

DONATION POLICY AND PROCEDURES

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Status: Mandatory

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Linked Policy: University of Buckingham Naming Policy

Amendments:

Amendment Date	Amended paragraph(s)	Note
16 Aug 2021	Para. 9. Change in gift authorisation levels to allow RACC (instead of FERC) to approve gifts from £100k to £500k. This amendments means Council will now approve gifts of over £500k.	On direction of Registrar & Director of Professional Services

Introduction

1. Philanthropy is an important source of support for the University’s activities. This policy sets out the essential responsibilities and obligations of those involved in the solicitation, acceptance, rejection and processing of donations so that;
 - a. Fundraising is carried out in a co-ordinated and efficient manner that reflects well on the University as a whole;
 - b. Donations are only accepted from sources and for purposes acceptable to the University that meet or align with its strategic and charitable objectives, mission and values;
 - c. Donations are accurately and comprehensively recorded;
 - d. Documentation relating to a gift is acceptable from a legal and statutory perspective;
 - e. Donor relations are stewarded in an appropriate manner after a gift has been received;
 - f. The University complies with the provision of the Charities Act 2011 and the wider Laws of England and Wales; and
 - g. The reputation of the University is upheld and maintained.

2. This policy applies to all University staff engaged in fundraising or receiving and managing donations on the University’s behalf, including the University’s Institutes and subsidiaries. This includes but is not limited to; University staff, members of University committees,

(including Council, FERC and RACC), student secondees, volunteers, agency workers, interns, agents, sponsors and any other engaged in the business of the University in the UK and overseas.

Fundraising

3. **Definition of fundraising:** All fundraising activities of the University including soliciting gifts/donations, managing relationships with donors, bidding for and managing philanthropic donations, and the receipt and stewardship of funds raised. It also includes bidding for and managing grant funding from Government (e.g. from Local Enterprise Partnerships), but not research grants which are managed elsewhere in the University. The overall philanthropic fundraising strategy and annual fundraising priorities for the University are set by the Vice-Chancellor and communicated to FERC and Council.
4. The shared University fundraising objectives are:
 - a. To maintain a culture of philanthropic giving by engaging donors and potential donors in a co-ordinated and professional fashion;
 - b. To provide a positive giving experience for donors;
 - c. To engage donors and potential donors in the mission and objectives of the University;
 - d. To present donors with opportunities that reflect their individual interests and motivations (which may vary over time);
 - e. That donation agreements are straightforward and swift to agree;
 - f. That recognition is proportionate, consistent and meaningful so donors can understand the impact of their giving;
 - g. To create a lifelong relationship between the donor and the University of Buckingham;
 - h. To align and co-ordinate interaction between the Advancement and Alumni Relations Teams to maximise donation opportunities;
 - i. To create and promote an environment in which fundraising can succeed, and everyone feels part of a positive fundraising effort.
5. No employee of the University receives any form of commission, or 'finders' fee' from fundraising or as a result of a donation.
6. It is the responsibility of the person leading on a potential gift to inform the Advancement Team as soon as the possibility of a donation emerges.
7. Our reputation is at risk if prospective donors receive simultaneous proposals from different parts of the University. Whilst the relationship between a prospective donor and the University may sit with the Vice-Chancellor, a Dean, an academic or other member of the Senior Leadership Team, the Advancement Team must be consulted at every stage of negotiating a prospective gift.

8. As shown in the gift acceptance flowchart (Annex A), the gift authorisation levels are:

Gift Amount	Governance and authority to review/accept/reject
Up to £100k	The Vice-Chancellor in consultation with the Advancement Team
£100k to £500k	The Risk, Audit & Compliance Committee (RACC)
£500k and over	The University Council

9. All those at the University who are engaged with fundraising must comply with:

- a. The University of Buckingham statutes, regulations and governance;
- b. The requirements under the Charities Act 2011, and guidance issued by the Charity Commission;
- c. The Code of Fundraising Practice issued by the Fundraising Regulator;
- d. The Ethical Principles for Fundraisers adopted by the Council for Advancement in Education (CASE); and
- e. Data Protection Act 2018, the General Data Protection Regulation (GDPR); the Privacy and Electronic Communications (EC Directive) Regulations 2003; and guidance issued by the Information Commissioner's Office.

