEE Foundation Operations Manual.

#### **C. Inactivity Fees**

All funds with two consecutive years or more with no program spending may be assessed, on an annual basis, an escalating inactivity fee. Guidelines for the implementation of these fees are outlined in the IEEE Foundation Operations Manual.

## **SECTION 4 – DEVELOPMENT AND FUNDRAISING**

### **4.1 DEVELOPMENT PROGRAM MANAGEMENT AND PURPOSE**

The Foundation Development Program, as that term is used here and elsewhere in Section 4, shall be managed by the IEEE Development Office under the direction of the Foundation Executive Director, or his/her designee, in collaboration with the Foundation Development Committee.

The Development Program shall raise financial resources to be used by the Foundation to support the scientific and educational purposes of IEEE through preparation and execution of fundraising and communication plans.

The Foundation shall base its Development Program on responsible stewardship and accurate factual disclosure with due consideration for the privacy of donor information. The Foundation shall comply with all applicable U.S. (federal, state and local) and applicable non-U.S. (at each jurisdictional level) charitable and donation laws and regulations. Most states within the continental United States have laws and regulations governing the solicitation of charitable contributions.

The amount expended on the Development Program's fundraising efforts shall be reasonable (in compliance with the laws of many jurisdictions, less than 35% of total related contributions including donations, legacies and other gifts received as a result of the fundraising efforts).

### **4.2 ETHICAL STANDARDS**

All Foundation volunteers and professional staff shall adhere to the highest ethical standards in raising funds for the Foundation including, but not limited to, the following: (i) staff participating in fundraising efforts will work for a salary or fee, and shall not receive a percentage based on compensation or a commission; (ii) all donor and prospect information created by, or on behalf of, the Foundation shall be the property of the Foundation and shall not be transferred except on behalf of the Foundation; (iii) fundraisers and program managers are required to ensure that contributions are used in accordance with the donors' intentions; (iv) donors shall have the options to limit the use of their personal information to the Foundation's internal use and to have their names removed from the Foundation's mailing list, and (v) the Foundation's policy with respect to the privacy of donor information shall be reflected in its solicitation materials and on its web site.

### **4.3 DEVELOPMENT PROGRAM PLAN**

The Development Office shall be responsible for the creation, modification, and implementation of mission-appropriate fundraising and communication plans in collaboration with the Foundation Development Committee. The plans shall include, but not be limited to:

- Formulating and implementing strategies for securing planned, principal and major gifts from individuals, corporations, and foundations;



- Managing the annual giving program, including, but not limited to, coordinating the Foundation's presence in the IEEE dues renewal, direct mail solicitations, tribute gifts, matching gifts, online giving and honorarium giving;
- Carrying out stewardship activities;
- Administering and negotiating all correspondence with donors;
- Maintaining all donor and contribution files and records;
- Managing the Foundation awareness program which includes, but is not limited to, the Foundation Newsletter, annual Honor Roll of Donors; Foundation web site, presence on social media and other web sites, advertising, Foundation display, and placement of Foundation stories in IEEE and external publications.

#### **4.4 FUNDRAISING COORDINATION**

Persons who have been authorized to act on behalf of the Foundation to contact donors with the intent of cultivation and solicitation shall notify the IEEE Development Office in writing of any fundraising activities at least 60 days in advance of such activities. Requests for nominal support (e.g., less than \$500 for refreshments at meetings sponsored by IEEE entities) need not be reported to the IEEE Development Office if the person has already been authorized to act on behalf of the Foundation. The notification shall explain the scope of fundraising activity being requested including (1) calendar for solicitation efforts to be undertaken, (2) the names of the prospective donors to be approached, (3) appeal instruments such as solicitation letters email communications, grant proposals, etc. to be used and (4) promotional materials such as brochures, pull-up screens and displays to be used.

The IEEE Development Office shall review all notifications and may (1) modify the timing of solicitations, (2) remove prospective donors to be approached, and (3) edit content (text, images, formatting) of appeal instruments and/or promotional materials.

#### **4.5 GIFT ACCEPTANCE**

Gifts shall only be accepted for the sole purpose of furthering the educational and scientific purposes of the IEEE. All charitable gifts to the Foundation shall be deposited in a Fund established and managed by the Foundation in accordance with Policy 3.3 Fund Management. No gift shall be accepted that (1) represents an unreasonable burden to the Foundation, (2) would result in, or create the appearance of, any private benefit, (3) would limit, or tend to limit, the overall strength of the Foundation, (4) conflicts with the priorities, needs or mission of IEEE or the Foundation, or (5) is otherwise deemed not appropriate by the Foundation.

In addition to the above considerations, the Foundation reserves the right to forgo any offered gift if the donor has acted in material violation of applicable law or has taken actions that stand in contrast to the mission, policies or procedures of the Foundation or IEEE. The Foundation Board of Directors may also revoke a gift following acceptance if any of the above conditions apply.

It will be the responsibility of the donor to secure an appraisal (where applicable) and independent legal counsel for all gifts to the Foundation. The Foundation may elect to consult its legal counsel before accepting a gift.

Acknowledgement of all gifts made to the Foundation and compliance with the current IRS requirements for receipting and/or for maintaining or disposing of such gifts shall be the responsibility of the IEEE Development Office.

