

Policy and Guidelines for the Acceptance and Refusal of Donations

University of Bristol

Part I - Core Principles

1 Introduction

- 1.1 The University of Bristol has an obligation to its students, staff, supporters, stakeholders, funders and the wider public to ensure that it conducts its fundraising and relationships with donors in an ethical manner. This includes accepting donations only from sources which support its core values of impartial and independent research, scholarship and teaching. The University will only accept donations when this is clearly understood and accepted by all parties.
- 1.2 The purpose of this policy is to allow the University to make clear and consistent decisions regarding the acceptance or refusal of donations.
- 1.3 This policy applies to the Board of Trustees, staff of the University's Development and Alumni Relations Office and all University staff engaged in fundraising or receiving and managing donations on the University's behalf including the University's subsidiaries.
- 1.4 Notwithstanding any delegation arrangements within the University, ultimate responsibility for all fundraising activities and for decisions in relation to the acceptance or refusal of all donations rests with the Board of Trustees.
- 1.5 This policy consists of two parts, which should be read together:
 - 1.5.1 Part I – Core Principles
 - 1.5.2 Part II – Operational Guidelines
- 1.6 The following Appendices also form part of this policy and **MUST** be read in conjunction with it:
 - 1.6.1 **Appendix 1** - the duties of the Trustees, as charity trustees of the University, and their delegates when making decisions in accordance with this policy.
 - 1.6.2 **Appendix 2** - the University's policy and procedures for carrying out due diligence in relation to donors.
 - 1.6.3 **Appendix 3** - hierarchy of decision making and approval process.
- 1.7 This policy reflects the **Ethical Principles Behind the Acceptance of Gifts** developed by CASE Europe.
- 1.8 This policy has been adopted by the Board of Trustees. It will be reviewed annually by the Director of Development and Alumni Relations who may, in his or her annual report to UEB and the Board of Trustees, recommend necessary amendments. Such amendments may relate to the monetary values specified in this policy and/or amendments to reflect major risks associated with it or changes to relevant legal and regulatory requirements or other University policies or regulations. Any amendments

must be approved by the Board of Trustees. A full review will be carried out by the Board of Trustees every 5 years.

2 Definitions and interpretation

2.1 In this policy, a phrase where the word **MUST** is used in bold indicates a requirement that is mandatory under the policy (whether because it reflects a legal requirement or otherwise).

2.2 In this policy, the following words and expressions have the following meanings:

2.2.1 '**Acceptance and Refusals of Donations Policy**' means this policy together with its appendices.

2.2.2 '**CASE**' is the Council for Advancement and Support of Education.

2.2.3 '**Code**' means the Fundraising Regulator's Code of Fundraising Practice.

2.2.4 '**DARO**' means the University's Development and Alumni Relations Office.

2.2.5 '**DARO staff**' means University staff employed in DARO.

2.2.6 '**Data Protection Statement**' means the Development and Alumni Relations Office Data Protection Statement as updated from time to time.

2.2.7 '**donor**' means a person (or persons) who gives philanthropically to the University, including individuals, charitable trusts and foundations, corporate organisations [and government agencies] and, where the context permits, includes a prospect.

2.2.8 '**donation**' or '**gift**' mean a philanthropic donation or philanthropic gift and include any form of philanthropic support received by the University, including cash, stocks and shares, property and gifts in kind of equipment, artefacts, etc.

2.2.9 '**Donor Charter**' means the University's stated commitments to donors as updated from time to time.

2.2.10 '**due diligence**' means the process for researching and assessing prospective donors, to be carried out in accordance with the University's Due Diligence Policy.

2.2.11 '**Due Diligence Policy**' means the University's donor due diligence policy and procedures included **at Appendix 2** as updated from time to time.

2.2.12 '**fundraising**' means all fundraising activities of the University including soliciting gifts/donations, managing relationships with donors, bidding for and managing philanthropic funding and the receipt and stewardship of funds raised.

2.2.13 '**legal advice**' means advice from the University's Legal Services team in the first instance and/or, where deemed by that team to be appropriate, external legal advice.

