

## Donations Policy

<b>POLICY SCHEDULE</b>	
<b>Policy title</b>	Donations Policy
<b>Policy owner</b>	Director of Development and Alumni Relations
<b>Policy lead contact</b>	Director of Development and Alumni Relations
<b>Approving body</b>	Council
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<b>Appendices</b>	1 Donor due diligence procedure 2 Due diligence procedural checklist 3 University of Sussex donor charter
<b>Annex 1</b>	Financial Administration of Gifts and Donations Policy
<b>Related Policies, Guidelines and Procedures</b>	Financial Regulations, Anti-Money Laundering Policy Anti-Bribery Policy Guidance: Principles of public life Policy on the Registration and declaration of interests Treasury and Investments Policy
<b>Review interval</b>	3 yearly , or on changes to relevant legislation or guidance
<b>Further info contact</b>	Director of Development and Alumni Relations

## Donations Policy

### 1. POLICY STATEMENT AND SCOPE

- 1.1 The University takes pride in the philanthropic support it receives from UK and internationally-based donors in order to achieve excellence in research, scholarship and teaching. This support enables the University to invest further in key strategic areas including student hardship, research, teaching and the enhancement of campus buildings and equipment.
- 1.2 The University is committed to conducting itself with the highest standards of probity and good conduct in carrying out its academic and business functions. This policy is adopted by the University's Council and supports these aims by ensuring that donations are compatible with the University's objectives and consistent with its strategic goals.
- 1.3 The University has a duty to comply with legal requirements, the requirements of funding bodies (including, notably, the Higher Education Funding Council for England) and the "Seven Principles of Public Life"<sup>1</sup>.
- 1.4 This policy sets out principles on the basis of which the University will pursue and vet potential donations in order to safeguard its reputation and integrity. It establishes explicit thresholds for due diligence procedures, the nature of those procedures, the guidelines to be invoked in the case of potentially controversial gifts or donors, and the criteria that the

<sup>1</sup> [Nolan Committee First Report on Standards in Public Life](#)

University will use in deciding whether or not to solicit or accept a donation from an organisation or individual.

1.5 It is essential that fundraising is professionally co-ordinated across the University to ensure that such activity is carried out effectively and in ways compliant with this policy, including appropriate standards of stewardship, accounting, auditing and internal and external reporting. The Development and Alumni Relations Office (DARO) is responsible for leading this work and should therefore be involved at the earliest opportunity in any process of solicitation or negotiation of donations.

1.6 This policy applies to all staff, and to others associated with the University in a formal but unpaid capacity. The University accepts its responsibility to make its staff and others affected aware of this policy, and to provide support and guidance on its implementation.

## 2. STATUTORY AND GOOD PRACTICE CONTEXT

2.1 This policy has been drawn up in the context of the following statutory and good practice guidance:

- HMRC Guidance <http://www.hmrc.gov.uk/charities/>
- Woolf report (enquiry into the LSE's links with Libya, 2011).  
<http://www.woolfse.com/dl/woolf-lse-report.pdf>

As a member of CASE (Council for Advancement & Support of Education), a professional association serving educational institutions and the advancement professionals who work on their behalf in alumni relations, communications, development, marketing and allied areas, the University also subscribes to:

- CASE Europe: Ethical Principles Behind the Acceptance of Gifts  
[http://www.case.org/Samples\\_Research\\_and\\_Tools/Principles\\_of\\_Practice/CASE\\_Europe\\_Guidelines\\_Ethical\\_Principles\\_Behind\\_the\\_Acceptance\\_of\\_Gifts.html](http://www.case.org/Samples_Research_and_Tools/Principles_of_Practice/CASE_Europe_Guidelines_Ethical_Principles_Behind_the_Acceptance_of_Gifts.html)
- CASE Donor Bill of Rights  
[http://www.case.org/Samples\\_Research\\_and\\_Tools/Principles\\_of\\_Practice/Donor\\_Bill\\_of\\_Rights.html](http://www.case.org/Samples_Research_and_Tools/Principles_of_Practice/Donor_Bill_of_Rights.html)
- CASE Principles of Practice for Fundraising Professionals in Higher Education  
[http://www.case.org/Samples\\_Research\\_and\\_Tools/Principles\\_of\\_Practice/Principles\\_of\\_Practice\\_for\\_Fundraising\\_Professionals\\_at\\_Educational\\_Institutions.html](http://www.case.org/Samples_Research_and_Tools/Principles_of_Practice/Principles_of_Practice_for_Fundraising_Professionals_at_Educational_Institutions.html)