#### **A. Types of Gifts**

1. Foundation shall accept the following types of charitable gift:
  - Liquid assets, including, but not limited to, cash, certificates of deposit and negotiable securities (i.e. mutual funds or publicly traded securities).
  - Beneficiary designations in a will, living trust, charitable remainder trust, charitable lead trust or retirement plans. In the case of will and retirement plan designations, such designations will not be recorded as gifts to the Foundation until such time as the gift is irrevocable; when the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.
  - Tangible personal property (gift in kind) that is related to the mission of the Foundation, such as historical technology artifacts for the IEEE History Center.
2. Foundation shall accept the following types of gifts contingent upon the satisfaction of the prescribed requirement(s):
  - Ownership of a Life Insurance Policy - if the policy is paid in full or the donor agrees to donate sufficient funds on a timely basis to pay any premiums remaining on the policy or agrees to pay such premiums directly. In all cases, the donor must also agree that the Foundation has the right to cash in the policy at any time.
3. Foundation Board of Directors shall approve the acceptance of the following types of gifts:
  - All gifts in excess of \$1,000,000
  - Real Estate
  - Privately or closely held business or securities
  - Patents and other intellectual property
  - Trusts or beneficiary designations requiring the Foundation to serve as Trustee
  - Any other type of gift that may arise that is not covered by either Policy 4.7.A.1 or 4.7.A.2

#### **B. Minimum Gift Requirements**

1. Unrestricted gifts and restricted gifts to existing funds shall have no minimum gift requirement.
2. Restricted gifts to establish a new fund, other than a permanent endowment fund as described in Policy 4.5.B.3 below, shall have a minimum gift amount of US\$50,000 whether lump sum or multi-year commitment.
3. Restricted gifts intended to establish a permanent endowment fund shall require a minimum gift of US\$1,000,000.

**C. Gifts Intended for IEEE or Other Organizations**

The Foundation may directly receive only those gifts that are intended for the Foundation. In the event that a donor identifies IEEE or another organization as the recipient of a gift, the gift should be directly received by IEEE or such other organization. If, after receiving and recording the gift, IEEE or such other organization wishes to transfer the amount of the gift to the Foundation, IEEE or such other organization should, itself, make a gift to the Foundation that is appropriately recorded in the books of IEEE or such other organization.

**D. Gifts from IEEE**

Gifts from IEEE in the name of one or more of its Organizational Units may be accepted if the purposes for which the gift is to be used further the scientific and educational purposes of IEEE, is limited to the objectives and scope of the IEEE organizational unit, and is consistent with the objectives of a Section 501(c)(3) organization.

**4.6 GIFT AGREEMENTS**

Gift Agreements shall outline the terms and conditions of the gift in a manner that is understandable and acceptable by virtue of required signatures of the donor, the Foundation and if appropriate the IEEE Organizational Unit benefiting from the gift.

The Foundation reserves the right to confirm the legal authority of any individual or entity (division, department or unit) to make a charitable gift to the Foundation or to enter into a Gift Agreement or other gift-related documentation.

The IEEE Development Office is delegated the exclusive authority to negotiate Gift Agreements on behalf of the Foundation. The Foundation Executive Director, or his/her designee, is delegated the authority to execute Gifts Agreements on behalf of the Foundation.

A Gift Agreement shall be required when one or more of the following criteria are met:

- Gift value is greater than or equal to US\$100,000.
- Gift includes specific designations, restrictions or conditions not documented in routine devices of commitment including, but not limited to, IEEE dues renewal, Foundation online giving, Foundation donation forms, and direct mail and business reply envelope promotional solicitations.
- IEEE Development Office, Foundation Executive Director, Foundation Vice President of Development, or Foundation legal counsel determines a gift agreement is required.

**4.7 PREMIUMS & GIVEAWAYS**

Premiums/giveaways may be used as an incentive for donors to give to the Foundation. A premium/giveaway is defined as an item that is given to a donor in exchange for a cash contribution. In all cases in which such cash contribution is in excess of US\$75, the IEEE Development Office must provide the donor with a written statement informing him or her (1) that his/her contribution is deductible only for the amount of the contribution in excess of the value of the item, and (2) the fair market value of the item.

IEEE Organizational Units shall request authorization to offer premiums/giveaways as a donor incentive for the benefit of Foundation held funds. The IEEE Development Office shall be delegated authority, with the advice and consent of the Vice President of Development, to approve or deny the implementation of said premiums/giveaways. The IEEE Development Office shall utilize the following evaluation criteria when assessing a request for authorization to offer premiums/giveaways:

- Current competing premiums/giveaways being offered by other Foundation funds;
- Analysis of viability of premium/giveaway, including, but not limited to:
  - Appeal of the premium/giveaway to targeted audience,
  - Marketability to audience and/or
  - Fulfillment plans and associated costs; and
- U.S. Internal Revenue Service regulations.

#### **4.8 GIFTS WITH NAMING RIGHTS**

IEEE has authorized the IEEE Foundation to leverage the appeal of naming IEEE programs and facilities to attract donors to invest in programs that advance the scientific and educational purposes of IEEE.

Naming opportunities shall recognize individuals and not entities thereby avoiding the appearance of commercial influence or conflict of interest.

Though naming offers a clear acknowledgement and appreciation of a donation, it does not necessarily reflect a judgment or endorsement of the donor's character, business or conduct.

All naming shall:

- Be consistent with IEEE's role as a trusted partner and non-profit organization.
- Lend prestige to IEEE and never call into question the public respect of IEEE. The credentials, character and reputation of any individual for whom naming is being considered shall be carefully scrutinized and evaluated.

All contributions involving naming rights shall require:

- Background checks against both internal IEEE and external sources to confirm credentials, character and reputation of the individual
- Obtaining written consent from the individual or his or her estate agreeing to naming rights
- Gift agreement that specifies donor intention, use of the gift, length of use of the gift, duration of the naming rights protections, and a moral turpitude clause.

It is the responsibility of individuals negotiating the contribution on behalf of IEEE and its Foundation to advise potential benefactors that their contribution may be recognized by naming, subject to approvals and decisions consistent with this policy.

**A. IEEE Activities, Programs & Awards**

IEEE activities such as awards, scholarship, travel grants, or lectures as well as elements of larger programs such as the IEEE History Center and IEEE-HKN may be named for a donor or an individual proposed by a donor when the contribution will fulfill a strategic need of the program and enable the activity or program element.

**1. Contribution Use**

- a. Contributions made to name an activity or programmatic element shall be designated to support said initiative.

