

## **Gift Acceptance Policy and Ethical Fundraising Practice**

**Prepared by Campaign and Alumni Relations Office  
with guidance from Finance Department and Internal Audit Service**

1. Definitions .....	2
2. Introduction.....	3
3. Statement of Charitable Status .....	3
4. Ethical Guidelines for Acceptable Sources of Funding .....	4
5. Gift Acceptance Procedures.....	5
5.1 Gift Acceptance Due Diligence.....	5
5.2 New Funds Committee .....	5
5.3 Gift Agreements and Statements of Donor Wishes.....	5
5.4 Gift Acceptance Committee.....	6
5.5 Receipts.....	7
6. Donor Rights.....	7
7. Fundraising Practices .....	8
8. Data Protection .....	9
9. Financial Accountability .....	9
10. Gift Acceptance Policy Review .....	9

CONFIDENTIAL

## 1. Definitions

### **Assignment**

The process whereby a Fundraiser is made the designated canvasser for a prospective Donor.

### **Donor**

A person, organisation or legator who gives a philanthropic donation to the University without receiving any material benefit in exchange.

### **Due Diligence**

The range of practical steps that need to be taken by the University so it is reasonably assured of the origin of the gifts and its Donors, and is able to identify and manage associated risks.

### **Fundraiser**

Any employee, volunteer or stakeholder who solicits or receives funds on behalf of the University.

### **Gift Agreement**

An agreement between both parties – the Donor and the University – to clarify the purpose of the gift and any expected outcomes from that gift. Gift Agreements are especially important for restricted funding as they are required in order to establish a restricted fund. Any Gift Agreement should not benefit the Donor personally, or offer any kind of sponsorship arrangements. Such an agreement should not give the Donor any influence over who is granted appointments, scholarships or other awards.

### **Gift Acceptance Committee**

A group of senior University staff and volunteers whose remit is: a) to consider strategic, financial, legal, ethical and reputational issues associated with gifts received or prospective gifts with a total value of £100,000 or above; and b) to make a decision on acceptance, retention, or otherwise, of these gifts.

### **Fund**

An account for philanthropic donations to support the University mission.

### **Legator**

A person who has died leaving a legacy to the University.

### **New Funds Committee**

A group of senior University staff whose remit is: a) to consider strategic, financial, legal, ethical and reputational issues associated with establishing a new Fund; b) to make a decision on acceptance, or otherwise, of the new Fund and c) for approved Funds, to provide internal and external reassurance that the University will effectively manage any established Fund.

### **Solicited**

Donation is offered to the University following engagement and involvement with a University Fundraiser.

### **University**

The University of Nottingham.

### **Unsolicited**

Donation is offered to the University without any prior engagement with a University Fundraiser.

## **2. Introduction**

The University of Nottingham accepts funding from a wide variety of public and private sector partners from across the globe, to support delivery of the University mission, as articulated in The University of Nottingham Strategic Plan 2010-2015. The Campaign and Alumni Relations Office (CARO), along with key senior staff, led by the Vice-Chancellor, actively pursue the solicitation and acceptance of philanthropic gifts. This document relates to philanthropic donations received by the University, as specified by the Ross-CASE Survey of Philanthropic Giving for Higher Education and shall apply to all gifts offered to, and received by the University for any of its departments, centres and programmes.

As an exempt charity and a global seat of higher education and scholarship, the University has a responsibility to ensure that the processes of securing and receiving funds to support the life and work of the University do not compromise its integrity, the trust of its supporters or its commitment to students, staff and the global communities that it serves.

The University must ensure it does not bring itself into disrepute by accepting philanthropic donations from questionable or inappropriate sources and must comply with Higher Education Funding Council for England (HEFCE) procedures on Serious Incident Reporting concerning philanthropic donations.

This document sets out the University's Gift Acceptance Policy and Ethical Fundraising Practice to define standard procedures for the solicitation and acceptance of philanthropic gifts to support The University of Nottingham.