## 3. DEFINITIONS

3.1 'Donations', for the purposes of this policy, includes all donations, benefactions, endowments, legacies, pledges and other forms of giving that are voluntary transfers by a donor of money or other assets, made with philanthropic intent for the benefit of the University.<sup>2</sup> After receipt, the University 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 the University and there

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<sup>2</sup> As broadly distinct from gifts/hospitality received by members of staff as *individuals*, which fall under the University's Anti-Bribery Policy. Staff must be alert to any blurring of the individual/institutional boundary.

must be no contractual conditions attached to the donation. Donations are interpreted, for the purposes of this policy, as including the following forms of giving:

- **Buildings, land and equipment/other assets that remain the property of the University.**
- **Funding for staff appointments** providing there is no donor control over the appointment and neither consultancy nor work on research contracts is included.
- **Funding for the student experience, scholarships and bursaries** as long as the student recipient is not required to undertake specific activities of economic benefit or other advantage 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 for research projects and programmes** where the University retains control over how the donation is spent and exclusive intellectual property and exploitation rights to the research results.
- **Gifts of shares and gifts in kind**

3.2 For the purposes of this policy, givers of donations are referred to as 'funders' or 'donors', and this should be interpreted as including all associates of the funder/donor.

## **4. PROCEDURES RELATING TO DONATIONS**

### **4.1 The role of the Development and Alumni Relations Office (DARO)**

Each major donor will have a main canvasser at the University. This may be a member of the fundraising team, an academic, the Vice-Chancellor or another member of the University's Leadership Team. DARO will work with donors' canvassers to agree and support relevant solicitation and cultivation processes for each donor. It will also co-ordinate fundraising across the University, maintain details of all donations on its database for reporting and audit purposes, ensure correct standards of stewardship, and coordinate contacts with donors. By having an overview, DARO can ensure that donations are consistent with the goals and policies of the University and can coordinate relationships between academic and professional service units and donors to ensure no conflicting requests or multiple approaches from different parts of the University are made. All intentions to approach existing or potential donors should therefore be notified to DARO before contact is made, if at all possible, and in the event that anyone in the University becomes involved in the negotiation of a donation, DARO must be involved at the earliest opportunity. Likewise, when in receipt of philanthropic funding, Schools need to cooperate with DARO to thank donors appropriately and to ensure that the funding is disbursed in a timely manner and according to the wishes of the donor. It is not appropriate for an individual or School to accept a donation on their own initiative. DARO is responsible for the financial and risk control of all donations to the University, regardless of who the main canvasser for the relationship is in the institution.

## 4.2 Guidelines and procedures for the acceptance of donations

### 4.2.1 General principles.

The University will actively seek donations on the basis that:

- The donation is consistent with the University's values and strategic goals.
- The funder can have no influence over the academic freedom and independence of the University, or over the assessment of the academic performance of any student or member of faculty, or over any other area of University activity.
- The project involves no, or minimal, net cost to the University in terms of financial commitment at the end of the period covered by the gift, unless agreed otherwise with the donor and specified as part of the process of accepting the donation.

### 4.2.2 Due diligence principles

The University will follow due diligence processes to ensure that the *bona fides* of potential donors (and particular donations) have been rigorously researched and verified. This will also apply to donations coming to the University through external organisations (e.g. the Friends of the University of Sussex – a 501(c)3 charity in the USA; Sussex Hong Kong Charitable Foundation). Donations from Trusts and Foundations registered in the UK will not undergo a formal due diligence process as these are regulated by the Charities' Commission and as such due diligence is considered to be undertaken by proxy.

In conducting due diligence, the University will follow a risk-based approach. A preliminary screening will be conducted on all major gifts and pledges between £25,000 and £100,000 or on cumulative gifts reaching this level over a five year period. Should any red flags emerge from this initial screening, a more detailed and thorough screening will be conducted in order to inform the decision of whether or not to accept the donation. All donations and pledges of £100,000 and over will undergo the more detailed due diligence process.

Due diligence is conducted at the earliest possible opportunity, and ideally before embarking on the solicitation process with a potential major donor. The detail of the University's due diligence procedures is set out in Appendix 1 of this policy. The University will engage third parties to assist with due diligence where this seems desirable.