**2. Approval Process**

Proposals for naming must be approved by the IEEE Foundation Vice President, Development & Executive Director. Additionally, required IEEE approvals must also be obtained prior to accepting the gift.

**B. Facilities**

Facility-naming opportunities shall be limited to buildings owned by IEEE and the spaces within these buildings.

**1. Contribution Use:**

Contributions made to name an IEEE building or space within the building shall support one or more of the pre-defined IEEE programs with whom the IEEE Foundation Board of Directors has agreed to fundraise, not for routine IEEE operations or maintenance.

A portion of the contribution may be used to upgrade the space being named and creation of new name plaques and materials.

Opportunities that expand beyond the pre-defined priority initiatives shall be managed on a case-by-case basis with input and consultation with the respective IEEE and IEEE Foundation leadership.

**2. Approval Process**

Proposals must be approved by the IEEE Foundation Executive Committee. Additionally, required IEEE approvals must also be obtained prior to accepting the gift.

## **SECTION 5 – PROGRAM SUPPORT: GRANTS AND CONTRIBUTIONS**

### **5.1 USE OF IEEE FOUNDATION GRANTS AND CONTRIBUTIONS**

Grants and contributions from Foundation Funds shall be for the sole purpose of furthering the scientific and educational purposes of the IEEE and to further the mission of the Foundation. All such grants and contributions shall be consistent with the purposes of a Section 501(c)(3) organization and shall not support, among other things, professional activities; electioneering of any kind for any municipal, state or federal office; commercial promotion activities; or personal or commercial loans of any kind for any purpose.

### **5.2 LIMITATION OF DONOR ROLE IN IEEE FOUNDATION SUPPORTED PROGRAMS**

The Foundation values and encourages the interest and involvement of donors in funding programs such as grants, awards, scholarships, fellowships, and travel grants. Such involvement may include recommending criteria for the program and the length of time the funding is expected to last.

To comply with U.S. IRS regulations, donor participation and involvement in funded programs must be limited.

IEEE programs that will be supported by a separately identified Fund shall be required to incorporate the following requirements into the program administration criteria. The IEEE Development Office shall ensure the donor(s) is(are) aware of and agrees to these limitations and incorporate such restrictions into the gift agreement as appropriate. These limitations shall also be incorporated into the Delegation of Expenditure Authority agreement.

#### **A. Donor Role in Selection Committee**

Any Donor (not including IEEE or any other charitable organization that donates funds to the IEEE Foundation) who has donated to a separately identified IEEE Foundation fund that is identified in connection with the donor (i.e. carrying the donor's name or being treated as a fund on the books of the IEEE Foundation as attributable to funds contributed by the donor) and support an IEEE program shall not serve or appoint someone to serve on the IEEE selection committee that identifies those to benefit from the fund or otherwise provide advice to the IEEE Foundation about distributions from the fund.

#### **B. Donors as Program Beneficiary**

Donors who have donated to a separately identified Foundation fund that supports a specific IEEE program shall be excluded from receiving any payment in the form of scholarship, grant, award or other similar payment from that program if (i) the fund is named after the donor or his/her family; or (ii) the amount of the payment exceeds the balance of the fund less any amount donated by the donor or his/her family. This exclusion extends to the donors' immediate family members.

### 5.3 MANAGEMENT OF GRANTS

Grant agreements shall be issued for all grants awarded from any Foundation Fund. Recipients of grants shall be limited to IEEE Organizational Units, or US or non-US charitable organizations, including, but not limited to, public and private schools. All grant recipients shall be required to provide reports detailing the outcome of awarded grants and how the money is spent.

#### A. Grant Agreement

Grantees shall be required to agree to the terms and conditions, which shall at a minimum, include:

- Background information -includes issue and award dates, grant tracking number, grant amount, grantee name, project title, period of performance, project leader, and timeframe to accept or deny terms and conditions.
- Use of Grant - outlines the acceptable and unacceptable uses for the grant
- Changes to the Grant - describe the process for a grantee to request changes to a grant.
- Grant Payments - identifies payment terms and conditions.
- Intellectual Property – specify conditions for use of intellectual property resulting from the grant.
- Grant Reporting - outlines the method, number and frequency of required reports.
- Books and Records - requires grantee to maintain records concerning the use the grant and make the records available to the Foundation.
- Nondiscrimination Certification - requires grantee to comply with the Foundation's Nondiscrimination policy.
- Terrorism Certification - requires grantee to take reasonable steps to ensure that funds provided by the Foundation are not ultimately distributed to terrorist organizations and to inform the Foundation through Reports the steps the grantee has taken to meet this goal.
- Remedies - outlines remedies available to the Foundation if grantee does not comply with terms and conditions.
- Reversion of Funds - describes conditions and time periods that a grantee would be required to repay grant funds.
- Acknowledgement and Promotion - requires grantee to acknowledge the Foundation's support in promotional material and to provide photographs and/or electronic images as appropriate.

#### B. Grant Reporting

All grants from Foundation Funds shall be subject to a review and assessment process to ensure that the grants accomplish the agreed upon purpose and are expended in a responsible manner. Grantees shall be required to provide grant reports according to the frequency outlined in the grant agreement. Each report shall require the grantee to sign and certify to the accuracy of the information in the report.

#### **5.4 IEEE FOUNDATION INTELLECTUAL PROPERTY POLICY**

Grants provided by the Foundation may result in the creation of intellectual property (Grant IP) by Grantee. Grantee and the Foundation both recognize that the Grant IP may have value to Grantee, the Foundation, and humanity as a whole. With this in mind, Grantee and the Foundation seek to find the best ways to protect and distribute the Grant IP.

