

# Donation Acceptance and Management Procedure

## Section 1 - Purpose

(1) This procedure is intended to support staff accepting and managing donations to the University of Newcastle (University) which is a Deductible Gift Recipient (DGR).

## Section 2 - Donation Intent

(2) The University will work with the donor (or representative) to record the purpose for donations intended to establish new activities. In the case of bequests, the University's management of the donation will be informed by the Will.

(3) The University may choose to accept donations which are aligned to its core values, mission and strategic direction

(4) Donations must adhere to the [Ethical Framework](#).

(5) Donations may support an existing activity or establish a new activity aligned to University strategic direction. Donations may be:

- a. Specified - where the donor's intent has a clear and specific purpose;
- b. Semi-specified - where the donor's intent is attributed to a broad purpose;
- c. Unspecified - where there is no intent or purpose specified by the donor.

(6) The University may require minimum amounts for donations intended to support a new donor-funded activity.

(7) Where a donor-funded program is intended to recruit staff, the donation should either:

- a. fully support the employment of the staff member for the duration of their contract, or
- b. support in part or full the employment of a position on the basis that the University has budgeted to meet the shortfall, or
- c. provide significant ancillary funding to support a role paid for by the University (e.g. research funding to support a professorial chair).

(8) The University will recommend to potential donors to seek independent financial advice regarding their eligibility for tax deductions, and make the necessary arrangements (including valuations of in-kind gifts) prior to making the donation.

(9) The University will recommend to potential bequestors to seek independent legal and financial advice regarding a donation they may choose to leave in their will.

## Section 3 - Donation Acceptance

(10) Acceptance of the donation should not disadvantage the University and not pose undue financial, legal or reputational risk to the University.

(11) The University will ensure that before a donation to support a new activity is accepted it has undertaken appropriate due diligence. This may include:

- a. making an assessment of the donor and donation purpose against the [Ethical Framework](#);
- b. confirming that the University has capacity to install, maintain and use the donation as per its intended purpose and without conflict or undue cost; and/or
- c. seeking legal and/or financial management advice.

(12) Channels through which donations to the University may be made include (but are not limited to): bequests, charitable payroll deductions, regular giving, appeals, peer-to-peer fundraising, philanthropic grants, online donations, cheque payments, EFT payments, pledges and in-kind gifts. These channels may be varied from time to time at the discretion of the University.

(13) All offers of monetary donations should be referred to the Office of Alumni and Philanthropy to confirm and facilitate acceptance, prepare any required documentation or record keeping prior to acceptance, ensure the donation meets all University policy and procedural requirements and that there is agreed stewardship and/or recognition arrangements in place if required.

(14) Only officers with delegated authority may accept donations on behalf of the University (refer [Delegations of Authority](#)).

(15) Officers with [delegated authority](#) should consult with relevant faculties/divisions of the University, before accepting a donation for a new activity. Refer to the In-Kind Donation Procedure and Additional considerations checklist for in-kind donations.

(16) Officers with delegated authority may refer a decision to accept a donation to the Philanthropic Governance Committee.

## Section 4 - Accepting Trusteeship and Establishment of Charitable Trusts

(17) The University may choose to become a trustee of an existing trust.

(18) The University may choose to accept a donation which will require the establishment of a charitable trust.

(19) The establishment of a charitable trust or acceptance of an existing trusteeship is a matter reserved for Council.

(20) Any donation which may constitute the establishment or transfer of any trust should be referred immediately to the Office of Alumni and Philanthropy for further assessment before it is accepted.

(21) The Office of Alumni and Philanthropy will:

- a. Seek legal advice and financial management advice.
- b. If the donation constitutes a charitable trust or if trusteeship of an existing trust is to be transferred, make initial contact with the Office of the Vice-Chancellor and Chair of the Philanthropic Governance Committee to

outline the details of the potential trust.

- c. Facilitate the appropriate due diligence as outlined in Section 3.
- d. Seek legal advice in order to finalise the specific details of the trust deed in collaboration with the donor, donor's representative or existing trustee.
- e. Seek endorsement from the Philanthropic Governance Committee and the Vice-Chancellor to refer the potential trust or trusteeship to University Council for approval, subject to entering an appropriate trust deed.

(22) Where possible, charitable trusts for ongoing purposes should be defined as broadly as possible, to prevent subsequent failure or difficulties administering the trust.

(23) If appointed as executor of an estate, the University may renounce executorship and transfer these responsibilities or otherwise, make an appropriate application as required by law to transfer the executorship.

## **Section 5 - Management of Charitable Trusts**

(24) Charitable trusts will be managed in accordance with the respective trust deed and cannot be varied unless provided for in the trust deed or by legal process.

