

Agricultural Research Foundation Incoming Funds Policies (04-15-16)

Limitations on the types of income that the Agricultural Research Foundation (ARF) can accept stem from ARF's status as an Oregon nonprofit corporation and the organization's fiduciary duties under Oregon law, its status as a tax exempt charitable organization under the Internal Revenue Code, the terms of agreements between ARF and Oregon State University (OSU), the State of Oregon Administrative Rules that govern OSU, restrictions imposed by the Internal Revenue Service (IRS) for donor gifts to qualify as a tax deductible "charitable contribution," as well as any directions or restrictions placed on incoming funds by the provider.

The purpose of this policy is to ensure that funds received are used in a manner that is consistent with these limitations, as well as to prevent fraud and ensure the proper administration of funds.

ARF receives funding from the following sources:

- **Gifts** – per terms of its agreements with OSU, ARF may accept gifts from corporations, foundations, non-profits, or private individuals. Gifts from other groups are considered on a case-by-case basis. These gifts may be in the form of cash, securities, land, or other tangible goods. These donations may be made in support of ARF itself or most often are made in support of a specific research or extension project, outreach program, or a general development fund for an OSU department, county extension office, or branch experiment station. If a donor is interested in creating an endowment for on-going support of a program, they will most often be directed to the OSU Foundation as the OSU Foundation routinely deals with permanent gifts and ARF with current use donations.
 - *Research or extension project donations* – these are the most common recipients of gifts. The donor must write a letter that states that their donation is for general support of a project or otherwise indicate donation intent in documentation accompanying their contribution (statement on check stub, comment on web-based PayPal donation). A sample letter is available on the ARF website. There can be no implied or specific output expected from the donation. Versus writing a donation letter for each individual donation, if a donor intends to make on-going donations, a letter stating this intent can be written and donation reminders can be sent to the donor by ARF or the funds recipient. In cases where funds are coming from a business or trust, such reminders may be required.
 - *Workshops, schools, field tours, and other outreach activities* – OSU faculty and affiliated commissions routinely manage educational workshop and tours for their clientele and/or general public. If companies or individuals are providing general sponsorship of such an event, these funds can be accepted as a donation through ARF. Letters with suggested donation levels may be sent to possible donors by the event organizer.
 - *Fee or service activities* – ARF cannot accept fee-for-service funds as donations. If faculty are doing routine trials of any type for which companies or individuals can submit specific entries for testing, this work must be done under OSU's Fee Book

system. Donors may give funds for general support for testing work but cannot have any specific influence over how those trials are structured, executed, or reported.

- *No implied or specific outcomes* – gifts are for general support of a program. If a faculty member is working in several areas, a donor can specify which area of work they are interested in supporting, but cannot have any other influence over how research activities are done.
- **Sponsored research projects** – per terms of its agreements with OSU, ARF may accept funding for sponsored research and outreach activities from commodity commissions; grower group committees, councils, and associations; and agricultural/natural resource related non-profit organizations that provide project grants. The Lazer Foundation, Nature Conservancy, Meyer Memorial Trust, and Oregon Agricultural Education Foundation are current examples of the latter.
 - Sponsored research projects can include specific work plans with timetables and deliverables. Such plans of work are often included as part of the MOU or contract with the organization providing funding.
 - Sponsored research projects in ARF cannot include an assignment of intellectual property (IP) rights. IP agreements that have been separately negotiated with OSU can be referenced in an ARF contract or MOU but no new rights can be created. Nondisclosure agreements (NDA) between a researcher and funding agency are also the prevue of OSU. ARF can enter into a NDA indicating that ARF staff will not share information related to a contract or MOU.
 - Sponsored research support can include facilities construction and refurbishing if all appropriate OSU guidelines for such activities are followed.
- **Student Scholarships and Faculty Awards** – while most student scholarships and faculty awards are funded through the OSU Foundation, ARF does handle some.
 - Several individuals annually provide current use funds for scholarships in specific College of Agricultural Sciences units
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 - ARF manages several endowments that were established years ago and have specific student scholarship, student activities, or faculty award support expectations
 - ARF can consider the establishment of new endowments but only with specific consultation and consent from the OSU Foundation

ARF cannot accept royalty or other income generated from OSU held intellectual property.

The ARF Executive Director will consider other income on a case-by-case basis.