- A. Given IEEE's commitment to advancing technology for humanity, the Grant IP should be used to advance the mission of IEEE. Where possible, the Grant IP should be distributed in an open and immediate manner at a rate reasonable to the means of production.
- B. In instances where immediate release of the Grant IP is impracticable or unwise given the subject matter of the Grant, Grantee should work to create reasonable embargo periods or limited distribution channels.
- C. Grantees are encouraged to explore methodologies of distribution that allow for the maximum impact of the Grant IP.
- D. Grantee should take reasonable efforts to protect the Grant IP and work with the Foundation to ensure the Grant IP is not abused or infringed.
- E. Grantee shall use its best efforts to ensure that the Grant IP is not used in such a manner as to inhibit the development of additional projects by others. When possible, Grantee is encouraged to make the Grant IP available under license to interested parties in a manner reflective of the not-for-profit status of IEEE.

#### **5.5 AWARDS, SCHOLARSHIPS, FELLOWSHIPS AND TRAVEL GRANTS**

The Foundation holds and manages Funds that are dedicated to the support of one or more IEEE awards, scholarships, fellowships or travel grants ('awards') of an IEEE OU.

Disbursements from these Foundation funds may be made directly to the recipient(s) of the award identified by the IEEE OU or to reimburse the IEEE OU for disbursements previously paid to the recipient.

The IEEE OU that manages the award shall be delegated expenditure authority for the Fund consistent with Policy 3.3.E and must comply with Policy 5.2.

#### **5.6 GRANTS FROM OTHER IEEE FOUNDATION MANAGED FUNDS**

The Foundation manages a number of Funds that have a broadly defined purpose. Examples include, but are not limited to, the IEEE History Center Fund, IEEE-USA Fund, and IEEE Electron Devices Mission Fund.

Disbursements from these Funds shall be made in the form of grants. Grant recipients shall be in accordance with Policy 5.3.



On behalf of the Foundation, the IEEE Organizational Unit that has been delegated expenditure authority for the fund consistent with Policy 3.3.E shall:

- Solicit and select the programs and projects to be supported,
- Issue formal grant agreements based on the Foundation approved template that restricts the use of the grants funds to the project that has been determined to further the scientific and educational purposes of IEEE and requires project reporting
- Oversee the successful completion of the funded activities
- Provide reports to the Foundation Board of Directors

The IEEE OU must also comply with Policy 5.2.

## **5.7 GRANTS FROM DISASTER RESPONSE FUNDS**

Disaster Response Funds are defined in Policy 3.3. Disbursements from Disaster Response funds shall be made only in the furtherance of the scientific and educational purposes of the IEEE within the geographic area affected by the disaster. The disbursements shall be in the form of grants to academic institutions, charitable organizations, or government agencies. Types of activities that may be supported, include such things as: equipment, services, scholarships, classroom and laboratory materials or programs developed for retraining or other professional activities to help engineering and technology professionals in the geographic area affected.

The IEEE Region Committee where the disaster occurred shall be delegated expenditure authority for the fund consistent with Policy 3.3.E. On behalf of the Foundation, the IEEE Region Committee shall:

- Solicit and select the activities to be supported,
- Issue formal grant agreements based on the Foundation approved template that restricts the use of the grants funds to the project that has been determined to further the scientific and educational purposes of IEEE and requires project reporting
- Oversee the successful completion of the funded activities
- Provide reports to the IEEE Foundation Board of Directors

The IEEE OU must also comply with Policy 5.2.

## SECTION 6 - DEFINITIONS

**Endowments** – The Foundation uses the phrase “true endowments” to refer to donor-restricted gifts that meet the legal definition of an endowment – a gift that is not wholly expendable by the Foundation on a current basis due to the donor’s restriction. Endowment funds require the Foundation retain all or some defined portion of the original gift (principal) in perpetuity or for a specified period. Accordingly, income and appreciation (with “appreciation” for these purposes defined as realized appreciation, and for readily marketable securities, unrealized appreciation) may be appropriated for expenditure consistent with the donor’s restrictions as the Board determines is prudent. Such “true endowments” are distinguished from “quasi endowments”, which are funds that the Foundation and the donor agree will be managed as though they were endowments until such time as the Foundation determines it is appropriate to expend the principal consistent with donor-specified purposes, if any.

**a.) Permanent Endowments** – Permanent Endowment Funds are established when the donor requires all or a specified portion of the gift to be preserved in perpetuity and not wholly expendable on a current basis. The term does not include assets that the Foundation may designate for its own use, consistent with the terms of the applicable gift instrument.

**b.) Term Endowments** – Term Endowment Funds are established when the donor requires all or a specified portion of the principal of the gift to be preserved for a specified period of years or until some event occurs. Principal, income and appreciation (with “appreciation” for these purposes defined as realized appreciation, and for readily marketable securities, unrealized appreciation) may be appropriated for expenditure consistent with the donor’s restrictions as the Board determines is prudent.

**Quasi-endowments** – The term “quasi-endowments” is used by the Foundation to describe gifts that the Foundation and the donor have agreed will be managed as though they were endowments until such time as the Foundation determines it is appropriate to expend the principal consistent with donor-specified purposes, if any. The term “quasi-endowments” is also used to describe funds established by the Foundation for specific purposes that are to be treated as though they were endowments (principal preserved) until the Foundation Board of Directors no longer wishes to do so. Quasi-endowments are not endowments under applicable legal definitions, and consequently are not subject to the laws governing the administration of endowments. Consequently, quasi-endowments are classified by the Foundation for accounting purposes as funds with donor restrictions with the Foundation having the authority under the Gift Agreement to expend amounts from the fund needed to achieve the donor’s purposes.

**Non-endowment Term Funds** – Non-endowment term funds are established for restricted gifts made to support donor-designated purposes for a specified period of years or until depleted. The Foundation is permitted to expend the principal as needed to fund such purposes. Gifts to these Funds may be made as a single lump sum contribution by one or more donors, in the form of a pledge to make periodic payments over a specified period of years, an open-ended annual commitment, or through ongoing fundraising activities.

