

## **SOCIETY POLICY**

### **SOLICITATION AND ACCEPTANCE OF FUNDS**

#### **I. PREFACE**

Society By-Law B4.4.4 states, No grant, gift or bequest to the Society shall be accepted until it and any restrictions thereon have been approved by or under the authority of the Board of Governors. Upon receipt, such grants, gifts, and bequests shall be invested and used for the Society's purposes and in accordance with any restrictions thereon mandated by the donor and approved by or under the authority of the Board of Governors. The Executive Committee of the Board of Governors may accept unrestricted grants, gifts, or bequests with a value of less than \$2,500,000.

#### **II. PURPOSE**

- A. To provide for the coordination of fundraising activities.
- B. To prevent excessive solicitation of funds from any one source.
- C. To state the requirements for accepting funds.
- D. To allow legally permissible updates to the original gift provisions.

#### **III. POLICY**

All major fundraising approaches to companies and foundations and other potential donors for support of ASME projects (including projects involving ASME and other entities) must be coordinated through and approved by the ASME Executive Director's office.

#### **IV. DEFINITION AND SCOPE**

- A. Major fundraising efforts of the Society fund activities that do not fall within the normal programs and budgets of the Society. The threshold amount for a major fundraising effort is \$5,000.
- B. Smaller projects which do not extend beyond the unit making the solicitation and are budgeted at less than \$5,000 do not have to be coordinated through and approved by the ASME Executive Director's office. For sections and student sections these might be appeals for restricted contributions in support of specific activities (meetings, science fairs, etc or regional projects that are restricted in scope and implication to the particular geographic area where the appeal is being made to local companies or to branches of a larger company). Closely related projects may not be disaggregated for purposes of attempting to circumvent the definition of major fundraising efforts.

- C. A gift should be deemed “unrestricted” only if there is no donor-imposed restriction on the management, investment or purpose of the property being donated. A restriction on purpose would include any restriction requiring that such property be held for a particular programmatic purpose and/or for the purpose of being an endowment fund (whether in support of general operating purposes or in support of a specific programmatic purpose) and/or otherwise limiting ASME’s unfettered use of the gift or the earnings thereon.

## V. PROCEDURE

- A. Project descriptions and fundraising plans must have the voted approval and endorsement of the appropriate committee, board, and sector before they are sent to the ASME Executive Director's office. If the project involves more than one sector, board, or committee, then all units concerned must approve the project description and fundraising plan. An example of such a project is one initiated by a technical division but requiring local fundraising.
- B. Requests for approval must be sent by the sectors to the ASME Executive Director, who shall respond within three weeks on whether they have or have not been approved. The ASME Executive Director shall refer those requests to the Philanthropy Committee which, in his or her judgment, he or she believes warrant Committee action. A written explanation shall be provided with each rejection of a request or referral to the Committee.
  - 1. Technical divisions, subdivisions, professional sections, subsections, and student sections are to submit requests to their staff representative who will forward to the unit’s Senior VP for approval to start the process.
  - 2. All other boards and committees (for example, one reporting directly to a sector) are to submit requests to the senior vice president (of the appropriate sector).
- C. Each proposal must include a description of the proposed project and a detailed fundraising plan. Each project should be self-sufficient and no expenses should be obligated until it is clear that enough money is available to pay all expenses. If enough money is not obtained, the project should be canceled, unless the technical division or section or other unit of ASME has resources of its own which can be used to cover the deficit.

Some government jurisdictions require organizations to register in order to conduct fundraising campaigns among its citizens. ASME staff will assist the proposal writer to see if registration is needed or is already in place for the jurisdictions whose citizens are being solicited.
- D. The project description must include the following:
  - 1. Title of project
  - 2. Responsible committee, board, or sector

3. Responsible staff member
  4. Scope of the project
    - a. Goals of the Society to be served
    - b. Specific objective(s) of the project
    - c. Plan for carrying out the project
    - d. Budget for carrying out the project
    - e. Date of beginning and completion
    - f. Reporting procedure
- E. The fundraising plan must include:
1. Timetable
  2. Preliminary list of potential donors
  3. Explanation of why those particular potential donors are being solicited
  4. Sample letter to be sent to the potential donors
  5. Sample thank you letter. The letter must include the value of any goods or services that are received as part of the contribution (for example, the value of a meal that is part of a fundraising gala) as well as other statements that may be required or recommended to comply with federal tax laws.
- F. Informational copies of the project description and fundraising plans must be sent to the chairs of non-involved councils and other managing directors after the project is approved.
- G. All units are to keep records on both exempt and approved fundraising efforts and to report annually through their appropriate sector to the ASME Executive Director identifying solicitation purposes, dollar levels and organizations providing support. The results of fundraising should be included in the group's financial reports, and this requirement should be detailed in the group's operation guide.
- H. Funding for an award, scholarship, or project named after an individual must come from the individual himself or herself or his or her family except as otherwise authorized under the provisions of Section V.B. Personal contributions from the employers or friends of the individual may also be made once such an award is established by the individual or his or her family.