The University expects all of its staff and students to follow the ethical behaviours set out in the Nolan Principles. Those are: selflessness, integrity, objectivity, accountability, openness, honesty and leadership. These Principles underlie the University's Ethical Framework and are incorporated into this policy.

## **3. Statement of Charitable Status**

As a Higher Education Institution, The University of Nottingham is an exempt charity X15294 under the provision of the Charities Act 2011. As such it has the same tax benefits as registered charities which include the ability to recover tax deducted from deeds of covenant and receipts under Gift Aid, exemption from Inheritance Tax for Donors to the institution and exemption from Capital Gains Tax.

Exempt charities are organisations whose purposes are charitable but which are accountable to a body other than the Charity Commission. The University of Nottingham is accountable to the Higher Education Funding Council for England (HEFCE) as the Principal Regulator under the Charities Act and given the comprehensive monitoring and audit processes already in place is exempt from registration with the Charity Commission.

Universities must observe the requirements of charity law and other relevant legislation in relation to the receipt and expenditure of funds.



### Ethical Guidelines for Acceptable Sources of Funding

- 3.1 The University will not accept philanthropic donations that are inconsistent with the University mission.
- 3.2 The University will not accept philanthropic donations if the proposed donation arises in whole or in part from any illegal activity.
- 3.3 The University will not accept philanthropic donations if the terms of accepting the proposed donation will:
  - Require any illegal action on the part of the University
  - Create an unacceptable conflict of interest
  - Damage the reputation of the University
  - Harm the University's relationship with its students, benefactors, research supporters, partners, local community or other external stakeholders
- 3.4 In terms of Corporate Philanthropy, in accordance with the ROSS-CASE Survey of Philanthropic Giving for Higher Education, gifts from companies in the UK and overseas are acceptable sources of philanthropic funding if the giving has philanthropic intent AND does not fall under one of the seven exclusion criteria:
  - Contractual relationship
  - Exclusive information
  - Exclusive publication
  - Consultancy included
  - IP rights
  - Other forms of financial benefit
  - Donor control

The University may still accept income that falls under these exclusion criteria, but not as a philanthropic donation.
- 3.5 The University will only accept philanthropic donations from students if there is no personal or academic gain for any student from making such a donation.
- 3.6 The University will only accept philanthropic donations if it is clearly understood and accepted by all parties that impartial, independent research, scholarship and teaching are the basis for the furtherance of knowledge.
- 3.7 The University will not ordinarily accept philanthropic donations from organisations where the major part of their business demonstrates the following characteristics:
  - Explicit environmental damage
  - Manufacture and sale of armaments to military regimes
  - Institutional violations of human rights, including exploitation of the work force
  - Discrimination against the individual in any shape or form
  - Manufacture and sale of tobacco products

## **4. Gift Acceptance Procedures**

### **4.1 Gift Acceptance Due Diligence**

4.1.1 Due Diligence must be completed by the CARO Research Team prior to, or otherwise within 2 months of:

- Assigning a prospective Donor to a Fundraiser
- Receiving a gift, or cumulative gifts, of over £100k<sup>1</sup>
- Approving a volunteer to act as a Fundraiser

4.1.2 Due Diligence is performed to verify whether engagement with a prospective volunteer or Donor and/or a proposed donation aligns with the University's Ethical Guidelines for Acceptable Sources of Funding.

### **4.2 New Funds Committee**

4.2.1 All philanthropic donations where the request for spend is restricted and/or beyond the current financial year must be approved by the New Funds Committee.

4.2.2 In the event that the New Funds Committee has significant concerns about a proposed donation, it may seek guidance from the Gift Acceptance Committee on whether or not the donation should be accepted by the University.

