

राष्ट्रीय फैशन प्रौद्योगिकी संस्थान
National Institute of Fashion Technology
वस्त्र मन्त्रालय, भारत सरकार
Ministry of Textiles, Govt. of India



ENDOWMENT FUND POLICY

(Version 1.7_07012026, After incorporation of BoG Observations)

उद्योग एवं पूर्व छात्र सम्बंध / Industry & Alumni Affairs
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ENDOWMENT FUND POLICY

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1 Preamble

According to the NIFT Act 2006, grants and revenue received by the Institute shall be credited to various funds and maintained by the institute which shall be:

1. all money provided by the Central Government;
2. all fees and other charges received by the Institute;
3. all money received by the Institute by way of grants, sponsorships, benefactions, bequests or transfers; and
4. all money received by the Institute in any other manner or from any other source.

The Act also directs the institute to:

1. set up an endowment fund and any other fund for specified purpose; and
2. transfer money from its fund to endowment fund or any other fund.

The Endowment Fund policy of NIFT was approved by the Ministry of Textiles on 21.2.2013. As per the Policy, an endowment fund was created to accept designated funds and sponsorships in the form of Assets through contributions /grants by individuals, institutions and organizations in India and abroad such as

1. Industry, Industry Associates, Foundations / Trusts;
2. Alumni Faculty, Staff Students and well-wishers of the Institute;
3. Govt. of India and State Govt. as outright, or matching grants;
4. Savings in the Annual non-plan Grants and Receipts of the institute;
5. Unclaimed securities, royalties, gifts etc.
6. Foreign organizations and others

The Institute may also receive funds for designated purposes such as Scholarships, Chairs, Construction of Buildings and other Infrastructure, Sponsorships/Contributions in terms of Property, Equipment and Shares etc., which may augment the assets of the Institute. The disbursements of the various endowment funds shall be for purposes indicated in the Endowment Fund Policy. It is also possible that a particular trust / donor / grantor would specify a special purpose, methodology and frequency of disbursement of the gift/grant.

The Endowment Fund Policy broadly covers the source and management of the Fund, the budget and Accounting systems and the application to which the fund may be put to use.

Sponsorships received by NIFT are exempted from income tax under section 80G of the Income Tax Act

This Policy will be prospectively applicable for accepting sponsorships and endowment funds.

2 Purpose of the proposed policy

The resolution of this policy document is to clarify the sources of funding of the Endowment fund, the classification of various endowment categories, and the process of raising resources for the Endowment Fund, as well as management of specific contractual obligations of individual or institutional gift instruments.

The Industry & Alumni Affairs Unit of the NIFT Head Office in coordination with the Director (F&A) shall manage the procedures relating to the acceptance and voluntary stewardship of sponsorships, pledges, bequests, corporate sponsorships especially through CSR and report to the Managing Committee indicated in the Endowment Policy. This policy is not intended to cover aspects of endowment management, administration and compliance, which are already provided for in the Endowment Fund Policy.

3 Definition

3.1 Sponsorship

A voluntary transfer either in monetary contributions or in kind or assets of value for which the donor receives no personal benefit either directly or indirectly. A sponsorship made by a donor is irrevocable and can be either 'Structured' meaning that the donor specifies a condition(s) upon which the sponsorship can be used or 'Unstructured' meaning that the donor does not specify any condition for its utilization.

3.2 Endowment

Endowment is a conditional sponsorship of monetary contributions and/or assets to NIFT for investment in academic and research and development initiatives. Endowment may include transfers which are required to be spent in a certain way or alternatively invested, with the principal to remain intact in perpetuity, or for a specifically defined period of time.

3.3 Donors

Donors are individuals, corporations contributing to the institute's endowment fund for specific or general purposes.

3.4 Managing Committee

The Managing Committee Shall be the Managing Committee mentioned in the NIFT Endowment Policy.

