

Donation Acceptance and Management Procedure

Section 1 - Purpose

(1) This procedure is intended to support staff who are involved in the acceptance and management of donations made to the University of Newcastle (University).

(2) This procedure should be read in conjunction with the [Donation Acceptance and Management Policy](#).

Section 2 - Scope

(3) This procedure applies to all donations made to the University.

(4) This procedure does not apply to:

- a. personal gifts to individual employees (refer [Conflict of Interest Policy](#)).
- b. instances of individuals volunteering time or expertise (refer [Volunteer Management \(Including Volunteer Researcher\) Policy](#)).
- c. donations of bodies for medical research and training (refer [Body Donor Program](#)).

Section 3 - Making a Donation

(5) Channels through which donations to the University may be made include (but are not limited to): bequests, pre-tax payroll deductions, regular giving, appeals, peer-to-peer fundraising, online donations, cheque payments, EFT payments, pledges and in-kind gifts, which may include transfer of financial or real assets. These channels may be varied from time to time at the discretion of the University.

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

(7) The University recommends potential donors 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.

(8) The University recommends potential bequest supporters seek independent legal and financial advice regarding a donation they may choose to leave in their Will.

Section 4 - Assessment of Intent

(9) The University will work with the donor (or their representative) to assess the intent of the donation, particularly where the donation is intended to establish new activities. This assessment will include:

- a. assessment of the intent against the principles outlined in the [Donation Acceptance and Management Policy](#);
- b. identifying if the donation is intended to support an existing activity or establish a new activity;
- c. assessment of the type of donation. For example:
 - i. a specified donation - where the donor's intent has a clear and specific purpose;
 - ii. a semi-specified donation - where the donor's intent is attributed to a broad purpose;
 - iii. an unspecified donation - where there is no intent or purpose specified by the donor;
- d. In the case of a donor-funded program intended to recruit staff, identification of whether the donation will:
 - i. fully support the employment of the staff member for the duration of their contract;
 - ii. support in part or in full the employment of a position on the basis that the University has budgeted to meet the shortfall; or
 - iii. provide significant ancillary funding to support a role paid for by the University (e.g. research funding to support a professorial chair).

(10) In the case of bequests, the University's management of the donation will be informed by the Will.

Section 5 - Donation Acceptance

(11) Prior to accepting any donation, the University will assess the financial, legal and reputational risk to the University.

(12) Prior to accepting a donation to support a new activity the University will undertake appropriate due diligence. This may include, but is not limited to:

- a. making an assessment of the donor and donation purpose against the [Ethical Framework](#);
- b. determining if a conflict of interest exists, and assessing the donation against the requirements of the [Conflict of Interest Policy](#) and its associated procedure;
- c. confirming that the University has capacity to install, maintain and use the donation as per its intended purpose and without conflict or undue cost;
- d. determining if any notification requirements exist, and complying with these where relevant (eg: the Australian Government's Foreign Arrangements Scheme);
- e. seeking legal and/or financial management advice.

(13) Only officers with delegated authority may accept donations on behalf of the University (refer [Delegations Register](#)). Delegates should consult with relevant colleges / divisions of the University prior to accepting a donation for a new activity. (See also [Donated Assets \(In-specie\) Transfer Procedure](#).)

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

Section 6 - Accepting Trusteeship and Establishment of Charitable Trusts

(15) The University may choose to become a trustee of an existing trust, or accept a donation which will require the establishment of a charitable trust.

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

(17) 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.

(18) The Office of Alumni and Philanthropy will:

- a. seek legal advice and financial management advice;
- b. 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 if the donation constitutes a charitable trust or requires the University to become a trustee of an existing trust;
- c. facilitate the appropriate due diligence as outlined in Section 5;
- d. seek legal advice to finalise the specific details of the trust deed in collaboration with the donor, donor's representative or the existing trustee;
- e. seek endorsement from the Philanthropic Governance Committee and the Vice-Chancellor to refer the potential trust or trusteeship to the University Council for approval, subject to entering an appropriate trust deed.

(19) Where possible, charitable trusts for ongoing purposes should be defined as broadly as possible, to ensure success and effective administration of the trust.

(20) If appointed as the 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 7 - Management of Charitable Trusts

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

(22) The disbursement of funds from a charitable trust must be reviewed annually by the Philanthropic Governance Committee to ensure it is meeting the terms of the trust.

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

(24) 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.

Section 8 - Donation Management

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

(26) 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 a forecast of anticipated investment earnings for the following year 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 appropriately 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; and
- g. management, investment and/or disposal of in-kind donations in the form of financial assets. See the [Donated Asset \(In-Specie\) Transfer Procedure](#).