#### **New Funds Committee**

Finance Manager (CARO)

Deputy Director of CARO (CARO)

Director of Philanthropy (CARO)

Appointed Senior Staff Member of Financial Reporting Department

### **4.3 Gift Agreements and Statements of Donor Wishes**

4.3.1 A document (electronic or otherwise) summarising the gift amount, purpose, payment schedule and duration of spend (as a minimum) must be acknowledged by the Donor, the receiving department within the University and by the Campaign and Alumni Relations Office for:

- All gifts of £5k or more from a single Donor
- All restricted gifts

---

<sup>1</sup> \*Unless exempted by the University Executive Board in special circumstances



- All gifts of any value where the Donor-specified spend will extend beyond the current financial year

4.3.2 Written evidence of this acknowledgement, either through dated correspondence or signed Gift Agreements or Statements of Donor Wishes, must be retained by the Campaign and Alumni Relations Office in order to comply with HEFCE regulations.

#### **4.4 Gift Acceptance Committee**

4.4.1 All cumulative philanthropic donations of £100K or more must be approved by the Gift Acceptance Committee.<sup>2</sup>

4.4.2 The Gift Acceptance Committee is responsible for reviewing all matters arising that may conflict with any of the University's Ethical Guidelines for Acceptable Sources of Funding, specifically relating to:

- Engagement by the University of a prospective Donor
- Proposed philanthropic donations to the University
- Philanthropic donations already received by the University

4.4.3 In the event that the Gift Acceptance Committee has significant concerns about a donation, it can refer a decision to the University Executive Board.

4.4.4 Five of the thirteen members of the Gift Acceptance Committee, one of whom must be either the Vice-Chancellor or the Registrar, shall constitute a quorum.

##### **Gift Acceptance Committee**

Director of Campaign and Alumni Relations

Vice-Chancellor

Registrar

Pro-Vice-Chancellor with responsibility for Campaign and Alumni Relations

Pro-Vice-Chancellor with responsibility for International Campuses

Provost and Pro-Vice-Chancellor, The University of Nottingham, Ningbo

Provost and Pro-Vice-Chancellor, The University of Nottingham Malaysia Campus

Director Communications, Marketing and Recruitment

Appointed Senior Staff Member of Financial Reporting Department

Appointed Senior Staff Member with Legal Experience

Appointed Senior Staff Member with Corporate Experience

Appointed Senior Staff Member with Moral Philosophy Experience

<sup>2</sup> \*Unless exempted by the University Executive Board in special circumstances



Appointed Member from University Council

#### **4.5 Receipts**

A receipt will be provided to all Donors for all gifts received directly by the University.

### **5. Donor Rights**

- 5.1 All fundraising solicitations by or on behalf of the University will disclose the University's name and purpose for which the funds are requested. Written solicitations (however transmitted) will also include the University address or other contact information.
- 5.2 Donors and prospective Donors are entitled to the following, promptly upon request:
  - The University's most recent Global Review document and financial statements
  - Confirmation of the exempt charitable status of the University
  - A copy of this Gift Acceptance Policy and Code of Ethical Fundraising Practice
  - The results of any personal due diligence undertaken by the University
- 5.3 Donor and prospective Donors are entitled to know, upon request, whether an individual soliciting funds on behalf of the University is an employee, volunteer, or other stakeholder.
- 5.4 Donors will be encouraged to seek independent advice if the University has any reason to believe that a proposed gift might significantly affect the Donor's financial position, taxable income, or relationship with other family members.
- 5.5 Donor requests to remain anonymous will be respected as far as is legally, practically and ethically possible. The Vice-Chancellor and Director of Development and Alumni Relations will be informed of the names of all Donors, but otherwise names will not be shared beyond those with a direct involvement in the solicitation, approval, processing, stewardship and auditing of the gift.
- 5.6 Donor privacy will be respected. All Donor records maintained by the University will be kept confidential to the greatest extent possible in accordance with the Data Protection Act (1988). Donors have the right to view their Donor record and to challenge its accuracy.
- 5.7 Donors and prospective Donors will be treated with respect. The University will make every effort to honour Donor requests in relation to:
  - Frequency and type of solicitations
  - Receipt of printed material concerning the University
- 5.8 The University will respond promptly to a complaint by a Donor or prospective Donor.



