

ACCEPTANCE OF GIFTS POLICY

1. Introduction

Purpose

- 1.1 This Policy is in respect of the University's position regarding philanthropic fundraising.
- 1.2 The University welcomes and actively seeks grants and gifts to support its work from a range of sources including individuals, corporates, legacies, gifts-in-kind, overseas gifts, charitable trusts and foundations and its association of alumni and friends.
- 1.3 The Development Office is responsible for co-ordinating and reporting on all philanthropic fundraising across the University. This function is central and core to the University's Strategy: Kent 2025 to diversify its income streams and significantly to increase philanthropic giving to the University, thus creating a sustainable and growing fundraising culture to support the University's vision "A World of Opportunity, Discovery, Community".
- 1.4 The Development Office also needs to be aware of the source of all donated income to the University to ensure the University complies with other policies of the University and ensure multiple approaches are not made to donors.
- 1.5 As stipulated in the University's Anti-Bribery and Corruption Policy 2011, 1d second and third bullet point, "any charitable donations received by the University must be for exclusively charitable purposes and in furtherance of its objects and shall not improperly influence any decisions or actions made by or on behalf of the University.
- 1.6 This Policy applies to all University staff who are involved in any activity relating to fundraising at the University. All staff members involved in the acceptance of gifts and donations (including gifts in kind) must also ensure that they adhere to the University's Financial Regulations and any other relevant policies and procedures.

2. Sources of philanthropic funds

2.1 Eligible sources include:

- Gifts from individuals, in the UK and overseas, of cash and other wealth assets these include shares, bonds etc
- Gifts-in-kind of physical items – property, art, equipment etc. in-kind services and pro-bono voluntary work.
- Legacy income received in-year from deceased individuals. Notifications of Legacy pledges from living donors should also be reported as a pledge with any other gift.
- Gifts from grant-makers, charitable trusts and foundations in the UK and overseas.
- Grants made by affiliated support foundations such as 501(c) (3) organisations and similar organisations in other countries.
- Gifts from corporates in the UK and overseas.

2.2 Ineligible sources include:

In line with the University's Statement of Responsible Social Investment, the University will not accept gifts, endowments or legacies from companies or sources the major part of whose business is pornography, gambling, tobacco, fossil fuels or armaments.

2.3 Sources of funding which are not accounted for as philanthropic:

- All funding from HM Government and its agencies, including the Office for Students, Research England and the Research Councils.

- Internal transfers within the University

3. Ineligible sources of philanthropic funds

These include:

- 3.1 All funding from HM Government and its agencies, including the Office for Students, Research England and the Research Councils.
- 3.2 Internal transfers within the University.
- 3.3 In line with the University's Statement of Responsible Social Investment, the University will not accept gifts, endowments or legacies from companies or sources the major part of whose business is pornography, gambling, tobacco, fossil fuels or armaments.

4. Process for all gifts, endowments and legacies

The Development Office is responsible for the solicitation and management of all philanthropic income received, as well as the necessary stewardship of the individuals and the organisations that donate.

The following guidelines outline the processes undertaken in administering philanthropic income once accepted and received.

- 4.1 In the first instance, the Major Gift Officer (MGO) should check that the funds in question come from a legitimate source (i.e. that they are not the product of illegal activity) through the commission of a due diligence report.
- 4.2 All philanthropic donations received by the University are administered by the Development Office and records held on the University's alumni and donor relational database: Raisers Edge NXT.
- 4.3 All philanthropic donations received by the University are recorded as charitable income and accounted for in accordance with the University's financial accounting procedures (see Financial Procedure 231).
- 4.4 The Development Office will comply with the requirements of the Statement of Recommended Practice (SORP) 2007 as directed by the Finance Office.
- 4.5 All donations received where the donor is known will be formally acknowledged within three days of receipt in an appropriate manner as determined by the Development Office.
- 4.6 Unless explicitly stated otherwise, donations of less than £5,000 will be administered by the Opportunity Strand of the overarching 'World of Opportunity Campaign' and utilised in accordance with the aims of the donor.
- 4.7 A standard University Gift Agreement with the donor must be signed for donations over £5,000, covering such matters as safeguarding funds and clarity of funds being allocated.
- 4.8 The University is able to reclaim Gift Aid on any donation by the donor who has paid UK tax during the year to at least the value of the gift and in addition has made a declaration that this is the case. There must be an audit trail back from each donor to a written declaration or confirmation of a verbal declaration. Evidence of such declarations are kept in Raiser's Edge NXT. Gift Aid is claimed in accordance with HMRC Gift Aid Regulations.