### 4.2.3 Acceptance/Refusal of donations

In deciding whether to accept a donation the University will consider if the donation is compatible with the general principles set out in section 4.2.1, and whether the donation is consistent with its current Strategic Plan. The University will not accept any donation which is deemed, via due diligence, to have been funded through activities which:

- a) Are unlawful, including any form of theft, fraud, tax evasion, money laundering or terrorist activity, whether in the UK or under the jurisdiction from which the donation is to be made;
- b) Violate international conventions that bear on human rights;
- c) Limit freedom of enquiry, or encroach on academic freedom.
- d) Are linked to tobacco companies.

In addition, the University will refuse a donation if due diligence indicates that the donation, or any terms of it, will:

- e) Require any action (or actions on behalf of the University) that is illegal, including any form of unlawful discrimination;
- f) Seriously damage the reputation of the University, e.g. by attracting negative publicity;
- g) Harm the University's relationship with other benefactors, partners, potential students or research supporters;
- h) Create unacceptable conflicts of interest for the University;
- i) Constitute any form of bribery.

Indicators that would, if present, give the University cause to scrutinize a potential donation with particular care include (but would not be limited to):

- j) Irregularities in the form of the donation, e.g. large cash donations by single transactions, the use of offshore financial mechanisms or unnecessary involvement of third parties in transactions;
- k) The source of the donation being a jurisdiction with high perceived levels of corruption<sup>3</sup>;
- l) The nature or level of the gift being such as to create current or future financial liabilities for the University beyond those built into the University's financial plans.

#### 4.2.4 Safeguards against specific areas of conflict of interest

##### **a) Donations from current or potential suppliers**

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, donations will not normally be accepted or discussed until the University has ensured that this risk no longer exists.

##### **b) Donations from the parents/relatives/other associates of students**

The University will accept gifts from the parents/relatives/other associates of current and prospective 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 that student.

#### **d) Donations from staff**

The University will accept donations from staff, provided that these are not made with the intention of supporting the donor's own work or research. As with other university donors, members of staff who make donations will not be allowed to have any control and influence over the spending of their gift.

#### **e) Donations from corporate organisations**

The University will accept gifts from corporate organisations with a philanthropic intent but will refuse these if the donor expects tangible benefits in return or imposes contractual obligations.

#### **4.2.5 Anonymous donations**

The University does not accept wholly anonymous donations, i.e. cases where the donor will not make his/her identity known to University even on a confidential basis via an intermediary.

The University accepts and will facilitate the wishes of donors who do not wish to have their identity published or otherwise made generally known. However, the minimum set of University officers to whom the identity of the donor must be disclosed is set out (for different levels of donation) in section 6.1 below.

#### **4.2.6 Named recognition linked to donations**

Where the University offers to name a building, academic post or other aspect of its activities in recognition of a particular benefaction, the University reserves the right to withdraw such named recognition in the future if it subsequently transpires that the source of funding arose in whole or in part from any activity listed under sections 4.2.3 and 4.2.4.

### **5. SAFEGUARDS RELATING TO ACADEMIC INDEPENDENCE**

This section details provisions to underpin the principle that “the funder can have no influence over the academic freedom and independence of the University, or over the assessment of the academic performance of any student or member of faculty, or over any other area of University activity.” Where a donation funds (in whole or in part) an area of academic activity:

- a) Donors will have no influence over the process of appointing staff, including the composition of the appointing committee, the short-listing process, the interviews or the decision-making process of the appointing committee.
- b) If donors indicate a wish to suggest suitable candidates for roles created by their donation, the University will respectfully seek to decline to accept such suggestions, and

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<sup>3</sup> As defined by Transparency International – <http://www.transparency.org.uk/>

will advise that the donor may him/herself flag the advertisement for the new role(s) to any potentially suitable candidates.

- c) The composition of short-listing and appointing committees, via their internal and external membership, will be such as to ensure their independence as well as the proper range of academic expertise and conformity to other aspects of good employment practice.
- d) Normal selection and appointing processes will be followed for the roles in question.
- e) After appointments are made, the independence of postholders in relation to the possibility of undue influence will be safeguarded by normal mechanisms, in relation to line management and transparent scrutiny of academic developments via local and University-level teaching and learning bodies.

## 6. RESPONSIBILITY FOR THE ACCEPTANCE OR REFUSAL OF DONATIONS

6.1 The University will conduct due diligence on all gifts of £25,000 and over, following the risk-based approach outlined in section 4.2.2. The responsibility for accepting and refusing a gift, following the relevant due diligence process, will fall to:

Size of donation	Officers involved	Commentary
Up to £100,000	The Director of DARO	In cases that may be in conflict with the guidelines set out in sections 4.2.3/4.2.4, the Director of DARO will discuss these with the COO.
Between £100,000 and £1M	The Vice-Chancellor, the Director of DARO and the Director of Finance.	Third parties may assist with due diligence if thought appropriate.
Over £1M	The University's Executive Group	For major donations, consulting the full Executive Group gives an appropriate range of views, which also allows for individual declarations of interest and withdrawal from the process. If the Executive Group deems it appropriate, Council may be consulted on the acceptance of specific major donations.  Third parties may assist with due diligence if thought appropriate.