(25) The disbursement of funds from a charitable trust must be confirmed by the Philanthropic Governance Committee.

(26) A report on the management of charitable trusts will be provided to University Council annually, through the Philanthropic Governance Committee.

(27) Legal advice will be sought in relation to any difficulties in administering a trust following which the Philanthropic Governance Committee will be briefed to make a recommendation to the Vice-Chancellor in relation to remediation of the trust.

## **Section 6 - Donation Management**

(28) Through financial management processes, donations may be allocated, receive investment earnings and be quarantined according to their intended purpose.

(29) Financial Services will be responsible for the financial management of donations to the University through:

- a. investment of donations and the allocation of investment earnings to supporter cost collectors aligned to donation purpose or trust requirements.
- b. provision of financial reports and statements to those responsible for administering the donations.
- c. provision of financial modelling and advice to inform matters related to the acceptance and allocation of donations or trusts including forecast of anticipated investment earnings in Q3.
- d. ensuring each donation is correctly configured in the finance system and there are financial system controls in place to ensure expenditure is authorised.
- e. establishment and maintenance of procedures regarding the financial management and reporting of donations, including the accounting valuation and disposal of in-kind gifts for asset management and insurance purposes.
- f. verification of total donations for the Office of Alumni and Philanthropy's KPI reporting purposes.

(30) After a donation is accepted, the Office of Alumni and Philanthropy:

- a. maintains records of donor intent, including gift deeds and statements, wills and trust deeds, and may keep records of donor consultation where applicable, in accordance with the University's privacy policies and all

relevant laws in relation to the collection of personal information.

- b. will request Finance to create new 'supporter' cost collectors (where applicable) and advises of any new donations or donor documentation which may impact the financial management of these funds.
- c. may acknowledge how the donation has been applied and for monetary donations, provide the donor with a tax receipt in accordance with the University's obligations as a Deductible Gift recipient, if appropriate.

(31) Requests to expend donations should be forwarded to the Office of Alumni and Philanthropy via [gift-governance@newcastle.edu.au](mailto:gift-governance@newcastle.edu.au) to ensure the appropriate consideration, approvals and documentation. Depending on the nature of the donation, requests may require completion of an Application to access philanthropic funds form.

(32) The Philanthropic Governance Committee will conduct annual reviews of donations received to ensure that the management of these donations complies with the University's financial and legal obligations and is aligned to the donor's intent.

(33) The University may consult the donor (or representative) to find an alternate option and redirect the donation, or receive further donations to support the donor's intent if a donation:

- a. cannot be applied according to its purpose, or
- b. is ineffective due to the size of the fund or the donation is fully spent.

(34) If the donor (or representative) is unable to be contacted, the Philanthropic Governance Committee will consider recommendations which may include:

- a. redirecting the donation to a similar intent.
- b. seeking additional donations to supplement the original donation to enable the activity to continue.
- c. winding up a separately named fund and transferring the residual to a University endowment fund to support a similar intent.
- d. seeking legal advice.

## **Section 7 - Additional Considerations**

(35) Once donations are received, they are applied according to University procedures and guidelines for that specific activity.

(36) The University will determine if specific individuals will be supported by any donation.

(37) The University will endeavour to maximise the impact of donations through leveraging opportunities for additional funding and streamlining administrative processes where practical.

## **Section 8 - Donations for Research**

(38) The Office of Alumni and Philanthropy will oversee donations for research in accordance with donor intent and on recommendations by the Philanthropic Governance Committee. Enquiries regarding these activities may be sent to [research-donations@newcastle.edu.au](mailto:research-donations@newcastle.edu.au) or [gift-governance@newcastle.edu.au](mailto:gift-governance@newcastle.edu.au)

(39) In accordance with clause 13, all donations for research must be referred to the Office of Alumni and Philanthropy who will ensure donations are correctly recorded and deposited into either a supporter cost collector or "G number".

(40) The establishment of G numbers, activated through the completion of Grant Establishment Forms, will normally be the responsibility of the Chief Investigating Officer (researcher). The researcher will also be responsible for

ensuring they have access to the finance system (currently Technology 1) to access the funds. Refer to Research Policy and Guidelines for further details.

(41) If the research is intended to be supported through investment earnings on the donation, the original donation will normally be held in a supporter cost collector and the disburseable amount used for the research will normally be transferred or otherwise able to be tracked via a G number and managed accordingly. (Exceptions may apply subject to University financial management or trust deed requirements).

(42) The Office of Alumni and Philanthropy will provide relevant data about supporter cost collectors receiving research donations in order to comply with Higher Education Research Data Collection reporting requirements.