The Managing Committee shall consist of the following for the management and utilisation of funds generated through interest earned on Endowment Funds:

- Director General, NIFT, Chairperson
- Two Alumni representatives (as members, to be decided by the DG-NIFT)
- One Alumni representative (as member, to be decided by the DG-NIFT)
- Two NIFT faculty members (as members, to be decided by the DG-NIFT)
- Head (Industry & Alumni Affairs), Covener
- Director (F&A), Member

4 Sponsorship Categories

Sponsorships can be in the form of the following:

4.1 Monetary Sponsorships

- 4.1.1. Monetary sponsorships may be given in the form of monetary contributions, demand draft, electronic funds transfer, or forex. For monthly/scheduled sponsorship, the donor may do so through credit card payments, salary deductions and/or pre-authorized electronic transfer of funds.
- 4.1.2. Sponsorships by way of salary deductions made by Employees of the Institute. Monetary sponsorships received by Departments, Campuses or any Units in NIFT must be forwarded to the Finance & Accounts department for processing.
- 4.1.3. Subject to the Income Tax rules and regulations, official receipts for tax exemption purposes may be provided by the institute to all gifts and sponsorships. The institute will issue tax-deductible receipts.

4.2 Sponsorships-in-Kind

Sponsorships-in-Kind are property or items other than monetary contributions. The sponsorship can include land, buildings, equipment, furniture, Fashion collections, collectable objects, books, library materials, archival materials, office supplies including enduring assets, consumables etc.

The pro-rata value of such items donated will be estimated by a Valuation Committee constituted with internal and external experts by NIFT for this purpose. The committee will be

responsible for ascribing value to sponsorships in kind. The items received will be entered in the asset register maintained by each NIFT Campus. While receiving such sponsorships, there will be checks carried out to ensure items / assets donated are not obsolete and non-value added thereby imposing liability to the institute in maintaining / disposing of such items.

4.3 Sponsorship-of-Securities

These are sponsorships in the form of shares or marketable securities, which also include sponsorship of mutual funds and insurance.

4.4 Pledged Sponsorships

These are future committed sponsorships in monetary contributions or kind as bequests with clear description of intent and purpose from the donor and include unrestricted sponsorships.

5 Endowment Categories

5.1 Perpetual / Permanent Endowment

With Permanent Endowment, the donor specifies that the principal amount is to be invested and maintained in perpetuity. Resources are given for a specific purpose whereas the principal amount cannot be spent. Only the income/interests derived from the investing/managing the principal may be utilized.

5.2 Quasi Endowment

With Quasi Endowment, the principal may be expended if stipulated by or in consultation with the donor. It functions like a perpetual endowment, but without restriction to hold the fund permanently. Donors may direct that their sponsorship be held as quasi-endowment, either because they envision the spending of principal at some point or under certain conditions, or because they want to give fund utilization flexibility to NIFT. The corpus of donor-established quasi- endowment accounts may be expended in accordance with donor terms and restrictions.

5.3 Term Endowment

With Term Endowment, all or part of the principal amount given by the donor may be expended after the expiration of a stated period of time or occurrence of a specified event, depending on the donor's wishes. Donors may designate the terms and conditions of such an endowment.

6 Unacceptable Sponsorships & Endowments

NIFT shall not accept Sponsorships & Endowments:

1. the conditions of which are inconsistent with the institute's academic purposes and principles
2. that inhibit the institute from seeking Sponsorships & Endowments from other donors
3. that involve negative discrimination of any kind
4. that obligates the institute to violate any applicable law or regulation or which violates the Institute's Act, Statutes, Rules and/or Regulations.
- 5 The Institute shall not accept foreign sponsorships from:
 - a) Individuals or entities on the UN sanctions list or the RBI's negative list
 - b) Sources involving money laundering or terrorist financing
 - c) Anonymous foreign donors where the source cannot be verified,
 - d) Foreign governments directly (except through bilateral agreements)
 - e) Foreign political parties or politically exposed persons

7 Forms of endowment

7.1 Monetary contributions

Sponsorships through cheques and share drafts (the equivalent of bank cheques) will be accepted.

7.2 Pledges

Sponsorships may be made by pledge to NIFT, and for such sponsorships to be considered & accepted, they must be in writing and include the donor's signature. Sponsorships by pledge will receive timely payment reminders.

7.3 Planned and Deferred Sponsorships

Sponsorships may be made via but not limited to Wills and Trusts, Insurance, real property, and stock.

