

## Operational Policy for Making Donations

### 1. Purpose

The foundation is organized exclusively for charitable, scientific, literary, and educational purposes. The foundation aims to:

1. Engage directly in undertakings for charitable, scientific, literary, or educational purposes.
2. Support charitable, scientific, literary, or educational undertakings by making contributions of cash or property, or both, to organized charitable, scientific, literary, or educational bodies or institutions recognized under section 501(c)(3) of the Internal Revenue Code.

### 2. Scope

This policy applies to all donations made by the foundation, including cash donations, grants, and in-kind contributions, with a specific focus on supporting initiatives related to Japanese culture and education in Houston.

### 3. Objectives

- a. **Mission Alignment:** Ensure that all donations support the foundation's mission to promote Japanese culture and education in Houston and align with the foundation's strategic goals.
- b. **Transparency:** Maintain transparency in the decision-making process for donations to build trust and ensure effective use of funds.
- c. **Compliance:** Ensure compliance with legal and regulatory requirements related to charitable donations.

### 4. Donation Approval Process

- a. **Eligibility Criteria:** The foundation will consider donations to entities or projects that promote Japanese culture, education, or related charitable activities in Houston. Eligible recipients include non-profit organizations, educational institutions, cultural organizations, and community groups.

b. Review and Approval: All proposed donations must be reviewed and approved by the foundation's designated committee or board of directors. The review process will assess:

- Alignment with the foundation's mission to support Japanese culture and education in Houston.
- The potential impact of the donation on the community and the recipient organization.
- The credibility and reputation of the recipient organization.

c. Documentation: All donation requests must be accompanied by a formal proposal or application detailing the recipient, the purpose of the donation, and how it supports Japanese culture and education in Houston.

d. Exception for Unanimous Board Decision: In exceptional cases where a donation request does not strictly align with the standard eligibility criteria but is deemed to have significant merit, the board of directors may approve the donation based on a unanimous decision. Such decisions will be documented, including the rationale for approval and any specific conditions attached to the donation.

## 5. Distribution and Reporting

a. Disbursement: Approved donations will be disbursed according to the terms agreed upon with the recipient. Payments will be made through secure and traceable methods.

b. Record Keeping: Detailed records of all donations, including amounts, recipients, purposes, and dates, will be maintained. These records will be used for financial reporting and auditing purposes.

c. Impact Reporting: The foundation will request and review impact reports from recipients to assess the effectiveness and outcomes of the donations. This ensures that donations are utilized as intended and provides valuable feedback for future giving.

## 6. Conflict of Interest

a. Disclosure: Any potential conflicts of interest related to donation decisions must be disclosed to the foundation's designated committee or board of directors.

b. Resolution: The foundation will address and resolve any conflicts of interest to ensure impartial and ethical decision-making in the donation process.

## 7. Legal and Ethical Compliance

a. Regulations: The foundation will comply with all relevant laws and regulations governing charitable donations and financial transactions.

b. Ethical Standards: Donations will be made in accordance with high ethical standards to maintain the foundation's integrity and reputation.

## 8. Policy Review

All amendments to this policy must be approved by the foundation's board of directors or designated governing body.

Amended February 19, 2025