**Unrestricted Gifts** – The Foundation uses the term “unrestricted gift” to refer to gifts made without donor-imposed restrictions as to their use. Unrestricted gifts are held in the IEEE Foundation Fund or may be designated for a specific purpose and segregated from the Fund by action of the Foundation Board of Directors. Such funds may be expended at the discretion of the Foundation Board of Directors only for uses consistent with the purposes of the Foundation as set forth in its charter – to further the educational and scientific purposes of the IEEE.

**Restricted Gifts** – The Foundation uses the term “restricted gift” to refer to gifts the donor requires to be expended for a specific purpose. The funds are placed in a separate fund established for each such purpose. Endowments, non-endowment term funds, quasi-endowments and endowment term funds are classified for accounting purposes as funds with donor restrictions.

**Charitable Contributions** – The Internal Revenue Service defines a payment as a gift with the following criteria: the contributor must intend the payment to be a gift; that the contribution must be in excess of the value of any benefit the donor receives in return; and the recipient organization must be qualified by the IRS to receive gifts. For tax purposes, the donor may only deduct the excess in the value of the gift over the value of any benefit the donor receives in return.

**Fundraising Solicitation** – the direct or indirect request for gifts, monies, or other items of value by, in the name of, or for the benefit of IEEE or the Foundation.

**Grant** – A legally binding contract between the grantor and the grantee organization to provide funds to be applied towards a particular program or project.

**Grant Solicitation** – the solicitation of funds or property from individuals, private foundations, corporations, United States government agencies, or other government agencies or ministries.

**Indirect Direct Cost Policy** as it relates to grants, is calculated based on OMB Circular A-122 issued by the U.S. Federal Government. The rate is calculated once per year and used where applicable.

**IEEE Organizational Units** include Regions, Sections, Chapters, Branches, Conferences, Societies, Councils and all other related IEEE organizational units.

# **APPENDIX I**

## **Service Agreement**

### **Between**

## **IEEE Foundation and IEEE**

## IEEE FOUNDATION and IEEE SERVICE AGREEMENT

**THIS SERVICE AGREEMENT**, effective as of 1 January, 2010, by and between The Institute of Electrical and Electronics Engineers, Incorporated, a New York not-for-profit corporation having a principal place of business at 3 Park Avenue, 17th Floor New York, New York 10016-5997 U.S.A ("IEEE"), and the IEEE Foundation, Inc., a New York not-for-profit corporation having a principal place of business at 3 Park Avenue, 17<sup>th</sup> Floor New York, New York 10016-5997 U.S.A (the "Foundation").

### WITNESSETH:

**WHEREAS**, IEEE is organized and operated exclusively for scientific and educational purposes to advance the theory and practice of electrical engineering, electronics, radio and the allied branches of engineering and the related arts and sciences.

**WHEREAS**, the Foundation was established exclusively to further the scientific and educational purposes of IEEE

**WHEREAS**, the Foundation desires to acquire from IEEE certain administrative and financial services necessary for its operation; and

**WHEREAS**, IEEE desires to provide certain administrative and financial services set forth herein upon the terms and subject to the conditions hereinafter set forth.

**NOW, THEREFORE**, in consideration of the mutual promises and intending to be legally bound hereby, the parties agree upon the following terms and conditions:

### ARTICLE I SERVICES

**1.01. SERVICES.** IEEE hereby agrees to provide the services described in Schedule A ("Administrative Services") attached hereto and made a part hereof. IEEE shall perform all such services in a timely and professional manner. IEEE personnel who provide services to the Foundation shall remain employees of IEEE and IEEE shall pay all wages, fringe benefits and other compensation associated therewith.

**1.02. TERM.** Subject to the terms and provisions of Article II hereof, IEEE agrees to provide such Administrative Services commencing on 1 January 2010 and continuing until 31 December 2010. This Agreement shall automatically renew for one (1) year terms unless either party gives the other party ninety (90) days prior written notice that the Agreement will not be renewed.

**1.03. FEES.** During the term of this Agreement, the Foundation shall pay to IEEE the fees set forth in Schedule B (the "Fees"). The Foundation shall also reimburse IEEE for all reasonable out-of-pocket expenses incurred by IEEE on behalf of the Foundation and for any services provided that were in excess of those detailed in Schedule A. The Foundation shall not be responsible for reimbursing IEEE's normal overhead expenses (except as agreed to between the parties in the Fees), including, but not limited to, insurance premiums related to providing the Administrative Services, additional computer capacity required for such Administrative Services or additional employees not directly hired for such Administrative Services. If IEEE procures outside services for the benefit of the Foundation, the actual cost of such services (which shall be obtained on an arms' length basis) may be charged directly to the Foundation. IEEE will maintain records in support of the services performed by it and the allocation of expenses thereto, which records may be reviewed by the Foundation.

## **ARTICLE II TERMINATION**

Either party may terminate this Agreement upon ninety (90) days prior written notice to the other party. In the event either party desires to terminate the Agreement as to only a part of the Administrative Services, then such party shall notify the other party in writing setting forth the Administrative Services to be terminated and the timing of such termination which shall not be less than sixty (60) days from the date of notification.

## **ARTICLE III IEEE'S ACKNOWLEDGMENTS**

IEEE recognizes and acknowledges that: (a) in the course of its providing the Administrative Services it will be necessary for IEEE to acquire information which could include, in whole or in part, information concerning confidential or proprietary information belonging to the Foundation which is disclosed or entrusted to the Foundation (collectively referred to herein as the "Confidential Information"); (b) the Confidential Information is the property of the Foundation (c) the use, misappropriation or disclosure of the Confidential Information would constitute a breach of trust and could cause irreparable injury to the owner thereof; and (d) it is essential to the protection of the Foundation's good will that the Confidential Information be kept secret and that IEEE not disclose the Confidential Information to others or use the Confidential Information to IEEE's own advantage or the advantage of others. No information in the public domain shall be deemed Confidential Information nor shall information disclosed to IEEE by third parties not under an obligation of confidentiality shall be Confidential Information pursuant to this Agreement.