10. All University staff who are or are considering making a direct approach to a prospect or a donor, or who have been approached by a prospect or a donor, or who are in discussions with a prospect or a donor, must contact the Advancement Team in the first instance. This allows for information sharing and for due diligence to be undertaken. Failure to do so poses significant risk for the individual/faculty soliciting the donation, for the donor and the University if a donation has to be declined or returned.

11. If the authorised decision maker is to be a beneficiary of the donation, they must make a formal declaration of interest.

Donations

12. **Definition of a donation:** A philanthropic donation or gift, including cash, stocks and shares, property and gifts-in-kind. It is a gift which does not confer full or partial ownership of a deliverable, financial benefit, or control to the funder in return to the funding. The gift must be owned in full by the receiving institution once it is received.¹ Research grants are not included in this definition and are handled separately by the University.

13. Each donation will be considered on a case-by-case basis in accordance with this policy.

14. There should be no presumption that any offer of a donation will be accepted by the University. Indeed, it is essential that all discussions with potential or existing donors, and within the University, are strictly without prejudice up to the date of execution of a donation agreement or formal exchange of letters accepting the donation.

15. Before accepting any donation, the gift agreement flow chart (Appendix A) should be consulted, and the following questions asked:

¹ Council for the Advancement and Support of Education (CASE)

- a. Is the purpose and conditions of the donation compatible with the objects of the University?
 - b. Is the person or organisation wishing to make the gift of good standing?
 - c. Would there be significant public interest in the donation or the donor?
 - d. If the donor is an alumnus; has their student record been checked and are there any outstanding tuition debts?
 - e. Have all reasonable steps been taken to ensure that the University is aware of the original source of the wealth funding the gift, and can it satisfy itself that funds do not derive from any activity that is/was criminal, illegal, or immoral in the UK or overseas?
 - f. Is there evidence that by accepting the proposed donation, or by complying with any of the terms of the gift, it could damage the reputation of the University or compromise its academic freedom or integrity?
 - g. Would accepting the gift from the donor deter other benefactors from making a donation in the future?
 - h. Have all financial, organisational, operational or other burdens that could be placed upon the University as a result of accepting the gift/donation been assessed, and are they reasonable and sustainable?
16. No donation will be solicited or received from a current student or any member of their immediate family until such times as the student has graduated from the University.
17. Potential benefactors to the University whose gifts might clearly fall outside of the parameters of this policy should not be approached.
18. The University will apply all its standard procedures in relation to any donation. These might relate to recruitment, admissions, hiring, promotions, procurement, management of any research, teaching, outreach, capital development or studentship of any kind.
19. Decisions about the acceptance or rejection of a donation should be communicated to the potential donor as quickly as possible. The University Council is ultimately responsible for the University's policy on the acceptance and refusal of donations, and must assure itself that decisions are in the best interests of the University in each case. Operational responsibility is delegated to the Vice-Chancellor, with oversight by the Finance, Estates and Resources Committee.

Conditions of Donations

20. The University promotes equality of opportunity, and encourages giving which is not restricted by reference to characteristics protected under the Equality Act 2010 (such as nationality, gender, age or religion). The University has the right to refuse any donation that goes against this principle.
21. The University has a Naming Rights Policy in relation to major gifts and donations. The University has set criteria and donation levels to enable naming rights to be applied to campus building and facilities. Please contact the Advancement Team for further details.

22. The Naming Rights Policy also sets the criteria and donation levels to enable donors to endow professorial chairs, academic posts and scholarships. Please contact the Advancement Team for further details.
23. The University will comply with its legal and regulatory obligations that apply to donations made for restricted purposes. The restricted conditions will be recorded within the gift agreement and stored on the Raiser's Edge database.
24. In the event that a donation is being supplemented by a company matched-giving scheme, please contact Advancement or Finance for further advice.