Where there is a clear connection with the academic or teaching portfolio, the relevant Head(s) of School will be consulted as appropriate.

6.2 Following the acceptance of a donation, ongoing monitoring and due diligence will be maintained on all lead donors (giving £100K and above) every five years, and whenever a major gift is renewed.

6.3 Once a donation has been agreed, any School(s) likely to benefit from or otherwise be engaged in developments arising from the donation will be notified, if they have not already been involved.

## **7. RECORDING, REPORTING AND MONITORING, STEWARDSHIP AND COMMUNICATIONS**

### **7.1 Recording**

Relevant details of donors and donations will be captured by DARO in donor gift agreements (for donations over £5K) and on the donor database. These records will also note other salient features of the arrangement, e.g. individuals in the School who have the relationship with the donor. The minimum information to be captured is:-

- Name and address of donor
- Name of staff member(s) involved in meetings with the donor
- Amount and purpose of donation including any specific project/academic area it is to support
- The account and project code the donation was credited to
- Copies of supporting letters, proposals, communication with and from the donor.

### **7.2 Reporting and monitoring**

7.2.1 The Director of DARO will report to the University's Audit and Risk Committee each year a summary of all donations and pledges over £25,000 received during the previous academic year. The report will document anonymously the number and level of donations accepted, as well as the purpose of the donation. The report will also include all donations refused, an analysis of any complaints received from donors, and a summary of the past year's conduct of due diligence assessments.

7.2.2 DARO will conduct ongoing due diligence for all new lead donors on an annual basis. Any problematic issues arising from the ongoing monitoring process covered by section 6.2 above will be referred to the University's Executive Group for consideration of options (including the withdrawal/return of a donation). Any material action taken by the University's Executive Group will be reported to Audit and Risk Committee.

7.2.3 In the event that a donor is found retrospectively to have been involved in any of the activities listed under 4.2.3, or deemed to bring the University into disrepute, DARO will initiate a review process to decide appropriate action.



- 7.2.4 Legacy gifts will be reported and accounted for once the legacy is realised and not pledged. Due diligence on legacy gifts will be conducted at the time the University is notified that a legacy is due to be received.

### **7.3 Stewardship and donors' rights**

- 7.3.1 All donors will be properly thanked and their donation appropriately acknowledged, by DARO and, where appropriate, the Vice-Chancellor and relevant academic Schools or professional service units. All donors (unless otherwise requested) will be listed in the University's Donor Roll, which is updated annually and published online and/or in print. Occasionally, the University may decide to publish a subset of donor names (e.g. Making the Future major donor wall); in these circumstances, any donor who wishes to remain anonymous will be omitted from the list. Donors will also be invited to donor events and other appropriate University events throughout the year.

As part of the DARO stewardship programme, major donors will receive a tailored annual report informing them of the progress or outcome of their particular donation. Supporters of named scholarships will receive an annual letter from their student informing them of progress.

- 7.3.2 In relation to donors' rights, the University undertakes that:

- a) The legal and reputational rights of potential donors should be considered as part of the due diligence process.
- b) Gift agreements for all gifts over £5,000 are accepted and signed by the Director of DARO, the relevant Head of School and the donor to confirm that the gift will be applied to the intended purpose, unless explicit consent is given otherwise by the donor or executors, and that the management and governance of programmes funded through donations rest solely with the University. In the case of significant gifts, the gift agreement will also be signed by the Vice-Chancellor.
- c) All communications made to potential donors concerning a project will be honest, truthful, and comply with the law.
- d) Donors' rights will be respected in accordance with DARO's Donor Charter and CASE's Donor Bill of Rights (see Appendix 3).
- e) The Director of DARO will respond in a timely way to any written complaints in relation to the above points. In the event the donor remains dissatisfied, the matter will be referred to the Chief Operating Officer (COO). If the complaint involves both the Director of DARO and the COO, the Vice-Chancellor will act instead.

## **8. RESPONSIBILITIES, RAISING A CONCERN, CONTACTS**

- 8.1 The Director of DARO has responsibility for the development of this policy and for ensuring that it is effectively implemented, that progress is monitored and that the policy is regularly reviewed.

