

FP 26 The Financial Procedure for the Acceptance of Donations including Due Diligence

Approved by:	Effective date:	Next review:
Chief Financial Officer	31 July 2022	31 July 2024

Procedure statement

The financial procedure sets the process to be followed in assessing if a donation can be accepted by the University and the steps to be taken to account for, and report on, the donation. Throughout this document the term 'donation' will be used to reflect all forms of gifts and donations.

Who needs to know about the Procedure

- All managers
- All staff

Purpose of the Procedure

Heads of Schools/Departments/Centres have responsibility for undertaking due diligence on donations which fall below a threshold of £5,000. Records of these reviews and decisions to accept or decline a donation must be kept within the School/Department/Centre. This information may be called upon for audit purposes.

Acceptance of donations that exceed this value are the responsibility of the Senior Management Team and the Vice Chancellor.

This procedure sets out the processes to be followed to determine if the donation can be accepted and the financial controls and procedures to be followed to account for the donation.

Contacts

The University's Finance Department is responsible for:

- Completing any due diligence reviews on gifts/donations in excess of £5,000 in value to provide support to Senior Managers and the Vice Chancellor in determining if a donation can be accepted
- Maintaining and updating the list of donations, endowments and gifted assets received by the University
- Securing insurance to cover the value of gifted assets
- Preparing an annual report to the Donations and Fundraising group to confirm decisions taken on proposed donations and notification of all new donations received in year.

The team can be contacted by emailing: Finance.accounting@canterbury.ac.uk

FP 26 The Financial Procedure for the Acceptance of Donations including Due Diligence

Contents

Financial Procedure FP 27 Acceptance of Donations including Due Diligence	3
1 Definition and types of donations	3
2 Procedures to be followed – Initial Due Diligence	4
3 Acceptance, Reporting and Monitoring of the donation	5
4 Flowchart for the receipt of donations and gifts	7

FP 26 The Financial Procedure for the Acceptance of Donations including Due Diligence

Financial Procedure FP 27 Acceptance of Donations including Due Diligence

1 Definition and types of donations

- 1.1 The definition of a donation is a gift that does not confer full or partial ownership of a deliverable, financial benefit, or control to the funder in return for the funding. The gift must be owned in full by the receiving institution once it is received.

Source: CASE-Ross Support of Education Survey (UK and Ireland) 2021

As a registered Charity the University receives a variety of different gifts, donations, endowments and legacies for many different purposes, these can be defined into the following groups:

- a) Gifts from individuals, in the UK and overseas, of cash and other wealth assets, these include shares, bonds etc
 - b) Gifts-in-kind of physical items – property, art, equipment etc. in-kind services and pro-bono voluntary work.
 - c) 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.
 - d) Gifts from grant-makers, charitable trusts and foundations in the UK and overseas.
 - e) Grants made by foundations and other charities, located in the UK and overseas.
 - f) Gifts from corporates in the UK and overseas.
- 1.2 Ineligible sources of donations include all funding from HM Government and its agencies, including the Office for Students, Research England and the Research Councils and internal transfers within the University.
- 1.3 Any donations or funds received must adhere to the University's Treasury Management Policy and meet the University's standards and values. Therefore, funds cannot be received from the following:
- a) Activities that conflict with the University's sustainability measures; within which there is an aim to reduce the carbon footprint;
 - b) Fossil fuel companies, including coal and tar-sands;
 - c) Corporations complicit in the violation of International law;
 - d) Arms companies;
 - e) Where such investment might have an adverse impact on the reputation of the University;
 - f) Where the investment fund is not able to demonstrate social responsibility within the context of the locality of the investment activity; and,
 - g) Where the investment is considered unethical and not in keeping with the University's values;
 - h) Where the donor wishes to be anonymous;
 - i) From current students with the exception of low level gifts from Alumni who register for further programmes of study at the University;

FP 26 The Financial Procedure for the Acceptance of Donations including Due Diligence

- j) From the parents/guardians of current students, until the student has graduated from the University;
- k) If there is reason to believe the donor is classed as a vulnerable person;
- l) If the donation constitutes any form of bribery;
- m) If the maintenance, security and insurance costs of the asset are found to be excessive.

