

Donations Policy

Introduction

The office of the President & Vice Chancellor co-ordinates and reports on all philanthropic fundraising across the University. This function is important and central to the University's plan to significantly increase income from the private sector and therefore create a sustainable and growing fundraising culture to support the University's vision.

The office of the President & Vice Chancellor also needs to be aware of the source of all donated income to the University to ensure we comply with other policies of the University and ensure multiple approaches are not made to donors.

This paper defines the University of Bolton's policy regarding philanthropic fundraising. It is relevant to all members of staff and provides information, including contact information, relating to identification and proper accounting procedures for donations.

Purpose

Philanthropic funding represents additional private sector financial support that enables the University to invest further in key strategic areas within student hardship, research, teaching and the enhancement of campus buildings and equipment. We seek to encourage the University community, including its Alumni, staff, the general public and businesses to contribute, through structured and tailored solicitation programmes.

It is vitally important that fundraising is professionally co-ordinated across the University to ensure the most efficient and effective approaches are made. We also need to identify all donations received to ensure donors are appropriately thanked and stewarded, their wishes carried out and that all benefactors to the University are included in the Donor Report, which lists all donors to the University over a financial year. The Executive Director – External Relations can provide assistance in the ongoing thanking, reporting and stewardship of a donor through our Stewardship programme and Gift Circles, as detailed below under Procedures.

We also need to account accurately for and record all funds raised or pledged to measure fundraising activity and income generation throughout the University, for audit purposes and both internal and external regulatory bodies.

The purpose of this policy is therefore to:

- Define philanthropic income and ensure all donations are correctly recorded and reported in the University's philanthropic returns for both internal and external bodies, including the Ross_CASE Survey which is the annual survey of gifts and costs of voluntary giving to HE in the UK.
- Maximise donation income. At present this can be done by asking the donor to complete a Gift Aid declaration which allows the University to reclaim tax on any donations from individuals paying UK income or capital gains tax.
- Ensure donors are identified and stewarded correctly and all approaches are co-ordinated and professionally managed.
- Ensure donations are compatible with the University's objectives and consistent with the goals in the University Strategic Plan.

Policy Statement

1.) Gifts and Donations

A gift or donation is a voluntary transfer of money by a donor, made with philanthropic intent for the benefit of the institution. After receipt, the institution must own the donation in full and any work, project or intellectual property that results. The donor may not retain any explicit or implicit control over a gift after acceptance by an institution and there must be no contractual conditions attached to the donation.

2.) Philanthropic funds can take the form of funding for the following:-

- Buildings, land and equipment/other assets that remain the property of the University.
- Staff appointments providing there is no donor control over the appointment and neither consultancy nor work on research contracts is included.
- Scholarships and bursaries as long as the student recipient is not required to undertake specific activities of economic benefit to the funder (e.g. research projects, work placements) and the donor does not select the recipient.
- Endowment of lectures and other academic activities.
- Funding of research programmes, may be eligible where the University retains control over how the donation is spent and any exclusive or IP (Intellectual Property) rights from the research carried out.

3.) Sources of philanthropic funds include the following:-

- Gifts from individuals, in the UK and overseas, of cash and other instruments of wealth, including shares.
- Gifts-in-kind (or donated assets) including property, art, equipment, etc.
- Legacy income received.
- Monies from charitable trusts and foundations in the UK and overseas.
- Gifts from companies in the UK and overseas.
- Gifts from overseas governments or their agencies and foundations.
- Income from the National Lottery and similar sources (e.g. Sport England, Heritage Lottery Fund)

4.) Procedure for all Donations, Endowments and Legacies

The office of the President & Vice Chancellor and the Executive Director – External Relations will co-ordinate fundraising across the University, maintain details of all donations on its database, for reporting and audit purposes, and ensure any contact made with donors is relevant and any future approaches are co-ordinated. The Executive Director – External Relations must be aware of all donations so he can ensure they are consistent with the goals and policies of the University and refer anyone who wishes to approach a donor to the Faculty/Department which already has a relationship with the donor to ensure no conflicting requests or multiple approaches from different parts of the university are made.

5.) Acceptance/Refusal

The Executive Director – External Relations must be informed immediately by all senior management and academics prior to the acceptance of any gift.

In considering the acceptance of any donation, endowment or legacy the University will consider if the donation is compatible with the purposes of the University and consistent with the goals outlined in the Strategic Plan. The University will also ensure that any gift complies with any relevant, current legislation.

The University will not accept any donation or pledge which is deemed, following thorough research, to have been funded through activities which:

- Are unlawful (including any form of theft, fraud, tax evasion, money laundering or terrorist activity), whether in the UK or under the jurisdiction of the country from which the pledge is made;
- Violate international conventions that bear on human rights;
- Limit freedom of enquiry, or encroach on academic freedom;

In addition, the University must be able to confirm that acceptance of a donation will not:

- Lead to a conflict of interest with the ethics and principles of the University of Bolton;
- Require an action or actions on behalf of the University or its staff which are deemed illegal;
- Harm the University's reputation and relationship with other benefactors, partners, potential students or research supporters.
- Constitute any form of bribery.