- 5.9 Donors have the right to request that their philanthropic donations are allocated to a specific area of University activity in accordance with legal and ethical guidelines.

## **6. Fundraising Practices**

- 6.1 All fundraising solicitations by or on behalf of the University will:
- Be truthful
  - Accurately describe the University's activities and intended use of donated funds
  - Respect the dignity and privacy of those who benefit from philanthropic donations
- 6.2 Fundraisers who solicit or receive funds on behalf of the University shall:
- Adhere to the provisions of this Gift Acceptance Policy and Ethical Fundraising Practice
  - Act with fairness, integrity and in accordance with all applicable laws
  - Provide truthful information about fundraising activity, without exaggeration or underestimation
  - Not express or suggest in public information that fundraising activity is without cost
  - Adhere to the provisions of applicable professional codes of ethics and standards of practice to include The Data Protection Act (1988), Freedom of Information Act (2000), Bribery Act (2010) and Charities Act (2011).
  - Cease solicitation of a prospective Donor on request
  - Keep Donors and prospective Donors informed of any current fundraising and accounting legislation or scheme which is appropriate to their donation, such as the Statement of Recommended Practice: Accounting for Further and Higher Education (2007).
  - Not accept philanthropic donations for purposes that are inconsistent with the University's mission
  - Report immediately to the Director of Development and Alumni Relations any philanthropic donations which they consider to be a cause for concern and any actual or apparent conflict of interest as a result of the University accepting a donation
- 6.3 Fundraising staff and consultants will be compensated by a salary, retainer or fee and will not be paid commissions or other payments which are based on the number of gifts obtained, or the value of those gifts outside or beyond the University's formal compensation arrangements which are applicable to all staff of the University.
- 6.4 Donor and prospective Donor information, developed by or on behalf of the University, will not be used for any purpose other than to further relationships with the Donor or prospective Donor.



## **7. Data Protection**

- 7.1 The University will ensure compliance with the Data Protection Act (1998), Privacy and Electronic Communications Regulations (2003) and Data Protection Principles and all subsequent Data Protection legislation.
- 7.2 The University will at all times be aware of the sensitivity of information gathered and held on alumni, other individuals and organisations. This will aid our compliance with data protection legislation and ensure that information obtained via all channels, particularly information not in the public domain, is treated with utmost respect and confidentiality.
- 7.3 When using external agencies or when data may be shared with a third party, for instance mailing houses, the Campaign and Alumni Relations Office will ensure that all issues such as data ownership, fitness for use and confidentiality are understood and formally agreed with the third party in advance, prior to sharing any data.
- 7.4 The University is defined as a Public Authority for the purposes of Freedom of Information (FOI) requests. All FOI requests will be processed using the latest University Freedom of Information Manual of Office Procedures (2008).

## **8. Financial Accountability**

- 8.1 The University's financial affairs will be conducted in a responsible manner, consistent with the ethical obligations of stewardship and the legal requirements of national and international regulators.
- 8.2 All philanthropic donations will be used as agreed with the Donor. As appropriate, a Gift Agreement or Statement of Donor Wishes will be produced by the Campaign and Alumni Relations Office, setting out the purpose and terms of the gift as agreed between the Donor and the receiving school or department within the University.
- 8.3 If necessary, due to programme, organisational, legal or regulatory changes, alternative uses of restricted/designated philanthropic donations will be discussed with the Donor or Donor's legal designate(s). If the Donor is deceased or legally incompetent and the University is unable to contact a legal designate, the donation will be used in a manner that is as consistent as possible with the Donor's original intent. If necessary, the Director of Campaign and Alumni Relations will refer the matter to the Gift Acceptance Committee and ultimately to the University Executive Board.

## **9. Gift Acceptance Policy Review**

This policy will be reviewed by CARO one year after approval by University Executive Board and annually thereafter and the outcomes of such reviews reported to the University Executive Board as appropriate.