8 Endowment Fund Support Categories

8.1 Instituting Chair Professorship adhering to the NIFT Chair Policy

An Endowment Chair can be instituted by donating a sum to NIFT as a corpus fund mentioned in the NIFT Chair Policy. Chairs are instituted primarily to further research and development and to focus on dissemination of new initiatives (such as, but not limiting to craft preservation, IPR, sustainability, entrepreneurship, etc.) in any particular field or domain. The Chair can be named after an institution or an individual in any specific specialization, domain or subject area. Eminent academicians or practitioners can be invited to occupy the chair on the basis of the Chair Policy.

Considering the distinction of various NIFT campuses and their proximity to business hubs, the following slabs with minimum financial cap to establish Chair Professorship may be adhered

1. NIFT Campuses Delhi, Mumbai and Bengaluru - minimum INR 1.5 crore
2. Other NIFT campuses - minimum INR 1 crore

8.2 Endowed Lecture Series

Series of 4 endowment lectures in an academic year can be organized in honor of the person the donor would designate. **The person who will deliver the lecture would be decided by the donor with the concurrence of NIFT.** The lecture series can be organized in any of the NIFT Campuses where the sum is endowed or across campuses through Video Conferencing. **The logistics of the speakers including expenditure incurred in their travel, accommodation, lecture fees etc., will be borne by the Donor. NIFT will provide the venue, infrastructure and participants from students, faculty and invitees / delegates.** Also, the series of lectures delivered would be published by NIFT in the form of any publication for reference and circulation. For this, the donor would have to make an endowment of INR 25,00,000/- for a fixed term of 5 years. The interest so derived shall be utilized for the Endowed Lecture Series and the unspent balance, shall be added to the corpus of the endowment. After completion of the 5 year term, the endowment may be renewed for a further term of 5 years considering cost escalation if any on mutual consent.

8.3 Endowed Lecture

NIFT has a scheme to organize one endowment lecture per academic year in honor of the person the donor would designate. This can be organized in any of the NIFT Campuses where the sum is endowed or across campuses through Video Conferencing. **The person who will deliver the lecture would be decided by the donor with the concurrence of NIFT. The logistics of the**

speakers including expenditure incurred in their travel, accommodation, lecture fees etc., will be borne by the Donor. NIFT will provide the venue, infrastructure and participants from students, faculty and invitees / delegates. Also, the series of lectures delivered would be published by NIFT in the form of any publication for reference and circulation. The lectures delivered would be documented by NIFT for internal reference and circulation. For this, the donor has to make a contribution of INR 6,00,000/- for a fixed term of 5 years. The interest so derived shall be utilised for the Endowed Lecture, and the unspent balance shall be added to the corpus of the endowment. After completion of the 5-year term, the endowment may be renewed for a further term of 5 years, considering cost escalation, if any, on mutual consent.

8.4 Sponsorship for Scholarship Pool

- 8.4.1 Alumni, Industry and Institutions may donate to a common scholarship pool to assist deserving students in their academic pursuits. The minimum amount that may be donated is INR 100,000.
- 8.4.2 The pool of funds donated by the donors will provide financial aid to students who qualify for the NIFT Financial Assistance Scheme 'Sarthak'. Further, the donors may select the student(s) for financial aid based on their criteria (for example: Creativity of the student, all-round performance, economic background, PWD or specially ables students etc.)
- 8.4.3 The fund will assist those students from campuses with minimum surplus funds to meet the expenses for the dispersal of scholarship funds under the Sarthak Scheme. The maximum ceiling of funds that can be given from the scholarship pool to a campus in a year is not more than INR 400,000/- after which the next campus with a minimum surplus may be allotted.
- 8.4.4 Further, the Director General of NIFT shall have the right to consider special cases of students under unforeseen circumstances at the recommendation of the Campus Directors.
- 8.4.5 In case of unsatisfactory progress, the Scholarship will be terminated on the approval of the Managing Committee, and the next eligible candidate will be awarded the scholarship.
- 8.4.6 The donors will be informed of the names of the students who benefitted from his / her sponsorship to the scholarship pool.
- 8.4.7 A list of Donors and a list of beneficiary students shall be uploaded to the NIFT website and added to the annual report.
- 8.4.8 The decision of the Director General, NIFT shall be final and binding.