5. Initial Risk Assessment and Due Diligence Process

This process is an integral part of the overall Acceptance of Gifts Policy. It is intended to set out the steps taken to assess the initial risk. This is followed by a thorough due diligence process for accepting philanthropic income and gifts including legacies.

5.1 Initial risk assessment

Due diligence processes are risk-based to ensure that disproportionate time is not spent assessing low-risk donations. The University of Kent has set a threshold to determine the level of due diligence processes performed on potential donations of varying value ie. £10,000 for the introduction of increased due diligence processes. This is in accordance with the higher education sector and is consistent with money-laundering regulations that are applied to the sale of goods and services.

Qualitative factors are also important criteria to determine the level of scrutiny of proposed donations, often promoting a higher degree of due diligence than their value might otherwise require.

5.2 Common factors which could indicate a higher-risk proposal include:

- requirements to repay the donation (in substance a loan)
- donations in an atypical foreign currency
- donations which require unusual transfer arrangements for the funds to be received by the University
- donations where very specific services need to be provided to secure the donation
- requirements to pass on the donation to a specific entity or use for a specific unusual purpose
- donor requests anonymity
- donations potentially create a relationship in perpetuity
- donations are sources from countries with a problematic international status or regulatory environment
- donations are from bodies with which the University has a significant pre-existing commercial relationship or which could result in financial gain for the donor
- donations which could impose a very restrictive course of action on the University and compromise the independence and effectiveness of Council members.

Risk factors identified for potential donations are not only those which implied legal risk or issues with the provenance of the donation but also take into consideration whether the source implies any conflict of interest with the University of Kent objectives.

5.3 Due diligence practices

Due diligence will be conducted by the University's Prospect Management and Research Officer or equivalent. It is the responsibility of the relevant Major Gift Officer to request a report from the Prospect Management and Research Officer in a timely manner and at least 5 days before the report is required and to ensure that the Prospect Management and Research Officer is briefed on the nature of the proposal as well as any relevant issues.

Following the initial risk assessment as set out above, more detailed information is collated to assess whether the potential donation should be accepted. This involves key questions about the donor, including:

- What business is the donor involved in and associated with? Does this include industries or sectors inconsistent with the University's purpose?
- Has the donor received unfavourable media attention for their actions?
- Have they been or are they involved in litigation?
- What is the source of the donor's money? Is it legal and is there any risk that this does not exist or will not actually be available to the University in the future?

The timing and level of due diligence to be carried out will depend upon the circumstances, often related to the potential level of a donation.

Where sums of £5,000 - £9,999 are involved potential donors will be subject to an **initial due diligence check** using the internet. Here 'initial' refers to a basic check on the web.

Where sums in excess of £10,000 are involved, the potential donor will be subject to a **full due diligence**. Before using the sources, checks will be established as to whether the sources of data are compliant with Data Protection Legislation. Common sources include:

- Publicly available sanction lists which include prohibited individuals and terrorist groups
- Companies House
- The Electoral Register
- Charity Commission
- Who's Who
- FAME (a database of public and private companies across the UK and Ireland)
- Information verified via web search
- University of Kent's own fundraising database Raiser's Edge NXT for historical and current context.

5.4 Timing

It is noted that often quick decisions may be required in relation to the acceptance of gifts. The Prospect Management and Research Officer shall endeavour to:

- Complete all **Standard due diligence** and reporting within five working days (where possible)
- Complete all **Full due diligence** and reporting within two working weeks.

It is acknowledged that the position of an existing donor may change over time. A review of existing major donors must be carried out every two years as a matter of course.

5.5 Legacies

Where legacy gifts are provided to the University under the terms of a Will, appropriate due diligence will take place both at the point the University is notified of the gift and at the stage that the gift is received.

It is recognised that relationships with legacy pledgers and the University may develop at different paces. It is acknowledged that this may need to be reflected in the nature of, and period over which, due diligence is undertaken.