IEEE further recognizes and understands that providing the Administrative Services may include the preparation of materials, including written or graphic materials, and that any such materials conceived or written by IEEE exclusively on behalf of the Foundation, excluding any pre-existing materials in which the intellectual property rights are already owned by IEEE, shall be done as a "work made for hire" as defined and used in the Copyright Act of 1976, 17 USC 1 et seq. In the event of publication of such materials, IEEE understands that since the work is a "work made for hire", the Foundation will solely retain and own all rights in said materials, including right of copyright. In the event that such work is not deemed to be a work made for hire, IEEE agrees to assign such work to the Foundation for which such work was prepared.

## **ARTICLE IV IEEE'S COVENANTS AND AGREEMENTS**

**4.01. NONDISCLOSURE OF CONFIDENTIAL INFORMATION.** IEEE agrees to hold and safeguard the Confidential Information in trust for the Foundation, its successors and assigns and agrees that it shall not, without the written consent of the Foundation, misappropriate or disclose or make available to anyone for use outside of IEEE's organization or to anyone not authorized to receive such Confidential Information of the Foundation at any time, either during the term of this Agreement or subsequent to the termination thereof.

**4.02. RETURN OF PROPERTY.** Upon the termination of this Agreement or any of the Administrative Services, IEEE shall promptly deliver to the Foundation all correspondence, financial assets and documents concerning information provided by the Foundation or if certain Administrative Services are terminated, then all correspondence, financial assets and documents related to such

Administrative Services, and without limiting the foregoing, will promptly deliver to the Foundation any and all other documents or materials containing or constituting Confidential Information.

**4.03. INDEMNITY.** The Foundation shall indemnify and hold IEEE harmless against any and all loss, damage or expense incurred in connection with or arising from the performance of its obligations under this Agreement, except for loss, damage or expense resulting solely from IEEE's gross negligence or willful misconduct. IEEE agrees to notify the Foundation promptly and in writing of any such claim or action and the Foundation shall have the right to settle, compromise or defend any such claim or action; provided, however, that IEEE shall have a right to participate therein at its own cost.

## **ARTICLE V MISCELLANEOUS**

**5.01. SEVERABILITY.** If any provision or provisions hereof shall be deemed invalid or unenforceable, either in whole or in part, this Agreement shall be deemed amended to delete or modify, as necessary, the offending provision or provisions and to alter the bounds thereof in order to render it valid and enforceable.

**5.02. ENTIRE AGREEMENT.** This Agreement, together with the Schedules, referred to herein, constitutes the entire agreement between the parties and shall supersede all prior negotiations, proposals and purchase orders, whether written or oral. The Agreement shall not be varied in its terms by any oral agreement or representation or otherwise than by an instrument executed in writing by both parties by their duly authorized representatives

**5.03. INDEPENDENT CONTRACTORS.** IEEE and the Foundation are acting strictly as independent contractors and not as partners or co-venturers or as principal and agent. Neither party shall have any authority to act on behalf of, or otherwise bind the other party.

**5.04. NONASSIGNMENT.** Neither party shall assign this Agreement or the obligation and responsibilities thereunder without the prior written consent of the other.

**5.05. GOVERNING LAW.** This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

**5.06. COUNTER PARTS AND SECTION HEADINGS.** This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. The section headings of this Agreement are for convenience of reference only and shall not affect the construction or interpretation of any of the provisions hereof.

**5.07. SCHEDULES.** The Schedules attached hereto or referred to herein are hereby incorporated in this Agreement by reference and made a part hereof and, unless otherwise stated, the term "Agreement" when used herein shall mean this Agreement and Schedules. The Schedules may be changed only in accordance with the terms of Articles 1.01.

**5.08. CHANGE IN NATURE OF SERVICES.** Any change in the services requested by the Foundation to be performed by IEEE pursuant to this Agreement may only be made by written memorandum ("Addendum") to this Agreement specifying the change and cost thereof. The Addendum shall be mutually agreed upon prior to its becoming effective and all Addenda shall be consecutively numbered.

In the event the parties are unable to agree upon the cost of changes ordered by the Foundation, IEEE may, but shall not be obligated to, proceed with the changes and accept as payment therefore the actual costs plus allocable overhead.

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement or caused this Agreement to be executed the day and year first above written.

**THE INSTITUTE OF ELECTRICAL AND  
ELECTRONICS ENGINEERS, INCORPORATED**

By: \_\_\_\_\_  
President

**IEEE FOUNDATION, INC.**

By: \_\_\_\_\_  
President

**SCHEDULE A**

**ADMINISTRATIVE SERVICES**

**IEEE SERVICES:**

1. CORPORATE, including providing corporate communication services, making arrangements for meetings such as issuing notices of meetings, preparing agendas and Director's meeting books, drafting minutes of board meetings, as well as preparing policy and procedures and operating manuals, maintaining files and records, and retaining custody of the corporate seal.
2. FINANCIAL SERVICES, including cash management, receipts and disbursement functions, cash and credit collection activities.
3. CONTROLLER'S OFFICE, maintaining a system of accounts, financial procedures and internal accounting controls, performing bank statement reconciliation, and keeping the Foundation's books of accounts along with preparing financial statements, financial forecasts and operating budgets, as well as providing tax management and reporting services.
4. ANNUAL AUDIT, including arranging for audit of the Foundation's financial statements by the independent auditing firm approved by the Foundation's Board of Directors to be conducted in conjunction IEEE's annual audit.
5. LEGAL, INSURANCE AND TAX MATTERS, including making IEEE's legal counsel available upon request to assist the Foundation, arranging for general liability insurance and fidelity bonding, preparing and the filing of reports and tax returns required by federal, state and local governmental authorities on behalf of the Foundation.



6. MEMBERSHIP RENEWAL SERVICES, including arranging for, conducting and processing the solicitation of contributions to the Foundation from IEEE members in conjunction with the annual dues renewal solicitation.