2 Procedures to be followed – Initial Due Diligence

- 2.1 Acceptance of donations: There should be no presumption that any offer of a donation will be accepted by the University. It is essential that all discussion with potential or existing donors and within the University are strictly without prejudice up to the date of execution of a donation agreement or formal exchange of letters accepting the donation.
- 2.2 Prior to accepting a donation the Senior Manager, Head of Department or School is required to complete an initial risk assessment of any proposed donations to determine if the funds come from a legitimate source, including consideration of the following risk factors:
 - a) requirements to repay the donation (in substance a loan);
 - b) donations in an atypical foreign currency;
 - c) donations which require unusual transfer arrangements for the funds to be received by the University;
 - d) donations where very specific services need to be provided to secure the donation;
 - e) requirements to pass on the donation to a specific entity or use for a specific unusual purpose;
 - f) the donor is anonymous or wishes to remain anonymous to the University;
 - g) donations potentially create a relationship in perpetuity;
 - h) donations are sources from countries with a problematic international status or regulatory environment;
 - i) 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;
 - j) donations which could impose a very restrictive course of action on the University and compromise the independence and effectiveness of the Senior Management and/or the Governing Body;
 - k) the cost of receiving and maintaining the donation will be add excessive demands on the University's budget, including any ongoing costs of maintenance, security and insurance.
- 2.2 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's objectives.
- 2.3 The Senior Manager, Head of Department and/or School should give prior consideration of the risk factors of accepting the donation by completing the Donation Form D3 and the Due Diligence Form D4. These documents will then be shared with the Financial Accounts team and the Head of Fundraising.

FP 26 The Financial Procedure for the Acceptance of Donations including Due Diligence

- 2.4 Where the donation is intended to be held for prizefunds, bursaries or awards to students a full review of due diligence will be completed by the Financial Accounts Team based on the information provided in the Due Diligence Form D4.
- 2.5 For all other types of donation, where the value is £5,000 or less the Financial Accounts Team will rely on the decision of the Senior Manager as to whether the donation can be accepted.
- 2.6 For all other types of donation, where the value is more than £5,000 a review of due diligence will be completed by the Financial Accounts Team based on information provided in the Due Diligence Form D4.
- 2.7 Where the donation is in the form of a physical asset the Financial Accounts Team will consult with the Insurance Officer to determine if the asset can be insured and to ensure the asset is recorded on the asset register.
- 2.8 The Head of Department and/or School is responsible for initiating any maintenance and security arrangements for physical assets and the cost of this will be charged to the Faculty, School or Department.
- 2.9 Once the the Due Diligence Form has been completed it will be reviewed by a Senior Manager. If the donation is found to be acceptable the Donor will be provided with the University's Gift Agreement D5 for signing for donations in excess of £5,000 or a letter of acceptance for smaller value gifts.
- 2.10 If the due diligence review identifies that the proposed donation cannot be accepted the Senior Manager will be advised to write to the proposed donor to politely decline the donation. This will be in a form of letter from the Head of Fundraising.
- 2.11 All forms referred to in this procedure are available on staffnet pages: [Link to be added](#)

3 Acceptance, Reporting and Monitoring of the donation

- 3.1 It is important that the receipt of all donations are reported to the Financial Accounts Team. The Financial Accounts Team are responsible for ensuring:
 - i. Due diligence reviews have been completed prior to acceptance of the donation;
 - ii. Maintaining a register of donations for reporting to the Donations and Fundraising Group;
 - iii. Obtaining insurance for any gifted assets;
 - iv. Recording any gifted assets on to the Fixed Asset Register;
 - v. Investing funds for endowments and prizefunds;
 - vi. Stewardship of prizefunds and awards, including the administration of payments;
 - vii. Administering the claim for gift aid from HMRC.