Ethical Considerations

25. The University will also apply ethical considerations to gifts and donations on a case-by-case base. Categories that might be considered are listed below. If the donation is a result of an unethical practice, the University has the right to decline the gift.
 - a. Explicit environmental damage;
 - b. The manufacture and sale of small arms, weapons and armaments;
 - c. A violation of human rights;
 - d. The manufacture and sale of tobacco products; and
 - e. Pornography, adult entertainment and sexual exploitation.

Due Diligence

26. Due diligence on prospects and donors is essential to enable the University to manage possible reputational risks associated with accepting donations. Due diligence needs to be proportional and appropriate, and respect the legal and reputational rights of prospects and donors.
27. When required, the due diligence process will be carried out by the Advancement Team. They will share the information about the donor with Vice-Chancellor, FERC and Council as appropriate. The process must be carried out prior to the donation being accepted and before any gift agreement is signed with the donor.
28. If payment of a donation is being made by a third party on the donor's behalf, due diligence must be carried out in relation to both the donor and the third party.
29. The due diligence process in relation to gifts-in-kind is the same as that used for monetary gifts.
30. The legal and reputational rights of prospects and donors should be considered as part of the due diligence process. A clear distinction should be drawn between rumour or speculation and matters of confirmed fact or legal finding, whilst also accepting the reputational risks that could be incurred through public perception of any particular donor or prospect.

Refusal of a Donation

31. Each donation will be considered on a case-by-case basis in accordance with this policy. The University's general position is that it will refuse a donation where, in the University's opinion and following due diligence and review by the appropriate committee, the activities of the donor are otherwise contrary to the values and strategic goals of the University. This could mean:
- a. The donation results from the proceeds of unlawful activities, including unlawful discrimination, violation of international conventions on human rights, or any form of theft, bribery, fraud, tax evasion, money laundering or terrorist activity, whether in the UK or overseas;
 - b. The donation requires any unlawful action by or on behalf of the University or its staff, or was obtained by means that are outside the scope and spirit of the Fundraising Regulator's Code of Fundraising Practice²;
 - c. The donation derives from any activity that limits freedom of enquiry or is contrary to the University's core values of impartiality, independent research, scholarship and teaching;
 - d. The activities of the donor are contrary to the value and strategic goals of the University;
 - e. Accepting the donation will adversely affect the reputation of the University or its ability to further its charitable aims;
 - f. The donation is likely to cause unacceptable damage or injury to third parties; and
 - g. The donation risks harming the University's relationship with other donors or inhibits the University's ability to seek donations from other sources.

Return of a Donation

32. Where a donor requests the return of all or part of a donation, the University must comply with its legal obligations under charity law. In all circumstances, legal advice must be obtained before any gift is returned. Once the University has accepted a donation, it must only return it if:
- a. The terms and conditions of the gift provide for it to be returned in particular circumstances and those circumstances apply; or
 - b. Where the law specifically provides for the gift to be returned in particular circumstances.

Processing, Recording and Monitoring

33. All donations will be handled by the Advancement Office who have responsibility for processing the donation and communicating with the Finance Office.
34. Donations over £5,000 should be accompanied by a gift agreement signed by both parties and stored on the Raiser's Edge database as a record of what has been agreed. A gift agreement confirms:

² <https://www.fundraisingregulator.org.uk/code>

- a. The gift amount or value;
- b. When the donation will be received and/or the schedule of payment(s);
- c. The specific purposes to which the donation will be applied;
- d. Any conditions or restrictions relating to the donation;
- e. Any publicity or public acknowledgement of the gift (if appropriate).

There will be circumstances, such as with legacy donations, where a gift agreement is not possible or appropriate. Please contact the Advancement Team for further guidance.