## **SCHEDULE B**

### **FEEES**

#### **IEEE ADMINISTRATIVE SERVICES**

- The Foundation shall pay IEEE the cost of providing the services listed on Schedule A. Specifically, the IEEE Foundation shall pay IEEE an amount based on actual salaries & benefits of the Full Time Equivalent (FTE) headcount (approximately 4.04 headcount for 2010) plus 8% of the foregoing to compensate for general and administrative expenses.

#### **RENT**

- The Foundation shall pay IEEE rent based on 49 square feet per Full Time Equivalent (FTE) at the IEEE's current rate per square foot at the Operations Center located in Piscataway, NJ, USA.

#### **DIRECT EXPENSES**

- The Foundation shall pay IEEE the cost of such items as supplies, postage, express carriers, legal fees, meeting accommodation costs, insurance, print/promotion expenses, audit fees and investment fund custodial fees. These direct expenses will be direct billed as incurred.

#### **PURCHASED SERVICES**

- The Foundation shall pay IEEE the fees of outside consultants retained at the request of the Foundation.

#### **OTHER SERVICES**

- The Foundation shall pay IEEE the fees for other services to be provided by IEEE as mutually agreed to by the Foundation and IEEE, e.g., creative services, marketing, and information technology, etc. Such services will be direct billed as incurred and will be assessed on a per project basis.

#### **BILLING & PAYMENTS**

- IEEE will bill the Foundation annually in April of every year for its administrative services and, the Foundation will pay IEEE within thirty (30) days of receiving an invoice.

# **APPENDIX II**

**Investment Service**

**Agreement**

**Between**

**IEEE Foundation and IEEE**

**IEEE FOUNDATION and IEEE  
INVESTMENT SERVICE AGREEMENT**

**THIS SERVICE AGREEMENT**, effective as of 29 November 2010, by and between The Institute of Electrical and Electronics Engineers, Incorporated, a New York not-for-profit corporation having a principal place of business at 3 Park Avenue, 17th Floor New York, New York 10016-5997 U.S.A ("IEEE"), and the IEEE Foundation, Inc., a New York not-for-profit corporation having a principal place of business at 3 Park Avenue, 17<sup>th</sup> Floor New York, New York 10016-5997 U.S.A (the "Foundation").

**WITNESSETH:**

**WHEREAS**, IEEE is organized and operated exclusively for scientific and educational purposes to advance the theory and practice of electrical engineering, electronics, radio and the allied branches of engineering and the related arts and sciences.

**WHEREAS**, the Foundation was established exclusively to further the scientific and educational purposes of IEEE

**WHEREAS**, the Foundation desires to deposit assets in the IEEE Long Term Investment Fund; and

**WHEREAS**, IEEE desires to allow the IEEE Foundation to deposit assets in the IEEE Long Term Investment Fund upon the terms and subject to the conditions hereinafter set forth.

**NOW, THEREFORE**, in consideration of the mutual promises and intending to be legally bound hereby, the parties agree upon the following terms and conditions:

**ARTICLE I  
SERVICES**

**1.01. SERVICES.** IEEE hereby agrees to provide the services described in Schedules A ("Investment Services") attached hereto and made a part hereof. IEEE shall perform all such services in a timely and professional manner. IEEE personnel who provide services to the Foundation shall remain employees of IEEE and IEEE shall pay all wages, fringe benefits and other compensation associated therewith.

**1.02. TERM.** Subject to the terms and provisions of Article II hereof, IEEE agrees to provide such Investment Services commencing on 29 November 2010 and continuing until 28 November 2011. This Agreement shall automatically renew for one (1) year terms unless either party gives the other party ninety (90) days prior written notice that the Agreement will not be renewed.

**1.03. FEES.** During the term of this Agreement, the Foundation shall pay IEEE for its pro-rata share of the external investment management fees incurred by the IEEE Long Term Investment Fund (historically approximately 30 basis points). The Foundation shall not be responsible for reimbursing IEEE's normal overhead expenses. If IEEE procures outside services for the benefit of the Foundation, the actual cost of such services (which shall be obtained on an arms' length basis) may be charged directly to the Foundation. IEEE will maintain records in support of the services performed by it and the allocation of expenses thereto, which records may be reviewed by the Foundation.

## **ARTICLE II TERMINATION**

Either party may terminate this Agreement upon ninety (90) days prior written notice to the other party. In the event either party desires to terminate the Agreement as to only a part of the Investment Services, then such party shall notify the other party in writing setting forth the Investment Services to be terminated and the timing of such termination which shall not be less than sixty (60) days from the date of notification.

## **ARTICLE III IEEE'S ACKNOWLEDGMENTS**

IEEE recognizes and acknowledges that: (a) in the course of its providing the Investment Services it will be necessary for IEEE to acquire information which could include, in whole or in part, information concerning confidential or proprietary information belonging to the Foundation which is disclosed or entrusted to the Foundation (collectively referred to herein as the "Confidential Information"); (b) the Confidential Information is the property of the Foundation (c) the use, misappropriation or disclosure of the Confidential Information would constitute a breach of trust and could cause irreparable injury to the owner thereof; and (d) it is essential to the protection of the Foundation's good will that the Confidential Information be kept secret and that IEEE not disclose the Confidential Information to others or use the Confidential Information to IEEE's own advantage or the advantage of others. No information in the public domain shall be deemed Confidential Information nor shall information disclosed to IEEE by third parties not under an obligation of confidentiality shall be Confidential Information pursuant to this Agreement.

IEEE further recognizes and understands that providing the Investment Services may include the preparation of materials, including written or graphic materials, and that any such materials conceived or written by IEEE exclusively on behalf of the Foundation, excluding any pre-existing materials in which the intellectual property rights are already owned by IEEE, shall be done as a "work made for hire" as defined and used in the Copyright Act of 1976, 17 USC 1 et seq. In the event of publication of such materials, IEEE understands that since the work is a "work made for hire", the Foundation will solely retain and own all rights in said materials, including right of copyright. In the event that such work is not deemed to be a work made for hire, IEEE agrees to assign such work to the Foundation for which such work was prepared.