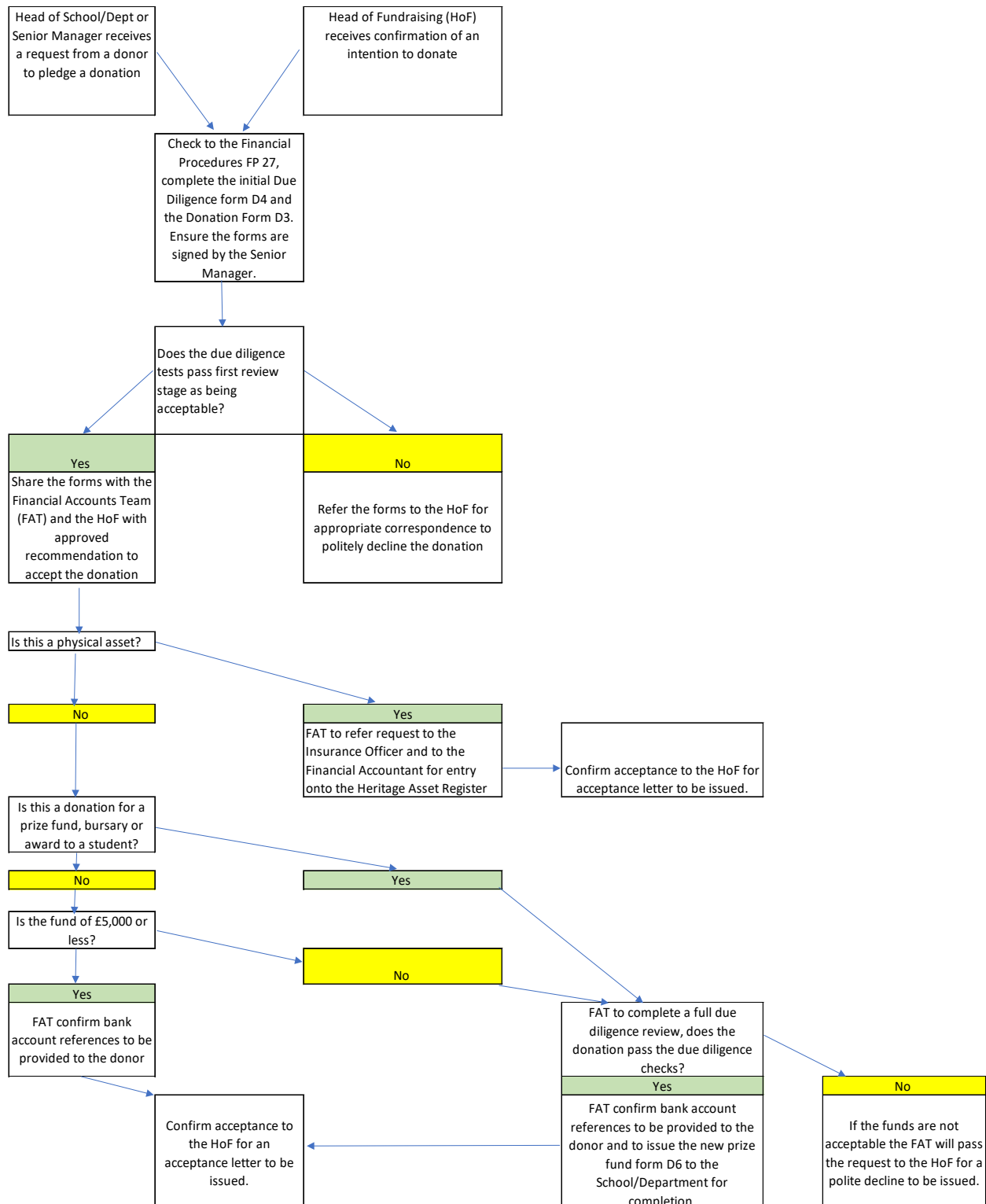
FP 26 The Financial Procedure for the Acceptance of Donations including Due Diligence

- 3.2 Once accepted the donation will be recorded by the Financial Accounts Team in the central register, along with a copy of the signed Donation form or Gift Agreement. The donated fund will be given a fund name that reflects the donor and/or type of donation.
- 3.3 For donations that generate a prize fund, bursary or award to students the D6 New Prize Fund form will be issued to the Head of Department or School for completion. This will determine if any funds are to be accounted for as Permanent or Expendable endowments.
- 3.4 All donated monetary funds are to be deposited in the University's Endowment bank account.
- 3.5 The Financial Accounts Team will review each donation received from an individual and where appropriate will issue a D8 Gift Aid form to capture the information required to support a claim to HMRC for gift aid.
- 3.6 The Financial Accounts Team will contact the Head of Department and/or School when prizefunds and awards are due to be made and advise of the value of funds available.
- 3.7 At the end of each financial year the Financial Accounts Team will compile a report to the Donations and Fundraising Group that sets out a list of all donations received in the year, and a record of all due diligence completed on both prospective and actual donations.