Many individuals make significant volunteer contributions to ASME. Sufficient funds are not available to recognize all those worthy of having an award, scholarship or project named in their honor. As such, segregated funds from an ASME unit may not be used to endow an award, scholarship or project named after an individual.

However, if an ASME unit develops a unique case to solicit funds in the name of an individual, the unit may submit it under the provisions of Section V.B. of this Society Policy for consideration.

- I. The following guidelines for accepting grants, gifts, and bequests apply:
  1. The Managing Director of Philanthropy may accept an unrestricted grant, gift, or bequest to ASME of cash or publicly traded securities in an amount up to \$500,000.
  2. The Executive Committee may accept an unrestricted grant, gift, or bequest to ASME of cash or publicly traded securities in an amount up to \$2,500,000, as stated in Society By-Law B4.4.4.
  3. The acceptance of a restricted grant, gift or bequest of cash or publicly traded securities will be subject to the same thresholds for acceptance as stated above if the restriction is one for which the Board of Governors expressly authorized funds to be raised.
  4. The acceptance of any other grant, gift, or bequest (including any charitable remainder trust, regardless of the assets being used to establish it) will require approval by the Board of Governors.
- J. Grants, gifts, and bequests are accepted when they are found to contribute to the approved purposes of ASME in accordance with the following principles:
  1. A gift will not be accepted if the funds were acquired by other than legal means, or that clear title to the donated asset does not flow directly from the donor to ASME.
  2. A gift will not be accepted if in the judgment of the Board of Governors the gift is too restrictive in purpose, requires expenditures beyond ASME's resources, or is not aligned with or compromises the Purposes, Mission, Vision or Values of ASME.
  3. A gift will not be accepted if in the judgment of the Board of Governors the intended purpose of the gift and/or being associated with the donor of the gift could damage ASME's reputation, standing or integrity or be contrary to ASME's Purposes, Mission, Vision, and Values.
  4. At the request of the donor, ASME may treat a gift as anonymous. However, a gift will not be treated as anonymous with the purpose of shielding ASME from damage to its reputation or disguising the gift which it would otherwise not have accepted.

5. The acceptance of a gift does not imply nor mean that ASME endorses or approves of a donor's views, opinions, businesses, or activities.

K. The following guideline for repurposing a gift applies:

1. ASME may repurpose an unspent or endowed gift to a new ASME use if, due to changes in ASME programs or applicable laws and regulations, the gift cannot be used as originally envisioned by the donor, provided such repurposing is permissible under the governing instrument.

If the governing document permits repurposing of a gift, the Philanthropy Committee may recommend to the Board of Governors that it direct the gift to a new use or other needs of ASME that conform as closely as possible to the donor's intent. If the terms of a gift agreement do not permit the repurposing of a gift, ASME will seek permission from the donor and prepare any necessary documentation, when possible, or from the New York Attorney General and the court if the donor is deceased or otherwise unavailable.

L. The following guideline for returning a gift applies:

1. ASME may return a gift to the donor if the Board of Governors determines, taking into account the views of the Philanthropy Committee, that retention of the gift could cause damage to ASME's reputation, standing or integrity to be associated with a specific donor or use a gift for its intended purpose and that the return of the gift meets the legal standard of prudence.

In this case, the disposition of the gift will be guided by ASME's Purposes, Mission, Vision, and Values and will depend on the specific circumstances of the case and any legal restrictions imposed by the gift agreement.

M. The following guidelines apply to naming an award, scholarship, or project:

1. In general, ASME will not approve proposals for naming where, in its judgment, doing so is not aligned with ASME's Purposes, Vision, Mission and Values and/or being associated with the proposed name could damage ASME's reputation, standing or integrity.
2. The Board of Governors reserves the right, on reasonable grounds, to revoke or terminate ASME's obligations regarding a naming if, including, but not limited to:
  - a. The Board of Governors determines, taking into account the view of the Philanthropy Committee that ASME's association with the donor could damage ASME's reputation, standing or integrity or be contrary to ASME's Purposes, Mission, Vision, or Values.

- b. In the case of a naming associated with a gift the donor fails to fulfill the terms of the gift and is therefore not entitled to or be eligible for the naming.

Responsibility: Philanthropy Committee

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