8.5 Endowment for the Institution of Gold Medal

- 8.5.1 A Gold Medal can be instituted by Alumni, Institutions and Individuals upon sponsorship of a sum of not less than INR 2,50,000/-. This will be valid for maximum 5 years from or 5 individual occasions when gold medals are awarded from the date of receive of sponsorship amount.
- 8.5.2 The endowment amount shall be invested in fixed deposits which earn the maximum possible interest.
- 8.5.3 The interest so derived shall be utilized for the award of the Gold Medal and the unspent balance, if any shall be added to the corpus of the endowment.
- 8.5.4 The donor can with the agreement of NIFT institute the gold medal in the name of an institution or individual.

- 8.5.5 The donor may choose to specify the campus/department for instituting the Gold Medal. If not specified, the Management Committee shall decide the campus/department where the award may be instituted.
- 8.5.6 The selection of candidates for the award category of the Medals shall be done by a Selection Committee at the campus level or at the HO level in consultation with the donor and approved by the Managing Committee.
- 8.5.7 The Gold Medal to be awarded during the Convocation every year in the endowed campus and shall have inscribed on it the name of the medal and the name of the recipient
- 8.5.8 The award would consist of a medal with silver metal with gold polish of a maximum of 50 grams and a diameter of 47 mm and a framed citation.
- 8.5.9 The donors shall be informed of the name of the students selected for the medal by NIFT.
- 8.5.10 A list of donors and a list of beneficiary students shall be uploaded to the NIFT website and added in the annual report.
- 8.5.11 The decision of the DG NIFT shall be final and binding. No representation shall be entertained in this regard.

8.6 Student Welfare Fund

- 8.6.1 Alumni, Institutions and individuals can make contributions, either one time or at periodical intervals of a sum of not less than INR 100,000/- exclusively to the student welfare fund.
- 8.6.2 The amount in the fund shall be exclusively utilized for the welfare and the Co-curricular and extra-curricular activities of the students (including travel expenses) in accordance with the guidelines prescribed by NIFT.
- 8.6.3 The administration of the money in the fund shall be based on the approval of the Managing Committee.
- 8.6.4 A separate account would be maintained for the student welfare fund.

8.7 Named Infrastructure or creating Physical facilities

- 8.7.1 Alumni, Institutions and Individuals may make a contribution for the construction of Buildings or floors/wings of the Buildings like Hostels/Academic Block/Library Block/Faculty Block/Resource Centre.
- 8.7.2 The one-time contribution to NIFT will be for completely providing any of the following but not limited to:
 - (1) Infrastructure projects
 - (2) Facilities for developing academic / research Infrastructure

(3) Laboratory Infrastructure for Research & Development

(4) Incubators for Entrepreneurship and/or Design Development. Under the Endowment Fund, an Incubation and Entrepreneurship Fund shall be established specifically for NIFT alumni

8.7.3 Where the sponsorship is linked to the construction and development of substantive institutional infrastructure indicated at 8.7.2 above, including sponsorship of land, or building, is made either as monetary contributions or in-kind (i.e., land, equipment, furniture, resource material etc.) and for more than 50% or INR 1 crore (whichever is higher) of the costs of construction of the related infrastructure including installations, the naming right shall be restricted to the immovable infrastructure only (such as building/classroom/laboratory) and not for the movable properties/items such as materials, individual machines, computer systems etc.). The naming rights of such immovable infrastructure may be shared between the donor and NIFT.

(1) The donor may choose to develop the infrastructure on his own and hand it over to NIFT as discussed and agreed upon by NIFT, or alternatively NIFT shall develop the infrastructure with adherence to the prevailing government of India rules & regulations.

(2) The donor may also agree to donate the fund and let NIFT execute the infrastructure development as detailed in the discussion.

8.7.4 A list of any such sponsorships received under the above clauses approved by the Managing Committee will be placed for information to the Board of Governors.

8.7.5 Alumni, Industry or Individuals may also choose to donate a fund of not less than INR 10,00,000/- to NIFT for a Named Infrastructure Development of an existing space. The fund shall be used for infrastructure development of a campus for providing any or part of the following but not limited to:

(1) Audio-visual and other facilities for the Meeting / Conference / Seminar Hall, etc., and the venue may be named after the donor or his nominee.

(2) Facilities for developing academic/research Infrastructure like labs, smart classrooms and the venue could be named after the donor or his nominee.

(3) Educational equipment and teaching aids including computers, machines, books, etc.

(4) Bus to Students for visits/emergency vehicles for medical and other clinical activities

(5) Infrastructure facilitating Research & Development, and the space may be named after the donor or his nominee.

