

## DONATIONS POLICY

### 1. OVERVIEW AND PURPOSE

- 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 support, 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 Office for Students) and the "Seven Principles of Public Life".<sup>1</sup>
- 1.4 This policy and related documents set 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 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 Office for Advancement 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 The University is registered with the Fundraising Regulator and the Office for Advancement is responsible for ensuring compliance with the Code of Fundraising Practice, as set out by the Regulator.
- 1.7 This policy should be read in conjunction with the University's Financial Administration of Gifts and Donations Framework, which outlines the University's requirements in respect of financial control, recording, accounting disclosure and investment of donations, and must be followed to ensure compliance with this policy.

### 2. SCOPE

- 2.1 This policy applies to all staff.

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<sup>1</sup> Nolan Committee First Report on Standards in Public Life.

2.2 'All staff' includes the following, whether remunerated or not:

- Senior managers, officers, and directors;
- Employees (whether permanent, fixed-term, temporary, or casual);
- Contract, seconded, and agency staff;
- Other members of the University (e.g. emeritus, visiting, honorary and associate faculty);
- Volunteers, apprentices, and interns; and
- Others associated with (i.e. performing services for or on behalf of) the University (for example, agents and consultants).

### 3. **RESPONSIBILITIES**

#### 3.1 **Director of Advancement**

- 3.1.1 The Director of Advancement 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.
- 3.1.2 The Director of Advancement will respond in a timely way to any written complaints in relation to fundraising, in accordance with the Fundraising Complaints Procedure. In the event the donor remains dissatisfied, the matter will be referred to the Vice-Chancellor.

#### 3.2 **The Division of General Counsel, Governance and Compliance (GCGC)**

- 3.2.1 GCGC will conduct in-depth due diligence in line with clause 4.4.

#### 3.3 **Executive Dean(s) / Head(s) of School**

- 3.3.1 Further to the above, where there is a clear connection with the academic or teaching portfolio, the relevant Executive Dean and/or Head(s) of School will be consulted as appropriate.
- 3.3.2 Once a donation has been accepted, any School(s) or faculty likely to benefit from or otherwise be engaged in developments arising from the donation will be notified if they have not already been involved.

#### 3.4 **Chief Financial Officer**

- 3.4.1 The Chief Financial Officer is responsible for procedure outlining the Financial Administration of Donations, and related internal procedural guidance.

#### 3.5 **All Staff**

- 3.5.1 All intentions to approach existing or potential donors should be notified to the

Office for Advancement before contact is made, and in the event that anyone in the University becomes involved in the negotiation of a donation, the Office for Advancement must be involved at the earliest opportunity.

- 3.5.2 When in receipt of philanthropic funding, Schools and Professional Services Divisions need to coordinate with the Office for Advancement to recognize donors appropriately and to ensure that the funding is disbursed in a timely manner and according to the wishes of the donor.
- 3.5.3 It is not appropriate for an individual, School, Department, Faculty or Division to accept a donation without the support of the Office for Advancement.

#### **4. POLICY**

##### **4.1 Definitions**

- 4.1.1 '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 must not benefit in any way from making the donation.
- 4.1.2 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 posts, prizes, scholarships 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.
- 4.1.3 For the purposes of this policy, givers of donations are referred to as 'funders' or

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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 boundaries.

‘donors’, and this should be interpreted as including all associates of the funder/donor.

#### **4.2 Role of the Office for Advancement (Communications, Engagement and Advancement)**

- 4.2.1 The Office for Advancement will co-ordinate fundraising across the University and maintain details of all donations on its database for reporting and audit purposes, to ensure correct standards of stewardship and coordinate contacts with donors.
- 4.2.2 Each major donor (those giving £25K or above) will have a main canvasser within the Office for Advancement. The canvasser will work with relevant colleagues at the University to agree and support relevant solicitation, cultivation and stewardship processes for each donor. The Office for Advancement can thereby ensure that donations are consistent with the goals and policies of the University.
- 4.2.3 The Office for Advancement will also 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.
- 4.2.4 The Office for Advancement is responsible for the financial and risk control of all donations to the University, regardless of who the main contact for the relationship is in the institution.

