

APPENDIX • FUNDRAISING GUIDELINES

A. Introduction

The Fulbright Foreign Scholarship Board (FFSB) recognizes the importance of bi-national Fulbright Commissions and posts obtaining support for the Fulbright Program from non-governmental sources such as academic institutions, non-profit organizations, and private businesses. The guidelines that follow are intended to protect the financial integrity, independence, and international reputations of the worldwide Fulbright Program. Since the fundraising environment in each country is different, the Board depends on the Commissions and posts to administer these guidelines with sensitivity to the conditions in each Fulbright partner country.

B. Statement of Principles

1. All constituent parts of the Fulbright Program that obtain financial support from non-governmental sources shall ensure that the highest ethical and professional standards are followed in obtaining that support, and that such financial support is used only for the direct benefit of the Fulbright Program. Fundraising relationships with individuals and businesses must not prejudice in any way the basic objective of the Fulbright Program to promote mutual understanding between the United States and other nations and its basic principles of open competition and selection of grantees according to individual merit.
2. If Commissions or posts administer grants or programs which do not meet these principles, its grants may not be called Fulbright Awards, do not fall under the Fulbright Program for visa or health insurance purposes, and may not have their administrative costs covered by public funds provided by the U.S. Government for the Fulbright Program.

C. Definitions

1. **Affiliate:** Any body, enterprise, organization, association, or grouping, organized under U.S. or foreign law and based in the United States, a partner country, or third country, one of whose primary purposes is to engage in fundraising or cost-sharing for the benefit of Fulbright Commissions or posts, and which is controlled, directly or indirectly, by an employee, executive director, or board member of a Fulbright Commission or by an officer of a post (or by a spouse).
2. **Cost-Sharing:** Any contribution from any source (excepting the U.S. government) to a grantee, program, partnership, or venture of cash, property, services, or in-kind benefits.
3. **Fundraising:** Actions or practices by a Commission, post, or affiliate whose object is to solicit, receive, or agree to receive from any source (excepting the U.S. and partner governments) either cash, property, services, or in-kind benefits.

4. Fundraising Revenues: Cash, property, services, or in-kind benefits that are derived directly or indirectly from fundraising. Indirect revenues are funds raised by an independent (nonaffiliated) entity that are transferred to a commission, post, or affiliate.
5. Internal Control: A process, effected by an entity's management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:
 - a. Effectiveness and efficiency of operations
 - b. Reliability of financial reporting
 - c. Compliance with applicable laws and regulations

D. Cost-Sharing and Fundraising Standards

Fulbright Commissions, posts, and their affiliates should be subject to the following standards:

1. Commissions and posts should seek unrestricted funds in obtaining partner government allocations, cost-sharing contributions, and fundraising revenues for the Fulbright Program.
2. Commissions and posts may accept allocations, contributions, and restricted revenues if the programs they support are consistent with the Statement of Principles of the Fulbright Program (section B, above). Such grants may be called Fulbright Awards if they conform to those principles.
3. Fundraising revenues and cost-sharing contributions that are transferred to a Commission or post shall become the property of the Commission or post, to be used solely for the benefit of the Fulbright Program. Such funds, unless otherwise restricted, may be used toward the costs of further organized fundraising, including fundraising campaigns, endowment drives, solicitation of gifts and bequests, and similar expenses incurred to raise capital or obtain contributions. Such funds, unless otherwise restricted, may also be used for expenses solely intended to enhance income from investments. Non-commission posts are reminded that they need to follow the guidelines of STATE 2 FAM 960 involving the establishment and disposition of "gift" and "trust" funds.
4. Commission executive directors, board members, and staff (whose assignments include fundraising) shall keep themselves informed of all relevant facts and activities pertaining to fundraising and shall be responsible to the extent allowed under U.S. and partner government law and regulation for fundraising revenues, whether the fundraising is conducted directly or by an affiliate.
5.
 - a. Commissions and posts shall submit to the Board (with copies to the Executive Office of the Bureau of Educational and Cultural Affairs and the program officer in the Office of Academic Exchange Programs) an annual report on the sources, amounts, and purposes of fundraising revenues. The costs of fundraising should also be included in the report.

- b. Internal controls and audit standards cited in the definition section above and detailed in the Fulbright Commission Manual shall apply to fundraising revenues of Commissions, posts, and affiliates. Such revenues shall be kept in accounts separate from accounts containing government appropriations, and funds in those accounts shall not be commingled. Separate records shall be kept for all accounts.
6. No person shall receive compensation for assisting a Commission, post or affiliate in fundraising where the amount of compensation is calculated as a commission or percentage of funds raised. The compensation of independent consultants or professionals shall be set by an hourly rate or fixed fee. In no case shall any person who serves as an executive director, employee, or board member of a Fulbright Commission, or who serves as an officer or employee of a post, receive any fee, commission, or other compensation in connection with fundraising, except as an award or bonus to salary.
7. Commissions and posts shall notify in writing the Fulbright Foreign Scholarship Board (through ECA/FFSB/S) and their respective program branch prior to establishing a fundraising affiliate in the United States, in the partner country, or in a third country.
8. Commissions may, when deemed appropriate and consistent with the principles of the Fulbright Program, recommend the inclusion of the name of a donor or honoree in the naming of a Fulbright Award. The Fulbright name should be listed first, unless there is exceptional justification for listing another name first. (Normally, it should be, for example, the Fulbright-Jones Award or grant rather than Jones-Fulbright.) Commissions shall seek Board approval to establish any such “hyphenated grant” in advance of naming such awards by informing the Executive Director of the Board Staff of such a recommendation. The Executive Director will inform the Commission of approval or disapproval of the recommendation following consultation with the Board Chair.
9. Commissions and posts shall keep the Board informed of ongoing problems and of new issues and questions about fundraising. The Board will remain engaged in this subject and will announce new guidelines whenever it deems necessary.