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

- a. will maintain records of donor intent, including gift agreements/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 Financial Services to create new 'supporter' cost collectors (where applicable) and advise of any new donations or donor documentation which may impact the financial management of these funds; and
- 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.

(28) Requests to expend donations should be forwarded to the Office of Alumni and Philanthropy via gift-governance@newcastle.edu.au to ensure the appropriate consideration, approval in accordance with the University's delegations of authority, and documentation. Depending on the nature of the donation, requests may require completion of an Application to Access Philanthropic Funds form.

(29) 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.

(30) The University may consult with the donor (or their representative) where possible, and to the extent provided by law, to ensure a donation can be applied or redirected to align to the donation's broad intent as defined, or returned, in circumstances where:

- a. the prior acceptance of a gift from a donor subsequently poses undue financial, legal or reputational risk to the University;
- b. a donation is deemed to no longer align to the Principles outlined in the [Donation Acceptance and Management Policy](#);
- c. a donation is deemed ineffective; or
- d. a donation is unable to be applied according to its purpose.

(31) Refunds of donations are rarely required, but typically arise due to an administrative or system error, either by the University, the donor or the payment channel. Refer to the [Delegations Register D5](#) for authority on who can approve a donation refund.

(32) In regard to the exercise of this authority by the Executive Director of Advancement or the Head of Advancement Operations, both are authorised to approve a donation refund only under the following conditions:

- a. refunds will only be approved where the:
 - i. donation is being reversed (ie: the same payment method, same amount and credit card used);
 - ii. refund is recorded against the donor;
 - iii. original donation was processed by Office of Alumni and Philanthropy (OAP) staff through the Salesforce CRM and the refund is also being processed through the CRM;
 - iv. refund amount falls within the approved [Delegations Register](#) financial limits;
 - v. refund is both within the same tax year and within a month of the original donation date.
- b. refunds which fall outside the above criteria will require approval from the Vice-Chancellor or Chief Financial

Officer.

- c. All refunds authorised by the OAP are reported to both Financial Services and the Philanthropic Governance Committee.

(33) The University may, to the extent permitted by law, consult the donor (or their representative) to find an alternate option and redirect a 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 their 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 an alternate University fund to support a similar intent; or
- d. seeking legal advice.

Section 9 - 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 10 - Donations for Research

(38) The Office of Alumni and Philanthropy will ensure donations for research are applied in accordance with donor intent and, where there is discretion as to how donations may be applied, on recommendations provided by the Philanthropic Governance Committee. Enquiries regarding these activities may be sent to research-donations@newcastle.edu.au or gift-governance@newcastle.edu.au.

(39) In accordance with this Procedure, all donations or grants for research which are provided with philanthropic intent must be referred to both the Office of Alumni and Philanthropy and Director, Research Grants, which will ensure these are correctly recorded and deposited into either a supporter cost collector or a "G number" which incorporates the relevant philanthropic grants code.

(40) Once a donation or grant for research is allocated to a G number, the Director, Research Grants will oversee these in accordance with donor intent and in partnership with the Chief Investigator.

(41) The establishment of G numbers, activated through the completion of Grant Establishment Forms, will normally be the responsibility of the Chief Investigator (Researcher). The Researcher will also be responsible for ensuring they have access to the finance system (currently TechnologyOne) to access the funds.

(42) 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 disbursable 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).

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

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

Section 11 - Non-monetary Donations

(45) Refer to the [Donated Assets \(in-specie\) Transfer Procedure](#) for further information.

Section 12 - Disbursement of Donations

(46) 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.

(47) Once a donation is accepted for a specified purpose and intended for immediate use (e.g. specific research project, scholarship or prize), an authorised officer may approve its use, and provide the details in a report to the Philanthropic Governance Committee each year.

(48) The disbursement of all donations other than under clause 45 is subject to Philanthropic Governance Committee consideration.

(49) 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 13 - Donor Management - Stewardship and Recognition

(50) 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.

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

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

(53) 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.

Section 14 - Definitions

(54) In relation to this document:

- a. Grant - in the context of funding to the University, a grant refers to funds received from a third party, whereby any unspent funds are required to be returned to the funder, and the funder is contractually entitled to receive specified deliverables from the University.

Status and Details

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Glossary Terms and Definitions

"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.

"Research" - As defined in the Australian Code for the Responsible Conduct of Research, or any replacing Code or document.

"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.

"College" - An organisational unit established within the University by the Council.