



Policy on donations and grants

Version: 16 March 2015

Purpose

The purpose of this document is to outline the guiding principles and mechanisms followed by Venture Center while accepting donations and grants for the organization. This is a document approved for implementation by the Board of Directors of Venture Center.

Background

Venture Center is a non-profit organization committed to the goal of nucleating and nurturing knowledge based enterprises and generally, in the promotion of technology innovation and entrepreneurship.

Venture Center is a charitable organization, which accepts donations as well as grants from other organizations. Venture Center is registered u/s 12A of the Income Tax Act, 1961, and with the Director of Income Tax (Exemptions) u/s 80G. The donors to Venture Center enjoy Section 80-G benefits. Venture Center is eligible for CSR funding support from corporates under Section 13, Schedule VII of Companies Act, 2013.

While Venture Center is grateful to its well wishers, supporters, donors and grantors for their generous support and faith in the Venture Center, the Board of Venture Center feels that such donations and grants should be accepted only after adequate screening and following due process. This document aims to outline the guiding principles and process that Venture Center shall follow when faced with an offer of a donation or grant.

Guiding principles

The central principles are:

- A. The acceptance of donations/grants should not hurt the reputation of Venture Center and its various stakeholders. Venture Center should maintain

- the highest standards of integrity and commitment, and also maintain the public perception of the same.
- B. The accepted donations/grants should not divert Venture Center from its core mission of nucleating and nurturing knowledge based enterprises and more generally, the promotion of technology innovation and entrepreneurship.
 - C. Venture Center should ensure that its unrestricted funds and earmarked funds do not unconsciously co-fund the project proposed by a donor/grantor; this has to be a well thought and deliberate decision.
 - D. Venture Center should ensure that the donors/grantors do not get unfair and disproportionate share of benefits accruing to them in the context of contributions of other donors/grantors.
 - E. Benefits accruing to donors/grantors including naming rights need to be carefully planned to reflect the ethos of Venture Center and also strike the right balance between various donors/grantors (esp. ensuring that one donor/grantor's right does not hurt another donor/grantor's right or sense of satisfaction).

While screening offers of donations or grants, Venture Center shall be screening along the following axes:

1. *Credentials of the donors/grantors and transparency in the process:* Venture Center needs to ensure that the donors and grantors are respected and reputable persons/entities and that the funds are provided in a transparent and legally acceptable manner. It is important for Venture Center to protect the brand equity of itself and its various stakeholders.
2. *Purpose outlined by the donor/grantor for the funding and restrictions placed on the utilization of the funds:* Venture Center accepts donations and grants that could be either restricted for certain purposes or unrestricted. Venture Center's website has outlined the broad mission as well as the broad priority areas where it is seeking funding support. Venture Center shall be accepting funding support in those areas and purposes. Any purposes that are tangential or not strictly within the mission and priorities of Venture Center (as listed at its site) can be suggested to the contact person below requesting clarification on whether it will be of interest to Venture Center.
3. *Responsibilities, commitments and obligations required from Venture Center:* Venture Center takes its responsibilities, commitments and obligations related to any donation or grant very seriously and makes sure that such responsibilities are documented in writing before acceptance of any funds. The Venture Center team has to evaluate the implications of such responsibilities on its other resources including bandwidth of HR, other financial resources, space, good will etc.

The following are some of the considerations to be evaluated:

- A. What are the costs associated with the arrangement --- both direct and indirect/overheads?
- B. What is the opportunity cost associated with entering the proposed arrangement? Are there other opportunities, which Venture Center will have to forego because of entering into this arrangement?
- C. Do the responsibilities require Venture Center to do anything that does not meet Venture Center's standards of appropriate behavior and use?
- D. Does Venture Center need to make any commitments, which require separate and independent (and at times third party approvals) approvals? What is the level of uncertainty if getting approvals and how much time it is expected to take?

Any activity that requires direct or indirect additional investment of Venture Center's unrestricted resources or any resources earmarked for other purposes will need the approval of the Board and explicit approval for any additional budgetary allocations.

Wherever, possible donors/grantors should be requested to cover the full cost of the project including overheads so as to enable Venture Center to function without compromising other functions and without being starved of funds for creating adequate momentum.

4. *Benefits to donors and grantors:* Besides, Venture Center deploying the funds towards purposes proposed by the donor or grantor, larger donations and grants might have other benefits accruing to the donors and grantors.

Examples of such benefits and *illustrative* threshold levels of funding support to be met by the donor or grantor so as to be eligible to request/ merit such benefits are provided below:

- A. Listing and normal publicity of donor and grantor via event publicity, posters, banners, website, marketing collateral etc. along with the names of other sponsors: For contributions that exceed at least 25% of the total budget.
- B. Naming rights for events series, projects and continuing activities for blocks of X years: For contributions that cover at least 50% of running cost for a period of X years.
- C. Naming rights of labs, rooms and buildings for blocks of Y years: For contributions that cover 100% setting-up cost and at least 50% of running cost for a period of Y years.

The above guidelines can be reviewed and changed by the Investment Committee of Board.

Process

The process followed shall be as follows:

1. The proposal for every new initiative supported by donations/grants shall be outlined and tabled in front of the Investment Sub-committee of the Board. The proposal will need to outline the full budget of the project and contributions from all participants. The proposal should also articulate the benefits accruing to the donor/grantor.
2. The Investment Sub-committee shall consider the proposal in the context of the above guiding principles and recommend/refuse the proposal.
3. The Investment Sub-committee's proposal shall be tabled in front of the Board of Venture Center for information.
4. The Investment Sub-Committee reserves the right to modify these guidelines from time to time as deemed necessary.

Contact person and responsibility

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