- 8.2 The Finance Division takes lead responsibility for the correct financial administration of donations, and related internal procedural guidance.
- 8.3 Anyone wishing to raise a concern about the operation of any aspect of this policy may contact the Director of DARO, or alternatively the COO.
- 8.4 Below are contact details for individuals within DARO who can be contacted to discuss issues relating to fundraising activities, accounting or tax issues.

**Development and Alumni Relations Office**

Dr Marina Pedreira-Vilarino 3827	Director of Development and Alumni Relations	Ext.
Rachel Dyson 6575	Deputy Development Director	Ext.
Cliff Tapp	Executive Development Manager (Principal Gifts)	Ext. 7754

## Donations Policy Appendix 1: Donor due diligence procedure

### 1. Aims of the procedure

The aim of the due diligence procedure is to feed data into the donation consideration process to ensure that the University's reputation is not compromised in accepting or refusing a donation. The brand value and reputation of the donor should not be at odds with the University and should help it meet its aims and fulfil its mission. Due diligence involves researching and gathering quantitative and qualitative analysis of publicly available information about the donor; and identifying the source of their funds. It is essential that due diligence is carried out at the earliest possible opportunity, ideally prior to the solicitation process. The content of this due diligence procedure reflects the guidance provided by the Charity Commission as best practice. It has both quantitative and qualitative elements:

#### .Quantitative

- The financial and legal compliance of organisations is evaluated by certain regulatory bodies and their monitoring is deferred to. Consideration is given to the legal and regulatory environment of Money Laundering, Bribery Act, Fraud Act and financial compliance.
- Ethical screening is made of the source of funds to ensure that it does not arise in whole or in part from any activity listed under sections 4.2.3 and 4.2.4.

#### Qualitative

- The non financial activities of donors are collated to show the balance of negative and positive views of the media and public.
- This collation will show the magnitude and significance of opinion towards any donor activity but does not endorse or promote an opinion. It will show the weight of opinion towards the negative or positive.

All data sourced and collated is publicly available and retained with regard to the General Data Protection Regulation (GDPR) and Freedom of Information Act.

### Procedural approach

DARO will be responsible for conducting due diligence on all major donors and donations over £25K following the two-stage approach mentioned in section 4.2.2 of the policy, and, where appropriate, for presenting their findings to the decision making bodies listed in section 6.1 above in a non biased way for their consideration. Due diligence will be conducted prior to accepting a gift. In the case of a gift being received unsolicited, due diligence will happen retrospectively and prior to signing a gift agreement with the donor.

Trusts and Foundations registered in the United Kingdom are regulated by the Charities' Commission. Due diligence is therefore deemed to have been taken place by proxy.

### 3. Key questions

The procedural checklist below gives the series of questions that need to be asked of each donation over £25k as part of the due diligence process. Should the due diligence process identify a cause for concern in relation to a donor or the source of his/her

donation, the Director of DARO will discuss the answers to the questions below with the approval bodies identified in 6.1 above. The approval body may deem it necessary to engage third parties to assist with further checks and enquiries.

## **Donations Policy Appendix 2. Due diligence procedural checklist**

The due diligence procedural questions below will be applied to gifts of more than £25,000 according to levels of risk. The answers to these questions will assist in the decision making process of accepting or refusing a donation.

### **2. Donor due diligence - *completed by Prospect Researcher***

#### *Stage One due diligence*

- 1) Who is the donor or donors?
- 2) What is the source of their funds? Do these give rise to any red flags?
- 3) What relationship does the University have with the donors?
- 4) Are there clear legitimate reasons why the donor wishes to make the donation?
- 5) Make additional identity checks, particularly with regulatory bodies that can provide additional information and can help verify information provided by the donors. Record the donor's unique identifiers, e.g. charity number, Companies House number, individual's date of birth.
- 6) Have any public concerns been raised about the donors or their activities?

#### *Stage Two due diligence*

- 7) If concerns have been raised, have they been investigated by any authorities? How long ago were the concerns raised and what was the outcome?
- 8) Has the donation been proposed or arranged via a third party or agent?
- 9) Has risk assessment or due diligence been undertaken on this party and has it given cause for concern?
- 10) Is the donation within any rules that apply to the donor?
- 11) Is the method of payment of the donation to be made transparently and without any red flags? E.g. a donation routed through a third party or via an offshore structure might give rise to concerns and should prompt further enquiry.
- 12) Is the University being asked to accept a donation in a manner that puts it in breach of its wider obligations, e.g. in relation to tax or its charitable status or HE funding requirements?
- 13) Are the donors or anyone connected directly or indirectly to the donation public officials, foreign public officials or politically exposed persons?
- 14) Are there any political connections of the donors which could give rise to corruption or wider concerns?
- 15) Are there risks that donations could be misused or abused?