#### **4.3 Due Diligence Principles**

- 4.3.1 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). Due diligence will be applied to individual donors, trusts, foundations and corporations.
- 4.3.2 In conducting due diligence, the University will follow a risk-based approach. No formal due diligence is automatically conducted on gifts below £25,000. The threshold that triggers formal due diligence is £25,000. A preliminary screening will be conducted by the Office for Advancement on all new contacts who have the potential to make a minimum donation of £25,000. The Office for Advancement will also conduct desktop due diligence research for all major donors and pledgers giving between £25,000 and £100,000 and cumulative gifts reaching this level over a period of five consecutive years. Should any red flags emerge from these initial screening processes relating to gifts between £25,000 and £100,000, a more detailed and thorough screening will be conducted by GCGC in order to inform the decision of whether or not to accept the donation.
- 4.3.3 GCGC will conduct due diligence on all donors with the capacity to give over £100K once the potential donor has expressed an interest in engaging with the University. The due diligence process will follow a due diligence procedural checklist which will be updated from time to time. The University will engage third parties to assist with due diligence where this seems desirable.
- 4.3.4 Due diligence will be refreshed every five years on major donors who are continuing

to support the University. In addition, due diligence will also be refreshed in the event of the University becoming aware of a matter relating to the donor which may have a material adverse effect on the reputation of the University.

4.3.5 Due diligence on donations from governments or governmental bodies outside the UK, including overseas governments and governmental departments, will be the subject of sanctions checks in accordance with the University's Financial Regulations and the associated procedures and practices approved by the Chief Financial Officer.

4.3.6 In addition, in accordance with the Higher Education (Freedom of Speech) Act 2023, due diligence on donations from overseas governments, legal entities incorporated outside the UK or political exposed persons in relation to countries outside the UK, will need to consider and document that any such donations do not impinge on a) freedom of speech within the law, and b) the academic freedom of staff in the provision of higher education by the University.

#### 4.4 **General Principles for Acceptance / Refusal of Donations**

4.4.1 The University will actively seek donations on the basis that:

- The donation is consistent with the University's strategic goals and will be applied to its charitable purposes at the earliest and most beneficial opportunity;
- 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; and
- 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.

4.4.2 In deciding whether to accept a donation the University will consider if the donation is compatible with the general principles set out above, 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:

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

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

- Require any action (or actions on behalf of the University) that is illegal;
- Seriously damage the reputation of the University, e.g. by attracting negative publicity;
- Harm the University's relationship with other benefactors, partners, current and potential students or research funding bodies;
- Create unacceptable conflicts of interest for the University;
- Constitute any form of bribery;
- Contravene international sanctions.

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

- 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;
- The source of the donation being a jurisdiction with high perceived levels of corruption, as measured by the Transparency International Corruption Perceptions Index;
- 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.

4.4.5 *Gift Aid:* Gift Aid, where applicable, will be claimed and applied to the gift unless the Donor specifically consents to Gift Aid to be directed to the Sussex Fund in support of scholarships, hardship bursaries and initiatives that support the student experience more broadly.

#### 4.5 **Safeguards Against Specific Areas of Conflict of Interest**

4.5.1 *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.

4.5.2 *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 in writing that the gift will in no way have any bearing or influence on how the University will treat that student.

4.5.3 *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.

- 4.5.4 *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.
- 4.5.5 *Anonymous donations:* The University does not accept wholly anonymous donations, i.e. cases where the donor will not make his/her identity known to the 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.
- 4.5.6 *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 4.4.2 or 4.4.3.

#### 4.6 **Safeguards Relating to Academic Independence**

4.6.1 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:

- 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.
- If donors indicate a wish to suggest suitable candidates for roles created by their donation, the University will respectfully seek to decline such suggestions, and will advise that the donor may him/herself flag the advertisement for the new role(s) to any potentially suitable candidates.
- After appointments are made, the independence, freedom of speech and academic freedom 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.

#### 4.7 **Recording, Reporting and Monitoring, Stewardship and Communications**

4.7.1 Gift agreements will be entered into for all gifts over £25,000, once formally accepted by the University as per the guidelines in Appendix 1, 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. Gift agreements are signed by the donor and the relevant officer at the University, as stated in Appendix 1.

4.7.2 The Office for Advancement will record relevant details of donors and donations in

gift agreements and on the alumni and donor database. The database will also note other salient features of the arrangement, e.g. the name of the canvasser, meeting notes and so on.