(6) Develop infrastructure or books, materials, and equipment for the

resource center and the same may be named after the donor or his nominee.

(7) Develop a Gym or sports facility and the same may be named after the donor or his nominee.

(8) The endowment amount shall be invested in fixed deposits which earn the maximum possible interest.

(9) The interest so derived shall be utilized for the development of the needed infrastructure in any campus or the endowed campus if the sponsorship is made to a particular campus.

8.7.6 A donor may choose to specify the Campus/Department to whom the sponsorship may be endowed. If the Campus / Department is not specified by the donor then the endowed amount will go to a common pool.

8.7.7 The Managing Committee will decide the purpose of utilising the funds from the common pool and the decision of the DG, NIFT shall be final and binding.

8.7.8 The scope of work for infrastructure development shall be discussed with the donor in detail before closing the sponsorship.

8.7.9 The decision of the Director General, NIFT shall be final and binding.

8.7.10 The donor shall be informed about the utilization of the fund and the details shall be published in the NIFT website and added to the annual report.

8.8 Contribution in Kinds

8.8.1 Eligibility and Nature of Contributions

Eligible Donors: Alumni, industry partners, and institutions shall be entitled to make contributions in kind to the National Institute of Fashion Technology (NIFT).

Designated Purpose: All contributions in kind must constitute tangible property capable of being housed within the respective departments and utilized by enrolled students during the tenure of their academic program at NIFT.

Condition Precedent: All contributed items must be new and unused at the time of contribution. Previously owned, used, or second-hand items shall not be accepted under any circumstances.

8.8.2 Categories of Acceptable Contributions

Contributions in kind may be classified into two distinct categories:

- **Consumable items:** Materials and supplies that shall be depleted or exhausted in the course of student academic activities and practical work
- **Non-consumable items:** Durable equipment, apparatus, and resources intended for continuous and ongoing utilization

8.8.2.1 Illustrative List of Acceptable Items

Without limiting the generality of acceptable contributions, the following items are expressly enumerated as permissible contributions in kind:

- Computer equipment and peripherals (including but not limited to computers, laptops, and tablets)
- Photographic apparatus and equipment (including cameras and ancillary photographic tools)
- Fashion and textile machinery and equipment (including sewing machines, testing equipment, mannequins, and dress forms)
- Raw materials and supplies (including fabrics and other consumable materials)
- Technology infrastructure (including software applications and hardware components)
- Educational resources (including books and reference materials)
- Such other items as may be determined appropriate through consultation with the Management Committee

8.8.3 Procedural Requirements for Contribution

- **Declaration of Intent:** The prospective donor shall communicate their interest in making a contribution in kind to the institution
- **Scope Determination:** The Management Committee shall engage in detailed consultation with the donor to define and determine the precise scope, specifications, and terms of the proposed contribution prior to its acceptance and finalization
- **Allocation of Contribution:** The donor shall have the discretion to designate their contribution according to one of the following options:
 - Allocation to a specific academic department
 - Allocation to a designated campus location
 - Allocation to a common institutional pool for general institutional purposes
- **Final Determination:** The Director General of NIFT shall exercise sole and absolute discretion in all matters pertaining to contributions in kind, and such determination shall be final, conclusive, and binding upon all parties

8.8.4 Transparency and Disclosure Obligations

Upon receipt, acceptance, and deployment of contributions in kind:

- Donors shall be duly informed regarding the utilization and application of their contributed items
- Comprehensive details of all contributions shall be published and made available on the official NIFT website
- Full disclosure of contribution particulars shall be incorporated into the institution's annual report

8.9 Donor Engagement and Recognition

The Institution acknowledges the importance of maintaining meaningful and sustained engagement with its donors. To this end, the Institution shall endeavor to:

1. Provide periodic project updates and impact reports to donors, particularly in relation to student-centric support programs, in order to foster transparency and maintain the philanthropic connection;
2. Extend invitations to institutional events, ceremonies, or milestone functions, where appropriate, in recognition of the donor's contribution;
3. Offer commemorative mentions in newsletters, publications, institutional websites, or other suitable forums, subject to the donor's consent and applicable privacy considerations;
4. Extend special recognition or honors, including plaques, certificates, naming opportunities, or other appropriate acknowledgments, in accordance with the Institution's policies and practices;
5. Ensure that all donor engagement activities are conducted in a manner consistent with the dignity of the Institution and in compliance with applicable laws and internal ethical standards.