### **3. Acceptance/refusal of donations – *completed by the canvassing Major Gifts Officer and relevant fundraiser with input from Prospect Researcher***

- 1) Is there published or other credible evidence that the proposed gift will be made from a source that arises in whole or in part from an activity that:

- a) Is unlawful, including any form of theft, fraud, tax evasion, money laundering, terrorist activity or any other illegal activity
  - b) Violated international conventions that bear on human rights
  - c) Limited freedom of enquiry, or encroached on academic freedom?
- 2) Is there any evidence that the proposed benefaction, or any terms of it will:
- a) Require action that is illegal, including unlawful discrimination
  - b) Seriously damage the reputation of the University or will harm the University's relationship with other benefactors, partners, potential students or research supporters
  - c) Create unacceptable conflicts of interest
  - d) Constitute any form of bribery?
- 3) Are there indicators that suggest that:
- a) The proposed gift is a large cash donation by a single transaction, or if there are suspicions of money laundering
  - b) The nature or level of the gift may result in current or future financial liabilities for the University, beyond those built into the University's financial plans
  - c) The money derives from a source that is at odds with the University's values?

The University will also carefully consider whether, by accepting the gift, it would attract negative publicity.

#### **4. The donation**

How big is the donation, and therefore, who needs to decide upon its acceptance? Refer to 6.1 of the main Donations Policy above to address this question.

#### **5. Legislative context**

These Acts are referred to within the due diligence process and consulted directly from the Government website in order to capture all amendments and to consider pending amendments [www.legislation.gov.uk](http://www.legislation.gov.uk)

General Data Protection Regulation (GDPR) <https://www.eugdpr.org/>

Bribery Act 2010 <http://www.legislation.gov.uk/ukpga/2010/23/contents>

The Money Laundering Regulations 2007

<http://www.legislation.gov.uk/uksi/2007/2157/contents/made>

Fraud Act 2006 <http://www.legislation.gov.uk/ukpga/2006/35/contents>

Freedom of Information Act 2000 <http://www.legislation.gov.uk/ukpga/2000/36/contents>

Sex Discrimination Act 1975 <http://www.legislation.gov.uk/ukpga/1975/65/contents>

Disability Discrimination Act 1995 <http://www.legislation.gov.uk/ukpga/1995/50/contents>

Race Relations Act 1968 <http://www.legislation.gov.uk/ukpga/1968/71/contents/enacted>

#### **6. Regulatory authorities**

**Financial Services Authority** for register of individuals and companies registered and regulated by the authority. <http://www.fsa.gov.uk/register/home.do>

**The Charities Commission** regulates charities in England and Wales. <http://www.charity-commission.gov.uk/>

**Office of the Scottish Charity Regulator** regulates charitable organisations in Scotland.

<http://www.oscr.org.uk/>

**Companies House** registers all companies in the UK incorporated under the Companies Act and related legislation. <http://www.companieshouse.gov.uk/>

### **Donations Policy Appendix 3. University of Sussex Donor Charter**

1. The University takes pride in the philanthropic support it receives from UK and internationally-based donors in order to achieve excellence in research, scholarship and teaching. This support enables the University to invest further in key strategic areas including student hardship, research, teaching and the enhancement of campus buildings and equipment. The University is committed to treating alumni, friends and all supporters with the highest level of care and respect. This donor charter has been produced to assure donors and prospective donors of the integrity and accountability of the University's development activities and that all members of staff will strive to achieve the highest professional standards at all times.

#### **2. Rights of donors and prospective donors**

Donors and prospective donors have the following rights:

1. To be treated by members of the development team, volunteers and other University staff involved with the solicitation and receipt of donations in a fair, transparent, accurate and honest manner in accordance with all applicable laws and the professional code of fundraising ethics and good practice.
2. To be informed in all fundraising solicitations of the University's name, contact details and charitable status.
3. To receive fundraising solicitations and stewardship reports from the University that are truthful, accurately describe the University's activities and the intended / actual uses of donated funds.
4. To receive appropriate and timely acknowledgment, recognition, and publicity for their donation in accordance with the donors' wishes.
5. To be consulted if their donation cannot be used for its intended purpose and have it repaid if agreement cannot be reached within a short period of time for an alternative use.
6. To be kept informed of the impact of their philanthropy and the University's evolving needs and priorities. This includes receiving progress reports on supported activity and invitations to attend relevant events to see first-hand the benefits their support brings the University.
7. To be assured that donors' rights to privacy and confidentiality will be respected with all donor records kept secure and that there will be full compliance with the General Data Protection Regulation (GDPR). Donors will have the right to see their own donor record and to challenge its accuracy.
8. To be asked in writing for permission to be cited in case studies and other promotional material (including photographs) prior to publication.
9. To facilitate the wishes of donors who do not wish to have their identity published or otherwise made generally known, with the proviso that, as a minimum, the donor's identity must be known to the set of University officers responsible for accepting