35. It is important that all philanthropic donations are recorded by the Advancement Team on the Raiser's Edge database, and accounted for in the University's financial systems. The University needs to assess its fundraising performance year on year and in comparison with other institutions, as well as accurately reporting donation income to our auditors and the Charity Commission.
36. All records and documents relating to the donation/or rejected donation (including notes of verbal communications), should be shared with the Advancement Office and stored on the University's Raiser's Edge database for future reference.
37. The University will ensure all personal data and donation information is held securely, and is handled responsibly and in accordance with data protection legislation.
38. The Advancement Team regularly reports to the Vice-Chancellor, Council and other Committees on fundraising efforts and prospect development.
39. When accepting funding or capital grants from Trusts, Foundations or Government (e.g. from a Local Enterprise Partnership), the University should be aware of ongoing reporting requirements against planned outcomes and benefits. Indeed, in the case of the Local Enterprise Partnerships, there is a five-year reporting requirement for any capital grant received. For many donations, there may be a requirement for the Advancement Team or the UB Foundation to monitor expenditure against the agreed donation conditions. In which case, the Dean or the Director will be asked to submit a regular written update report.

Gift Aid and Financial Considerations

40. It is important to maximise the value of donations through tax-efficient giving. In the case of donations made by eligible UK taxpayers, the University can recover the basic rate of tax from the Government, as long as the individual has paid the equivalent amount or more in tax in that financial year. It is important that individual donors are asked to make and sign a Gift Aid declaration at the time of their pledge, which should be kept on file in the Raiser's Edge database. Under this scheme, the University is able to increase the value of a donation by 25%. Gift aid forms can be obtained from the Advancement Team. It should be noted that any money received as a result of the gift aid being claimed on a donation, will directly follow the donation designation.

41. For possible donations in foreign currency, please refer to the Advancement Office for further advice.
42. Where possible, donors should be encouraged to make their donation by a single lump-sum payment through the BACS system directly into the University bank account. If this is not feasible, the University must ensure it does not enter into any financial commitment before full receipt of the funds. Any payment schedule should be clearly stated in the gift agreement.

Gift-in-Kind Donations

43. All potential non-monetary donations should be referred to the Advancement Team for further legal and financial advice. Gifts of this sort should not place a financial, risk or resource burden on the University in the future, and all implications must be fully considered before the donation is accepted.
44. It is the University's general practice to realise any non-monetary gifts, e.g. stocks and shares or other specific financial instruments.
45. If the form of a donation or legacy consists of real property, the Advancement Team will seek the advice of the Estates Department and the Executive Group on whether the asset should be sold or retained.
46. Occasionally, a donor's specific direction will be that the asset is retained. Gifts of art, antiques, books, etc. are often retained by the University and added to its collection. A 'gift in kind' valuation should be made on such donations and added to the Raiser's Edge database. Gifts of this sort should also be included in the University insurance policy and itemised on the Estates inventory.
47. The Advancement Team will maintain a register of 'gifts-in-kind', which will be reviewed on an annual basis by the Finance Team.

Endowments

48. The University of Buckingham Foundation (UBF) is a separate charity, created to manage endowments and donation funds received by the University. All permanent and expendable endowments should be deposited in the UBF, where the funds will be invested and the returns disbursed back to the University on an annual basis. Any distribution of endowment income will be made in line with the donors' wishes. For further information on the UBF, please contact the Head of Advancement (Secretary to the UBF).

Publicity and Stewardship

49. Unless anonymity is specified by the donor, all opportunities should be taken to publicise donations so the donor receives recognition and others are encouraged to support the University. The gift agreement should make explicit reference to the level of publicity associated with the gift. The Advancement Team will consult with the central Marketing Team about a public announcement and/or press release at the time of acceptance.

50. Continuous and proactive stewardship of donors is important to the University's overall standing with donors, and is key to securing existing donors' support amongst their peers and network for further gifts. It is important for donors to understand the impact of their gift and the difference it is making. All stewardship activity should be recorded on Raiser's Edge.

Gift Acceptance Overview

V2 – last updated April 2023