As part of the due diligence involved in accepting a gift, the University will identify if there are any present or upcoming University tenders that may be of interest to the donor. If there is a possible link no gift will be accepted or discussed until the University has ensured that there is no possible conflict of interest.

- The University will accept gifts from parents of current students but will make it clear within the gift agreement and related communication that the gift will in no way have any bearing or influence on how the University will treat their child as a student.
- For gifts that will be referred to the Executive Board and the Board of Governors for approval (i.e. those over £1m) the University will engage a third party to carry out due diligence in addition to the due diligence carried out by the University.
- The University may reject a donation if it is potentially influencing academic achievement and/or admissions.

6.) Responsibility levels for acceptance of philanthropic gifts

The Executive Director – External Relations has responsibility for all reasonable research on donation pledges which fall below a threshold of £50,000. Where pledges are received which exceed this value, the Executive Director – External Relations would escalate the decision-making to the President and Vice Chancellor, and the Assistant Vice Chancellor-Resources.

For pledges in excess of £1,000,000 subject to the President and Vice Chancellor's decision will then be escalated to the Executive Board and the Governors.

Any donation pledge, regardless of value, which, in the opinion of the Executive Director – External Relations, has a controversial dimension to it, should be reported to the Assistant Vice Chancellor (Resources) and the President and Vice Chancellor to advise on what further action may be needed.

Ongoing research and due diligence will be maintained on all high value donors to the University following the donation.

7.) Recording and Reporting

The Executive Director – External Relations will develop a donor gift agreement, where necessary, in conjunction with the donor and the individuals in the Faculty/Department who have the relationship with the donor.

Once donated income has been identified, the President and Vice Chancellor, the Assistant Vice Chancellor (Resources) and the Finance Office should be advised and provided with all support information and relevant paperwork. This should be copied to the Executive Director – External Relations to ensure the gift is properly recorded and it is available for any auditors. The minimum information required by the office of the President & Vice Chancellor is as follows:-

- Name and address of donor
- Name of staff member(s) involved
- Amount and purpose of donation including Project/department the gift is to support.
- The account and project code the gift was credited to (see accounting procedures below).
- Copies of supporting letters, proposals, communication with and from the donor.

8.) Stewardship

All donors should be properly thanked and acknowledgement of the donation should be sent from the Executive Director – External Relations or the office of the President and Vice Chancellor and a copy sent to the benefiting Faculty/Department (which has the relationship with the donor). The Executive Director – External Relations can arrange for a personal letter of thanks from the President and Vice Chancellor for substantial donations and also provide a Gift Aid confirmation clause or declaration to be sent to individuals as appropriate.

When a donor asks that he or she remain anonymous in relation to a gift, the office of the President & Vice Chancellor and the Executive Director – External Relations must determine the appropriate level of anonymity. For some donors, it is acceptable for University officials and internal entities to know about a gift. Their primary request is that their names and their gift not be discussed in any public setting or included in any published honour roll of donors.

In this case, the gift will be recorded to the donor’s individual entity record but will not be published in any University materials, nor recognised in any public fashion.

All donors will be listed in the Annual Donor Report, unless anonymity has been requested, and sent a copy. They will also be invited, along with the staff member who has the relationship with them, to appropriate University events throughout the year. As part of the office of the President & Vice Chancellor stewardship programme, Gift Circles have been introduced and can be applied to all relevant individual donors. Please contact the Executive Director – External Relations for further details.

9.) Other considerations:

(i) **Gift Aid** is a way for the University) to increase the value of monetary gifts from UK tax paying individuals by claiming back the basic rate tax paid by the donor. It can increase the value of donations by a quarter at no extra cost to the donor. Gift Aid declarations once returned should be sent to the Executive Director – External Relations who will work with the Assistant Vice Chancellor (Resources) and the finance office to process the claim and ensure the tax refund received is credited to the original project code. If you are unsure if Gift Aid can be claimed, please refer to the Executive Director – External Relations

(ii) **Gift Categories** (reference only)

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| University Benefactor | £500k or more |
| University Patron | £250k - £499,999 |
| University Sponsor | £100k - £249,999 |
| University Donor | £50k - £99,999 |
| University Contributor | £25k - £49,999 |
| University Associate | £10k - £24,999 |
| University Friend | £1k - £9,999 |
| Staff Donor | £5 - £1000 |
| Student Donor | £5 - £1000 |

10.) Returning a Donation

The University will not normally return a donation which has been accepted in good faith in compliance with this policy; indeed the circumstances in which it may do so are extremely limited by law. Exceptionally, subsequent events or the subsequent availability of additional information may give rise to the need to review a previous decision to accept a gift. A decision to return a gift below a threshold of £50,000 shall be taken by the Executive Director – External Relations. Where the gift being returned exceeds this value the decision making should be escalated to the President and Vice Chancellor and the Assistant Vice Chancellor-Resources.

For pledges in excess of £1,000,000 the President and Vice Chancellor will then be escalated to the Executive Board and the Governors who shall then take the final decision as to whether or not the donation should be returned.