donations of different sizes (as set out in section 6 of the University's Donations Policy).

10. To request not to receive any further mailings from the University or DARO in particular.
11. To be informed whether those seeking donations are volunteers, employees of the University or financial / legal advisors.
12. To be assured that the University will not sell or otherwise pass on its donor list to a third party.
13. To be assured that the University will review the cost effectiveness of its fundraising programme regularly.
14. To have access to the University's most recent published financial accounts and be assured that the University's financial affairs are correctly conducted.
15. The Director of DARO will respond in a timely manner to any written complaints from donors or prospective donors about any matter relating to the University's fundraising activities (as set out in section 7.3.2 of the University's Donations Policy).
16. The Director of DARO will report to the University's Audit and Risk Committee each year about the number, type and disposition of complaints received from donors or prospective donors (as set out in 7.2.1 of the University's Donations Policy).



## **Financial Administration of Gifts and Donations Policy**

<b>POLICY SCHEDULE</b>	
<b>Policy title</b>	Financial Administration of Gifts and Donations Policy
<b>Policy owner</b>	Director of Finance
<b>Policy lead contact</b>	Head of Financial Services
<b>Approving body</b>	COUNCIL
<b>Date of approval</b>	20 October 2017
<b>Date of implementation</b>	20 October 2017
<b>Version no.</b>	1
<b>Related Policies, Guidelines and Procedures</b>	Financial Regulations, Anti-Money Laundering Policy Anti-Bribery Policy Guidance: Principles of public life Policy on the Registration and declaration of interests Donations policy Treasury and Investments Policy
<b>Delegation</b>	Under this policy the Director of Finance and the Director of Development and Alumni Relations may delegate their responsibilities to others. This must be recorded.
<b>Review interval</b>	3 yearly , or on changes to relevant legislation or guidance
<b>Further info contact</b>	Head of Financial Services

### **1. Introduction and scope**

This policy sets out the University's requirements in respect of financial control, recording, accounting disclosure and investment of donations.

The policy applies to all gifts of monetary and non-monetary assets and should be read in conjunction with the University's Donations Policy.

### **2. Definitions**

#### **2.1. Donation**

Has the definition ascribed to it in para 3.1 of the University's Donations Policy.

#### **2.2. Donor**

An individual, association, body corporate or other legal entity that makes a donation to the University.

#### **2.3. Endowment**

A donation given under terms that restrict its use which are imposed by the donor.

#### **2.4. Permanent Endowment**

An endowment whose terms require its capital to be preserved and invested to generate income which may be applied in support of the University's charitable activities. The purpose to which the income is to be applied may be restricted or may be unrestricted under the terms of the endowment.

#### **2.5. Expendable endowment**

An Endowment whose terms allow its capital to be spent but restrict the purpose to which it may be applied.

### **3. Delegation**

**3.1.** Under this policy the Director of Finance and the Director of Development and Alumni Relations may delegate their responsibilities to others. Delegations must be made in writing and notified to the Director of Finance.

### **4. Receiving donations**

**4.1.** Money may be donated in a variety of ways including, but not limited to, cash, cheque, payment card, bank transfer. Any person accepting donated money for the University must have regard to the University's Anti-Money Laundering policy and in particular should not accept or agree to accept cash in excess of £500 sterling or equivalent in foreign currency.

**4.2.** Money must be banked promptly in accordance with provisions of the University's financial regulations relating to the receipt and banking of income

The receipt of Non-monetary assets must be approved by the Finance Director. Assets that are given with terms that prevent their disposal by the University or which do not have a readily accessible market in which they can be sold will not normally be accepted but there will be exceptions for example in the case of works of art or academic collections and resources. Voluntary services may be accepted but an estimate must be made to value both voluntary services and non-monetary assets to determine the appropriate level of due diligence in respect of the donor and the correct approval route for acceptance of the donation. Where a commercial organisation provides free services the Head of Procurement must be consulted to confirm that there is no conflict of interest or unfair trading advantage.