FP 26 The Financial Procedure for the Acceptance of Donations including Due Diligence

4 Flowchart for the receipt of donations and gifts

Flowchart for the receipt of donations and gifts



FP 26 The Financial Procedure for the Acceptance of Donations including Due Diligence

Document Information	Description of Document Information
Document Title	FP 26 The Financial Procedure for the Acceptance of Donations including Due Diligence
Department Owner	Finance Department
Document Category	Financial - Documents relating to accounting, budgeting, procurement, travel and other financial functions Governance - Documents relating to the governance of the University
Document Owner	The Document Owner: Assistant Director of Finance: Financial Accounting The Policy Owner: Chief Financial Officer
Document Manager	The Document Manager: Assistant Director of Finance: Financial Accounting
Related University Policies	Financial Regulations – Treasury Policy Acceptance of Donations Policy Anti Money Laundering Procedures Fraud Policy Anti Bribery Policy Naming of Buildings Facilities and Rooms Policy
Related University Procedures	FP 13 Anti Money Laundering Procedure
Approved by	The Chief Financial Officer
Date Approved	
Date of Commencement	From approval
Review Date	31/07/2024
Version	Version 1

FP 26 The Financial Procedure for the Acceptance of Donations including Due Diligence

Document Information	Description of Document Information
History of revisions of the Document	
Web Address	<i>Link to be added to the Finance page on Staffnet</i>

Please refer to the Financial Procedure FP 27 Acceptance of Donations and Gifts, including Due Diligence, before completing this form.

Person completing this form

Faculty/Department/School

Head of Faculty/Department/School

Email Address

Name and address of Donor

£ Value /or description of asset type

Initial Due Diligence completed, or requested if value is £5,000 or less:

Outcome of review:

Is the donation eligible?

Has a letter of acceptance or decline been sent?

Can gift aid be claimed?

Authorised by Head of Faculty or Department

Date



D4 Due Diligence form

INFORMATION ABOUT THE PROPOSED DONOR

1 Registered name and address of organisation

2 Main Contact

3 Website Address

4 Strategic Objectives / Mission Statement of Proposed Donor

Please provide details of the organisation's main strategic objectives or Mission Statement.

5 Portfolio

Please provide a summary of the organisation's portfolio.

LEGALS

6 Legal Status

Please confirm the organisation's legal status (e.g. corporation, company or charitable trust) in its home country.

Please provide relevant supporting documentation (e.g. Memorandum of Agreement, charter and statutes, or instrument and articles of governance and association).

Please note the organisation's registered charity number or registered company number (if applicable).

Charity Commission: <https://register-of-charities.charitycommission.gov.uk/>

Registered Company: <https://www.gov.uk/get-information-about-a-company>

7 Accredited/Recognised Status

Please confirm the organisation's accredited or recognised status accorded by the relevant authorising bodies.

Does the University have a well-established relationship with the donor?

8 Legal Proceedings/Arbitration/Prosecution/Investigation/Complaints

Please record whether any of the following is current or known to be pending:

-Any legal or arbitration proceedings (whether as a claimant or a defendant)

-Any prosecution

-Any investigation or inquiry by a government or official body

-Any internal or external formal complaints

Do any additional identity checks need to made (e.g. bankruptcy searches)?

9 Please record here whether within the last five years any court has made a finding of discrimination against the organisation.

10 Please record here whether the organisation has had any contract terminated for breach of contract by another organisation in the last five years.

GOVERNANCE, STRUCTURES AND POLICIES

11 Funding

Please confirm whether the organisation is publicly (government funded) and/or privately funded.

12 Annual Report

Please provide the most recent Annual Report for the organisation.

13 Anti-Bribery or Anti-Corruption Policy

Please provide the organisations anti-bribery or anti-corruption policy or similar statement of values.

Please confirm whether the policy or statement of values referred to is published on the organisation's website.

CCCU Policy: [Anti-Bribery and Fraud \(canterbury.ac.uk\)](https://www.canterbury.ac.uk/anti-bribery-and-fraud)

14 The Nature of the Donation and any Conditions

How large is the donation?

Is it a single payment or one of a series?

If a series payment, is this the initial payment?

Is the payment unusual or substantial?