8.10 CSR Funds

Any company willing to contribute through their CSR funds for any category will be guided by the clauses of the Endowment policy.

8.11 Others

Funds received as sponsorships may be used for any special activity / purpose not mentioned above in consultation and with the approval of the Managing committee.

8.12 Right to Revision

- 8.12.1 NIFT shall have the right to revise the amounts specified in this section from time to time.
- 8.12.2 NIFT shall have the discretion to change or remove the name of the donor or nominee in the event that the donor or nominee is found guilty of a criminal act or unethical practice by a Court of Law.

9 Establishing Endowment Funds

9.1 Approval of Sponsorships / Endowments

- 9.1.1 NIFT Campuses will accept sponsorships/endowments adhering to this policy.
- 9.1.2 Fundraising activities will be monitored by the Managing Committee.
- 9.1.3 The process of Fundraising will be managed by the Campus Director, in consultation with the Local Academic Standards Committee (LASC). All proposed fundraising for, and on behalf of, NIFT requires prior approval by the Campus Director. This includes activities planned by Institute's staff, Faculty and students.
- 9.1.4 Any sponsorship or endowment above INR 10 Lakhs will have to be approved by the Managing Committee.
- 9.1.5 All sponsorships/endowment agreements up to INR 10 Lakhs will be approved by the concerned Campus Director. In case of amounts above that, approval will be by the Director General, NIFT on behalf of the managing committee.
- 9.1.6 The Campus Director is authorized to enter into sponsorships and endowment agreements on behalf of NIFT in respect of campus level sponsorships or endowments. In respect of central sponsorships or endowments, the DG NIFT will enter into agreement.
- 9.1.7 The managing committee is to be informed of all sponsorships and endowments received by the campuses on a half yearly basis.

9.2 Creating an Endowment Fund

- 9.2.1 All endowments must be set up within the institute's financial system.
- 9.2.2 Proper documentation must be submitted to establish the terms and conditions of the endowment and its utilization.
- 9.2.3 An endowment fund record should be set up in the centralized CMS system which will serve as the authoritative repository for endowment documentation.

9.3 Sponsorship Record & Tax Report

The Department of Finance & Accounts at the NIFT Head Office and its Campuses will maintain overall donor records with endowment fund details set up in the centralised accounting system

and the NIFT CMS, which will serve as the authoritative repository for endowment documentation. All statutory compliances, legal documents, securities, copies of wills, etc. will be maintained with appropriate security necessary for their protection.

10 Due Diligence

The institute will conduct a due diligence exercise on the donor including the source of the purported contribution prior to accepting any sponsorship. An annual report summarising corpus value, spending, returns, and other relevant updates shall be published every year on NIFT website.

11 Compliance with Legal Requirements

NIFT will extend the necessary support and all appropriate assistance in instituting the endowment fund. However, the fundamental accountability regarding assessments, the tax liabilities and/or similar legal local, state and/or union compliance issues rests with the donor and/or such counsel as the donor may wish to secure. Such a statement will be included on all sponsorship transfer documents. All prospective donors will be urged to seek their own legal counsel and accountant's advice in matters relating to their deferred sponsorships, tax and estate planning.

12 Donor interface

12.1 Communication

The Head (Industry & Alumni Affairs) at the NIFT Head Office and the nominee of the Campus Director at the respective NIFT Campus will be responsible for communication with the donor in respect of the following:

- 12.1.1 Information regarding the identity of the Institute's key personnel involved in managing the sponsorship/endowment.
- 12.1.2 Acknowledgment to be sent within 5 working days of receipt of sponsorship/endowment.
- 12.1.3 Entry of donor details into the donor database.
- 12.1.4 Appropriate donor recognition in related programs and activities of NIFT.

12.2 Privacy

All information concerning donors and prospective donors, including their names, the names of the beneficiaries, the amount of the sponsorship, size of their estate, etc., will be kept confidential by the institute and authorized personnel if requested by the donor.