(43) Requests for donor invoices to support research, should be sent by the Office of Alumni and Philanthropy to [research-grants@newcastle.edu.au](mailto:research-grants@newcastle.edu.au).

## **Section 9 - Non-monetary donations**

(44) Refer to the In-kind Donation Procedure and [Gift Governance Portal](#) for further information.

## **Section 10 - Disbursement of donations**

(45) The Philanthropic Governance Committee has oversight for the disbursement of donations and may establish processes to oversee requests to draw upon donations with similar characteristics to enable effective and efficient consideration.

(46) Once a donation is received in full for a specified purpose intended for immediate use (e.g. specific research project, scholarship or prize), the Delegated Officer may approve its use, and provide the details in a report to the Philanthropic Governance Committee each year.

(47) The disbursement of all donations other than clause 46, are subject to Philanthropic Governance Committee consideration.

(48) Unless otherwise specified in the donor documentation, where a donation requires investment income to honour its purpose, the initial donation may not normally be drawn upon until the following calendar year to allow it the opportunity to earn investment income. Exceptions may apply if the fund is still receiving donations to achieve its fundraising goal. The Philanthropic Governance Committee may approve any exceptions.

## **Section 11 - Donor management - stewardship and recognition**

(49) Unless precluded by law, the University will record and keep all donation and donor details as confidential information and will request consent from a donor to publicly acknowledge a donation.

(50) The University may establish donor recognition and stewardship programs at its discretion and may offer naming recognition opportunities for donors.

(51) Donors may choose to decline to participate in donor recognition and/or donor stewardship activities.

(52) The Office of Alumni and Philanthropy:

- a. may seek confirmation and permission to publicly acknowledge a donor's generosity (if not otherwise captured

when making the donation).

- b. records instances where a donor wishes to remain anonymous.
- c. coordinates and provides overarching donor stewardship, recognition and reporting across the University to ensure compliance with reporting and governance requirements and to complement and supplement activities undertaken by recipients of research or scholarship donations and key internal stakeholders.

## Status and Details

<b>Status</b>	Historic
<b>Effective Date</b>	24th October 2017
<b>Review Date</b>	1st September 2020
<b>Approval Authority</b>	Deputy Vice-Chancellor (International and Advancement)
<b>Approval Date</b>	24th October 2017
<b>Expiry Date</b>	12th April 2022
<b>Responsible Executive</b>	Kate Meyers Director Advancement
<b>Enquiries Contact</b>	Office of Alumni and Philanthropy

## Glossary Terms and Definitions

**"Council"** - The governing authority of the University established under section 8A of the University of Newcastle Act 1989.

**"University"** - The University of Newcastle, a body corporate established under sections 4 and 5 of the University of Newcastle Act 1989.

**"Risk"** - Effect of uncertainty on objectives. Note: An effect is a deviation from the expected, whether it is positive and/or negative.

**"Asset"** - Any tangible or intangible item (or group of items) that the University owns or has a legal or other right to control and exploit to obtain financial or other economic benefits.

**"Confidential information"** - All information which is disclosed to a party by, or on behalf of, the other party, or which is otherwise acquired by a party from the other party, or any adviser engaged by the other party, which: (a) is by its nature confidential; (b) is designated by the other party as being confidential; or (c) the party knows or ought to know is confidential, but does not include information which: (d) is or becomes public knowledge other than through a breach of confidentiality; (e) was already in the possession of a party and not subject to an obligation of confidentiality; (f) is lawfully received from a third party; or (g) is independently developed by a party.

**"Law"** - All applicable statutes, regulations, by-laws, ordinances or subordinate legislation in force from time to time anywhere in Australia, whether made by the Commonwealth, a State, a Territory or a local government and, where the context permits, includes the common law and equity.

**"Personal information"** - Has the same meaning as in the Privacy and Personal Information Protection Act 1998 (NSW).

**"Donation"** - A gift of money or property made voluntarily to the University with no material benefit to the donor.

**"Establishment"** - When referring to an Award offered by the University, establishment means the process of approving an award that the University has decided to offer. For all other uses of this term, the generic definition applies.

**"Officer"** - Has the meaning given in the Corporations Act 2001 (Cth), or any replacing legislation.

**"Program"** - When referring to learning, a program is a sequence of approved learning, usually leading to an Award. For all other uses of this term, the generic definition applies.

**"Staff"** - Means a person who was at the relevant time employed by the University and includes professional and academic staff of the University, by contract or ongoing, as well as conjoint staff but does not include visitors to the University.

**"Stewardship"** - The process whereby an institution cares for and protects its philanthropic support – its gifts and those who give them - in a way that responds to the donor's expectations and respects the act of giving.