5.6 Decision making procedure

If the Head of Major Campaigns and/or Head of Development identifies an area of concern during the solicitation/negotiation or review of a proposed gift, they shall consider the matter and directly provide guidance to the Major Gift Officer as appropriate. Matters that cannot be resolved at this level should be referred by the Head of Major Campaigns to the Ethics Committee (if time allows) or to the University's Executive Group if a more immediate decision is required. In these circumstances the decision will be reported to the next meeting of the Ethics Committee.

5.7 Record keeping and audit trails

The due diligence form must be completed and recorded on Raiser's Edge NXT. Following submission of the completed report to the Major Gift Officer concerned, it is the responsibility of the fundraiser to ensure that the gift acceptance decision is communicated (via the appropriate template) to the Prospect Management and Research Officer for recording on the database. Best practice requires keeping records of past decisions to act as a source of guidance and an aid to the consistency of decision-making. This enables staff making decisions on donor

acceptability to refer back to historic practice, in terms of sources of information used and judgements made.

All record keeping must be in accordance with the University of Kent's Data Protection Policy and recognise that individuals have a legitimate right to know what personal information is held about them.

6. Acceptance/refusal

6.1 In considering the acceptance of any gift, endowment or legacy the University will consider if the gift is compatible with the purpose of the University and consistent with the goals outlined in the University Strategy.

6.2 The University will not accept a gift or pledge:

- 6.2.1 where there is credible evidence that it has derived in whole or part from illegal or unethical activity.
- 6.2.2 if it requires any illegal or unethical inquiry;
- 6.2.3 if it constitutes any form of bribery;
- 6.2.4 if it has the potential to cause significant damage to the reputation of the University or its relationships with its constituencies, including donors, alumni, staff, current students, parents or other stakeholders (including those with whom it holds formal or information relationships or with whom it hopes to establish relationships)
- 6.2.5 if it has the potential to create unacceptable conflicts of interest;
- 6.2.6 on terms and conditions inconsistent with what the University considers to be good practice;
- 6.2.7 from parents/guardians until a student has graduated from the University;
- 6.2.8 from current students with the **exception** of allowing low level gifts from alumni who register for a further programme of study at the University.
- 6.2.9 if the fundraiser has reason to believe that the donor is classed as a vulnerable person.

7. Stewardship

- 7.1 Donor stewardship strategies (e.g. providing update reports on the progress of students supported by donors, or informal contact between donors and those supported by their gifts) is considered best practice and is actively encouraged.
- 7.2 A donor who has a relative registered as a student will not be privy to information about the progress of his/her son/daughter/other relative unless such information is freely given by the individual concerned. Similarly, a donor will not be given information about the progress of a scholarship recipient unless the consent of the scholarship holder has been provided in line with the data protection requirements.
- 7.3 All donors should be properly thanked and acknowledgements of the gift should be sent from the most appropriate person at the University. This can vary from the Development Office, to academics in the Divisions (that hold the relationship with the donor) or the Vice-Chancellor & President. A copy of the thanks should be shared with the Development Office who will log this in the gift record in the database.
- 7.4 Where a legacy gift is received, the family or significant contact should be approached with the offer of keeping them up to date with how the gift is utilised. If necessary, they can support decisions about significant uses of the gift within the bounds of the original wishes set by the legator. These contacts should be stewarded in a manner akin to that of the donor, with their agreement.

8. Returning a Gift

- 8.1 The University will not normally return a gift which has been accepted in good faith in compliance with this policy. 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 and this would then be considered outside of this Policy.
- 8.2 The decision to return a gift will follow the same University's Approval Authority applied for a gift acceptance.
- 8.3 Where the University of Kent 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 re-allocated the same decision-making thresholds outlined will apply.

The University's Approval Authority Acceptance Limits for Philanthropic Gifts/Donations:

£1,000 - £50,000	Head of Major Campaigns (Head of Profession), Head of Development
£50,000 - £250,000	Executive Group member with the Development Portfolio, in consultation with the Executive Group.
£250,000 - £1,000.000	Chair of Finance & Resources Committee and the Vice-Chancellor & President and subsequently reported to the Finance and Resources Committee
£1,000.000 - £2,000.000	Chair of the Finance & Resources Committee, the Vice-Chancellor & President and the Chair of Council and subsequently reported to the Finance and Resources Committee
£2,000.000+	Chair and Deputy Chair of Council/Chair of the Finance and Resources Committee and the Vice-Chancellor & President and subsequently reported to the University Council.

April, 2021/hae