13 Endowment Fund Utilization Compliance

13.1 Budgeting and Expending Norms

- 13.1.1 Budgeting: As part of the process of budgeting endowment fund expenditures, concerned departments must ensure that planned expenditures are in compliance with the terms of conditions of the endowment to be utilized. During the annual budget process, the respective departments at NIFT Head Office and its Campuses shall calculate the endowment spending rate for the following year, which is then consolidated by the Finance & Accounts division of the NIFT HO for soliciting the approval by the Managing Committee. The approved budget is then communicated to the departments at HO & Campuses followed by the endowment fund allocation in developing their budgets.

The status of the Endowment Fund, including deposits & interest, will be appropriately reflected in the Annual Budget of the Institute. Proposals for utilizations of the interest accruals on Endowment Fund will form a separate part of the Annual Budget.

- 13.1.2 Expenditure: The Dean, Heads of units, Chairpersons, Chair Professors Campus Directors and any other NIFT employees with financial, administrative and reporting responsibility with respect to endowment funds are responsible for ensuring that the expenditure of endowment funds complies with the terms of the endowment policy, applicable legal and accounting standards.

(1) All terms and conditions pertaining to a particular endowment fund should be strictly complied when administering and spending from endowments.

(2) Queries pertaining to interpretation and scope of terms and restrictions in sponsorship instruments should initially be directed to the Deputy Directors / Accounts Officers at the Campuses and escalated to Director (F&A) at the HO as necessary.

(3) Each beneficiary department / individual / chair must understand all applicable restrictions, standards and policies, even if the endowment income is transferred from another department.

(4) Any reporting and stewardship obligations are the responsibility of the beneficiary department / individual / chair spending the fund.

(5) All transactions must be properly approved and documented so that there is sufficient written explanation to support the use of the funds. In addition, approvals for all transactions related to expenditures are subject to NIFT policies on transaction approval and authority.

13.1.3 Accounting and Auditing System: NIFT will maintain separate books of Accounts for Creation, Management and Utilization of the Funds. The Institute shall reflect the income and expenditure from the fund appropriately in their Annual Audited Statement of Accounts as well as Annual Report being presented to the Parliament. Similarly, the utilization of proceeds from the Endowment Fund should also appropriately reflect in the Annual Budget of the Institute.

Audit of the funds will be conducted by the designated Auditors of NIFT and will be included in the annual audit report.

13.1.4 Charging Expenses to Endowment: Expenses incurred for endowment purposes should be charged directly to the applicable endowment fund. Given the careful accounting and financial tracking that is required for endowment funds, transferring, pooling or aggregating funds from different endowments should be avoided.

Department / individual / chair must keep detailed documentation to substantiate appropriate use and demonstrate that expenditures meet the terms of each endowment.

13.1.5 Overdrafts and Surplus in Endowment Spending: Each department is responsible for monitoring its endowment funds to ensure the fund balance does not fall into deficit and/or is not accumulating substantial surplus.

13.2 Modification of endowment

Modifying the terms and conditions of an endowment fund should only be with the express consent of the donor in writing. Any department contemplating a request to modify one or more conditions should take approval of the competent authority before approaching the donor for modification.

13.2.1 Substantiation, Stewardship & Reporting

Detailed information must be maintained regarding the amount of expenditures from endowment funds and the purposes for which the expenditures are made. The documentation must be sufficient to substantiate that the funds were used in accordance with the endowment fund's terms and conditions. At the close of each fiscal year, each campus and department is required to confirm that all expenses in the endowment funds utilized were compliant with the applicable terms and conditions.

Reporting: The Board of Governors, NIFT will be presented with an annual report as to the endowment funds held by the institute, and the usage of those assets and their income thereof.

14 Records Management

All Institute fundraisers involved in major work through sponsorships will track and share progress on a central system as to the cultivation of prospective donors with respect to specific campaigns and resolve any disputes relating to conflicting approaches to prospective donors.

15 Disposal of Donated Assets & Infrastructure

All sponsorships in the form of enduring assets received by the Institute or those received as part of perpetual / quasi endowments will be accounted as per the asset management policy of NIFT. The details of such assets will be recorded in the Asset Register of NIFT. For term endowments and other projects, the assets may either be taken back by the donor or donated to NIFT for further use. In such cases, the entries will be made in the assets register after the donor has donated the assets to NIFT for further usage.

Subsequently, these assets may be used for the purpose determined by NIFT after which their disposal may be as per the prevailing Obsolescence and Scrap policy.