## **ARTICLE IV IEEE'S COVENANTS AND AGREEMENTS**

**4.01. NONDISCLOSURE OF CONFIDENTIAL INFORMATION.** IEEE agrees to hold and safeguard the Confidential Information in trust for the Foundation, its successors and assigns and agrees that it shall not, without the written consent of the Foundation, misappropriate or disclose or make available to anyone for use outside of IEEE's organization or to anyone not authorized to receive such Confidential Information of the Foundation at any time, either during the term of this Agreement or subsequent to the termination thereof.

**4.02. RETURN OF PROPERTY.** Upon the termination of this Agreement or any of the Investment Services, IEEE shall promptly deliver to the Foundation all correspondence, financial assets and documents concerning information provided by the Foundation or if certain Investment Services are terminated, then all correspondence, financial assets and documents related to such Investment Services, and without limiting the foregoing, will promptly deliver to the Foundation any and all other documents or materials containing or constituting Confidential Information.

**4.03. INDEMNITY.** The Foundation shall indemnify and hold IEEE harmless against any and all loss, damage or expense incurred in connection with or arising from the performance of its obligations under this Agreement, except for loss, damage or expense resulting solely from IEEE's gross negligence or willful misconduct. IEEE agrees to notify the Foundation promptly and in writing of any such claim or action and the Foundation shall have the right to settle, compromise or defend any such claim or action; provided, however, that IEEE shall have a right to participate therein at its own cost.

## **ARTICLE V MISCELLANEOUS**

**5.01. SEVERABILITY.** If any provision or provisions hereof shall be deemed invalid or unenforceable, either in whole or in part, this Agreement shall be deemed amended to delete or modify, as necessary, the offending provision or provisions and to alter the bounds thereof in order to render it valid and enforceable.

**5.02. ENTIRE AGREEMENT.** This Agreement, together with the Schedules, referred to herein, constitutes the entire agreement between the parties and shall supersede all prior negotiations, proposals and purchase orders, whether written or oral. The Agreement shall not be varied in its terms by any oral agreement or representation or otherwise than by an instrument executed in writing by both parties by their duly authorized representatives

**5.03. INDEPENDENT CONTRACTORS.** IEEE and the Foundation are acting strictly as independent contractors and not as partners or co-venturers or as principal and agent. Neither party shall have any authority to act on behalf of, or otherwise bind the other party.

**5.04. NONASSIGNMENT.** Neither party shall assign this Agreement or the obligation and responsibilities thereunder without the prior written consent of the other.

**5.05. GOVERNING LAW.** This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

**5.06. COUNTER PARTS AND SECTION HEADINGS.** This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. The section headings of this Agreement are for convenience of reference only and shall not affect the construction or interpretation of any of the provisions hereof.

**5.07. SCHEDULES.** The Schedules attached hereto or referred to herein are hereby incorporated in this Agreement by reference and made a part hereof and, unless otherwise stated, the term "Agreement" when used herein shall mean this Agreement and Schedules. The Schedules may be changed only in accordance with the terms of Articles 1.01.

**5.08. CHANGE IN NATURE OF SERVICES.** Any change in the services requested by the Foundation to be performed by IEEE pursuant to this Agreement may only be made by written memorandum ("Addendum") to this Agreement specifying the change and cost thereof.

The Addendum shall be mutually agreed upon prior to its becoming effective and all Addenda shall be consecutively numbered.

In the event the parties are unable to agree upon the cost of changes ordered by the Foundation, IEEE may, but shall not be obligated to, proceed with the changes and accept as payment therefore the actual costs plus allocable overhead.

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement or caused this Agreement to be executed the day and year first above written.

**THE INSTITUTE OF ELECTRICAL AND  
ELECTRONICS ENGINEERS,  
INCORPORATED**

By: \_\_\_\_\_  
President

**IEEE FOUNDATION, INC.**

By: \_\_\_\_\_  
President

**SCHEDULE A**  
**INVESTMENT SERVICES**

1. The Foundation shall deposit with IEEE the financial assets of the various funds over which it has administrative responsibility except for cash held in bank accounts to cover near term obligations, and hereby grants IEEE authority to invest such assets in accordance with instructions from the Foundation Board of Directors.
2. IEEE shall provide the Foundation with quarterly reports showing asset allocation, and market value of investments, yield and total return.
3. IEEE staff responsible for investment administration shall report on the performance of the Foundation's investments at each regular meeting of the Foundation Board of Directors and, shall communicate recommendations made by the IEEE Investment Committee concerning investment objectives and asset allocation for consideration by the Board as it feels are consistent with the Board of Directors fiduciary responsibility.
4. Authorized persons may make withdrawals from the various funds deposited with IEEE pursuant to procedures approved by the Foundation Board of Directors. Prior to the beginning of each calendar year, the Foundation shall provide the IEEE with a forecast of withdrawals to be made during the year and a list of such authorized persons. If the Foundation intends to withdraw 5% of the funds deposited, the Foundation shall provide 30 days notice. If the Foundation intends to withdraw 100% of the funds deposited, the Foundation shall provide 90 days notice.
5. IEEE shall provide and maintain fidelity bond coverage to include those officers, directors and members of IEEE staff who have access to the Foundation's financial assets deposited with it.
6. IEEE shall not be liable to the Foundation for any loss suffered by the Foundation as the consequence of any act or omission of IEEE, or any of the officers, directors or staff of IEEE in connection with of pursuant to this agreement except by reason of willful misfeasance, bad faith or gross negligence on the part of IEEE in performance of its duties or by reason of reckless disregard by IEEE of its obligations and duties under this agreement.