In what form is the money being received?

What currencies are involved?

State the funds country of origin.

Are there any unreasonable conditions?

Is there a condition whereby funds may be held by the University for a period-of-time then returned to the donor with interest retained by the University?

Will the University be a conduit for funds to a third-party?

15 Gift Aid

<https://www.gov.uk/donating-to-charity/gift-aid>

Are the donors UK taxpayers? Can Gift Aid be claimed?

Does the donor satisfy the three legal tests to rule out tainted gifts?

Three Tests:

<https://www.gov.uk/government/publications/charities-detailed-guidance-notes/annex-viii-tainted-charity-donations>

16 Gifts & Hospitality

Please provide the organisation's policies and procedures in relation to gifts and hospitality. If this is not available, please provide a statement regarding the organisation's current practices in relation to gifts, hospitality, donations and financial probity.

CCCU Policy: [Acceptance-of-Donations-Policy-Sept-2021.docx \(live.com\)](#)

17 Equality and Diversity Policy

Please provide the organisation's Equality and Diversity Policy Statement. If the organisation does not have an Equality and Diversity Policy please state how the needs of students with protected characteristics are met.

18 Web Search

Please confirm that a web search has been conducted on the proposed donor. Please detail any negative reports found regarding the proposed donor for the University's further consideration.

Have any public concerns been raised regarding the donors or their activities? If yes, what was the nature of their concern?

When was the concern raised?

Were there investigations by police or regulators?

Would any adverse publicity regarding the donor have a damaging effect on the University?

19 Anti-Money Laundering

Check donors against the Government published lists of proscribed organisation and financial sanctions targets.

The UK sanctions list - GOV.UK (www.gov.uk)

Suspicion of money laundering (donations over £10,000) should follow the procedures within the University Money Laundering Policy.

CCCU Policy: <https://cccu.canterbury.ac.uk/finance/financial-procedures/financial-procedures.aspx>

Evidence of crime must be reported to the police and/or relevant authorities. In such cases the matter should be reported to Governance and Legal Services.

Serious incidents must be reported to the charity regulators. In such cases the matter should be reported to Governance and Legal Services.

20 Avoidance of Corrupt Practices

The corruption perceptions index measures the perceived levels of public sector corruption in various countries and territories.

<http://www.transparency.org/research/cpi/overview>

Please consult the latest Corruption Perceptions Index and note the country's score and its rank in terms of public sector corruption on a scale of 0-100, where 0 means that a country is perceived as highly corrupt and 100 means it is perceived as very clean.

A country's rank indicates its position relative to other countries/territories included in the index.

21 Overseas Financial Framework

Please provide evidence that it is lawful to receive donations from the country where the proposed partner is based.

Please provide any exchange controls or currency regulation that affect payments of currency into or out of the country where the programme will be delivered.

Please provide the taxation liability for the University (e.g. local tax laws, any tax liability on payments out of the country to the UK, etc.)

22 Business and Ethical Interests/Links

Please note any business and ethical interests/links the proposed organisation may have, within the UK or overseas, that would need to be reviewed within the University's Mission of Values.

Would any adverse publicity regarding the donor have a damaging effect on the University?

Person Making This Request <input type="text"/>	Department <input type="text"/>
Nominated Administrator <input type="text"/>	Email Address to which correspondence should be sent. <input type="text"/>

Proposed Name of Prize Fund <input type="text"/>	Endowment Type * <input type="text" value="Permanent / Expendable"/>
Total Amount Paid Into Fund <input type="text"/>	
Value of Award <input type="text"/>	Frequency of Payout <input type="text"/>

Selection Criteria

Restrictions

Donor Details - If more than 3 please continue on a separate page.

Donor 1	Donor 2	Donor 3
Name <input type="text"/>	Name <input type="text"/>	Name <input type="text"/>
Address <input type="text"/>	Address <input type="text"/>	Address <input type="text"/>
Amount £ <input type="text"/>	Amount £ <input type="text"/>	Amount £ <input type="text"/>
Gift Aid ** <input type="text"/>	Gift Aid ** <input type="text"/>	Gift Aid ** <input type="text"/>

Authorised by Head of Department

Date

* For further information on Permanent/Expendable Endowments, please refer to the prize fund information sheet.

** Must be supported with a Gift Aid Declaration form.