- 4.7.3 The Director of Advancement will report to the University's Audit and Risk Committee each year a summary of the total philanthropic income raised during the previous academic year, a summary of the past year's due diligence assessments and donations refused, and a summary of any complaints received from alumni and donors.
- 4.7.4 Any problematic issues arising from the due diligence process covered by section 4.3 above will be referred to the University's Executive Team for consideration of options (including the withdrawal/return of a donation). Any material action taken by the University's Executive Team will be reported to Audit and Risk Committee.
- 4.7.5 In the event that a donor is found retrospectively to have been involved in any of the activities listed under 4.4.2 or 4.4.3, or deemed to bring the University into disrepute, the Office for Advancement will initiate a review process to decide appropriate action.
- 4.7.6 Legacy gifts will be reported and accounted for once the legacy is realised and not when it is pledged. Due diligence on legacy gifts will be conducted at the time the University is notified that a legacy is due to be received.
- 4.7.7 Donors' rights will be respected in accordance with the University's Donor Charter, which will be reviewed from time to time.

#### **4.8 Complaints**

- 4.8.1 Anyone wishing to raise a concern about the operation of any aspect of this policy may contact the Director of Advancement ([alumni@sussex.ac.uk](mailto:alumni@sussex.ac.uk)), or, alternatively, the Vice-Chancellor. The full Fundraising Complaints Procedure is linked at the end of this policy.

#### **5. LEGISLATION AND GOOD PRACTICE**

- 5.1 HMRC: <https://www.gov.uk/government/organisations/hm-revenue-customs>
- 5.2 Woolf report: <https://www.lse.ac.uk/News/News-Assets/PDFs/The-Woolf-Inquiry-Report-An-inquiry-into-LSEs-links-with-Libya-and-lessons-to-be-learned-London-School-of-Economics-and-Political-Sciences.pdf>
- 5.3 CASE Europe: Ethical Principles Behind the Acceptance of Gifts  
<https://www.case.org/resources/ethical-principles-behind-acceptance-gifts-europe>
- 5.4 CASE Donor Bill of Rights: <https://www.case.org/resources/donor-bill-rights>
- 5.5 CASE Principles of Practice for Fundraising Professionals at Educational Institutions:  
<https://www.case.org/resources/principles-practice-fundraising-professionals-educational-institutions>



5.6 Higher Education (Freedom of Speech Act) 2023:  
<https://www.legislation.gov.uk/ukpga/2023/16>

5.7 Code of Fundraising Practice: <https://www.fundraisingregulator.org.uk/code>

#### Review / Contacts / References

Policy title:	Donations Policy
Date approved:	27 February 2024
Approving body:	Council
Last review date:	8 March 2024
Revision history:	Version 4: March 2024 Version 3: September 2020 Version 2: March 2018 Version 1: November 2012
Next review date:	26 February 2027
Related internal policies, procedures, guidance:	<u>Financial Administration of Gifts and Donations Framework</u>  <u>Fundraising complaints procedure</u>  <u>University Financial Regulations and Policies</u>  <u>Registration and Declaration of Interests</u>  <u>Principles of Public Life</u>  <u>Freedom of Speech at the University of Sussex</u>  <u>University's Donor Promise</u>
Division:	Communications, Engagement and Advancement
Policy Owner:	Vickie Sheriff, Executive Director of Communications, Engagement and Advancement
Point of Contact:	Marina Pedreira-Vilarino, Director of Advancement

## APPENDIX 1: Responsibility for Accepting / Refusing a Gift

Size of donation	Acceptance of donation required	Signatures required on agreement	Commentary
Up to £100,000	Director of Advancement	Only one signature needed.	The Director of Advancement will escalate any red flags to the Vice-Chancellor (VC) and Chief Financial Officer (CFO).
Between £100,000 and £1M	VC, CFO, Director of Advancement	Two signatures needed: VC and/or CFO and/or Director of Advancement, if agreement not executed as a Trust Deed.  A member of Council and the University Secretary, or two members of Council and the Common Seal, if a Trust Deed.	GCGC will lead on due diligence but may be assisted by third parties if appropriate.
Over £1M	University Executive Team (UET)	Two signatures needed if signed as a gift agreement: VC and/or CFO and/or Director of Advancement, if agreement not executed as a Trust Deed.  If signed as a Trust Deed, signatures are needed from a member of Council and COO, or two members of Council and the Common Seal.	For principal donations, consulting the full Executive Team gives an appropriate range of views, which also allows for individual declarations of interest and withdrawal from the process. If the Executive Team deems it appropriate, Council may be consulted on the acceptance of specific major donations.