Where the University has a historic gift or endowment that was given to support an activity or course that the University no longer provides and therefore cannot fulfil the original intentions of the donor. The University will seek to utilise the funding in a way that is as close as possible to the donor's original intentions. Where possible the University will first seek the agreement with the donor or donor representatives. Where the gift is being reallocated the same decision making thresholds outlined above will apply.

Equality Impact Assessment

The University of Bolton is committed to the promotion of equality, diversity and a supportive environment for all members of our community. Our commitment to equality and diversity means that this policy has been screened in relation to the use of plain English, the promotion of the positive duty in relation to race, gender and disability and avoidance of discrimination to other equality groups related to age, sexual orientation, religion or belief or gender reassignment.

Other Related Policies

This Policy has been drawn up in the context of the following:

- HMRC Guidance <http://www.hmrc.gov.uk/charities/>
- The Statement of Recommended Accounting Practice: Accounting for Further and Higher Education
- Accounting guidance from The British Universities Finance Directors Group (BUFDG) <http://www.bufdg.ac.uk/>

The University also adheres to the 10 ethical principles behind the acceptance of gifts developed by CASE Europe (Council for Advancement and Support of Education), the Ross Group and the 1994 Group of Development Directors:

http://www.case.org/Samples_Research_and_Tools/Principles_of_Practice/CASE_Europe_Guidelines_Ethical_Principles_Behind_the_Acceptance_of_Gifts.html

The 10 principles are:

- Universities should seek philanthropic support which is aligned with their values, strategic goals and financial needs, as a legitimate, sustained and vital component of their income.
- Ethical guidelines for the acceptance of such gifts in any institution should be available in the public domain.
- Impartial, independent research, scholarship and teaching are the basis for the furtherance of knowledge. Universities should not accept philanthropic gifts if this is not clearly understood and accepted by all parties.
- Universities are charitable bodies and must observe the requirements of charity law and other relevant legislation in relation to the receipt and expenditure of funds. Ultimate responsibility regarding the acceptance and refusal of donations rests with the governing body of each university.

- Where the authority for the acceptance of donations is delegated to the Vice-Chancellor and other senior academics or officers, that authority should be explicit and the responsibility of those accepting gifts to implement the institution's detailed ethical policies and procedures on donations must be clearly understood and consistently applied.
- Universities should take all reasonable steps to ensure that they are aware of the source of funding for each gift, and have processes in place to satisfy themselves that the funds do not derive from activity that was or is illegal, or runs counter to the core values of impartial, independent research, scholarship and teaching.
- Discussions with potential donors that are likely to give rise to significant public interest, or which raise complex questions with regard to acceptance, should be considered at the earliest stage possible by the appropriate decision makers who should be fully informed of the purpose and the background to the donation and the source of funds.
- The legal and reputational rights of potential donors should also be considered as part of any due diligence undertaken in assessing the acceptance of a proposed donation. In this regard, a clear distinction should be drawn between rumour or speculation and matters of confirmed fact or legal finding, whilst also accepting that institutions may wish to consider the reputational risks that could be incurred through public perception of any particular donor.
- Donors must accept and, for significant gifts (as determined by individual institutions), sign appropriate gift agreements to confirm that the management and governance of programmes funded through benefaction rest solely with the university. Individual institutions typically choose, without undermining this core principle, to offer donors opportunities for continuing engagement with the activities that they have funded. Universities should employ their standard procedures relating to recruitment, admissions, hiring, promotion, procurement, management and governance for all research, teaching, outreach, capital development, or student scholarship programmes funded by gifts.
- Universities should have procedures in place for reviewing and reconsidering previous decisions taken in good faith relating to the acceptance of particular gifts if subsequent events or the subsequent availability of additional information require it. The response to such circumstances should be transparent and proportionate to the particular circumstances that have arisen.

Monitoring and Review

The Executive Director – External Relations has overall responsibility for the Policy and for ensuring that it is effectively implemented, that progress is monitored and that the Policy is reviewed annually.

The Executive Director – External Relations is responsible for advising the Assistant Vice Chancellor (Resources) and the President & Vice-Chancellor immediately of any changes in compliance and best practice that may impact on this policy and for proposing related amendments.

Dissemination of and Access to the Policy

The University is committed to transparency in relation to this policy, which will be made publicly available on the office of the President & Vice Chancellor webpages.

All University policies, once approved, will be held electronically in a document repository on the University intranet and a hard copy deposited in the President & Vice Chancellor's and the Assistant Vice Chancellor (Resources) office.

Summary of Internal Process and Guidelines:

- 1.) Notification of intention of donation – All senior management, academics and senior officers must notify the Executive Director – External Relations immediately before the acceptance of any gift, approval needs to be granted.
- 2.) Approval process – All gifts will be subject to due diligence checks by the office of the President & Vice Chancellor and Finance.
- 3.) Acceptance of Donation – Upon satisfying relevant checks donation will be accepted.
- 4.) Acknowledgement of donation – Dependant on nature of donation appropriate communications will be actioned.

| Donations Policy | |
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