**4.3.** Where the acceptance of non-monetary assets is approved, the Director of Development and Alumni Relations office (DARO) is responsible for ensuring that appropriate steps are taken and where necessary specialist advice received before assets are accepted, in respect of the valuation, risks and encumbrances, ownership and subsequent disposal of assets including but not limited to, land and buildings, stocks, shares and other investment assets, intellectual property.

**4.4.** The Director of DARO must be notified as soon as possible in the event of a potential donation. Any individual who is approached with regard to the donation of money or non-monetary assets should have regard to provisions of the Donations policy which specify who is authorised to accept Donations for the University.

- 4.5. Any request by a donor for disclosure, other than disclosure under UK GAAP, of the donation and/or the donor's identity in the University's published financial statements must be approved by the Director of Finance prior to the acceptance of the donation.
- 4.6. The receipt of donations from overseas donors may require specific arrangements and/or structural measures for transactions to comply with the legal and tax environment of a particular geography or territory. Any such arrangements or structural measures must be approved by the Finance Director.

## **5. Recording and Control of Donations**

- 5.1. All donations must be recorded in the DARO donations database as defined in the donations policy which sets out the threshold above which a gift agreement must be established.
- 5.2. The Vice-Chancellor, Chief Operating Officer, Heads of School and Directors of Service are authorised by this policy to spend donated funds in accordance with the terms of the donation where they are established by the Director of DARO as the nominated custodian of the donation. The authority to spend a donation may be delegated under the financial regulations which allow the delegation of budgetary authority. Any such delegation must be done in accordance with the financial regulations. The Vice-Chancellor may delegate authority to spend or control the allocation and spending of a donation or category of donations to a formally convened group or committee.
- 5.3. The Director of DARO is responsible for:
- 5.3.1. Notifying the University's Finance team of all donations received and of pledges in excess of £100k.
  - 5.3.2. Claiming gift relief including maintaining accurate and compliant records of gift relief declarations.
  - 5.3.3. Reconciling the DARO database to the University's financial ledgers.
  - 5.3.4. Establishing and recording the specific person, persons or group under para 4.2, authorised to spend a specific donation and notifying the Finance team of this including any delegations of authority exercised.
- 5.4. All donation income and expenditure must be posted to a central donation budget which must be set up under the control of a person as specified under para 4.2.
- 5.5. Donation funds may be transferred from the central budget to a school or other budget In certain exceptional circumstances as follows:
- 5.5.1. The donation is controlled by a person who allocates funds to a variety of purposes with spending delegated to a number of people.
  - 5.5.2. The responsibility for spending a donation rests with more than one school or department and requires multiple budget holders.
  - 5.5.3. The donation is funding a complex project which must be controlled through an appropriately structured budget which is beyond the capability of a central donation budget.

- 5.6.** Where a donation is transferred in accordance with para 4.5 the central donation budget will be set up under the control and authority of the Director of DARO or his/her delegate.
- 5.7.** A donation that is transferred to a school or other budget must be recharged using a donation recharge account code and any unspent funds at the end of each financial year must be returned to the central donation subproject. Donation income must not be accrued but may be re-allocated at the beginning of a new financial year.
- 5.8.** Donations should be spent at the earliest opportunity and should not be saved for the future or treated as contingency funds. The Director of Finance may re-allocate to another purpose any fund which is not being spent, having regard to the terms of the gift agreement, relevant charity Law and the Charity Regulator.

## **6. Accounting for Donations**

- 6.1.** Donations must be accounted for in accordance with Financial Reporting Standard 102 (FRS102), the Statement of Recommended Practice for Higher and Further Education (SORP2014) and the University's Accounting Policies approved by Audit and Risk Committee.
- 6.2.** Donations are accounted for as expendable endowments where they are in excess of £50,000 and likely to be spent over 2 years or more and they meet the definition of an expendable endowment in para 2.
- 6.3.** Donations are accounted for as permanent endowment where they are in excess of £50,000 and meet the definition of permanent endowment in para 2.
- 6.4.** Donations which are accounted for as Permanent and Expendable endowments will be held in restricted endowment fund reserves and will attract an investment return the rate of which will be determined annually by the Director of Finance. All other donations are held in unrestricted reserves which do not attract investment returns.
- 6.5.** Under this policy the University will always aim to preserve the capital of a permanent endowment in real terms having regard to the rate of inflation as measured by the consumer prices index (CPI).
- 6.6.** Endowment funds are invested in accordance with the University's Treasury and Investment policy.