2.2.14 '**Naming Policy**' means the University's policy and guidelines for the naming of University buildings, centres, posts and awards as updated from time to time.

2.2.15 '**Policy Statement**' means the University's policy statement in relation to the acceptance and refusal of donations set out at **3.1 of Part I** of this policy.

2.2.16 '**prospect**' means a person or persons who has indicated a willingness or intention to give to the University (or is assessed as possibly being so willing),

including individuals, charitable trusts and foundations, corporate organisations [and government agencies], but who has not previously donated.

2.2.17 **'staff engaged in fundraising on the University's behalf'** refers to staff other than DARO staff engaged in fundraising in any way on behalf of the University and includes all academic and non-academic staff, students, volunteers and (where the context permits) Trustees.

2.2.18 **'University'** means the University of Bristol.

2.2.19 **'UEB'** means the University Executive Board.

3 Policy Statement and guidelines relating to the acceptance and refusal of donations

3.1 As a charity, the University is obliged to accept all donations unless it would be unlawful to do so or would be detrimental to the achievement of the University's charitable educational purposes.

3.2 In recognition of this obligation, it is the University's policy that it will accept all donations except those that it judges to be obtained from activities which are or could be deemed to be unlawful whether in the United Kingdom or overseas or those which could otherwise adversely affect the reputation of the University or compromise its academic freedom or integrity.

3.3 Each donation will be considered on a case by case basis in accordance with the procedures set out in this policy. However, in accordance with its Policy Statement, the University's general position is that it will only refuse a donation where, in the University's opinion:

3.3.1 The donation results from unlawful activities (including unlawful discrimination, violation of international conventions on human rights or any form of theft, bribery, fraud, tax evasion, money laundering or terrorist activity) whether in the UK or overseas.

3.3.2 The donation requires any unlawful action by or on behalf of the University or its staff or Trustees or was obtained by means that are outside of the scope and spirit of the Code.

3.3.3 The donation derives from any activity that limits freedom of enquiry or is contrary to the University's core values of impartial, independent research, scholarship and teaching.

3.3.4 The activities of the donor are otherwise contrary to the values and strategic goals of the University, such that association with the donor could adversely affect the reputation of the University or its ability to further its charitable educational purposes.

3.3.5 The conditions attached to the donation tie it to a specific activity which is likely to cause an unacceptable actual or perceived conflict of interest for the University or any of its Trustees and/or is not in keeping with values and strategic goals of the University.

3.3.6 The donation could give rise to an actual or perceived conflict of interest between the donor and their activities and the area of work or research being funded at the University.

3.3.7 The donation is likely to cause unacceptable damage or injury to third parties.

- 3.3.8 The donation risks harming the University's relationship with other donors or inhibiting unreasonably the University's ability to seek donations from other sources.
- 3.3.9 The cost to the University of accepting the donation is calculated to be greater than the financial value of the donation itself.

4 **Other associated University policies**

- 4.1 All DARO staff and other University staff involved in fundraising on the University's behalf **MUST** follow all the University's policies and procedures at all times.
- 4.2 It is particularly important that all staff involved in fundraising follow the University's:
 - 4.2.1 Financial Regulations, in particular the Ethical Principles in section 2.4, which include the Seven Principles of Public Life (Nolan Principles), anti-corruption and bribery, conflicts of interest and gifts and hospitality (the Financial Regulations are available for staff at <https://uob.sharepoint.com/sites/finance-services/SitePages/financial-regulations.aspx>);
 - 4.2.2 Anti-Corruption and Bribery Policy (available on the University Secretary's Office website at <http://www.bristol.ac.uk/secretary/legal/bribery/>);
 - 4.2.3 Conflicts of Interest Regulations (available on the University Secretary's Office website at <http://www.bristol.ac.uk/secretary/legal/conflict/>); and
 - 4.2.4 Anti-money laundering policy (available for staff at <https://uob.sharepoint.com/sites/finance-services/SitePages/anti-money-laundering-policy.aspx>).
- 4.3 The Donor Charter can be referenced here <https://www.bristol.ac.uk/alumni/donate/charitable-status-fundraising-promise/>.

Part II - Operational guidelines

1 Philanthropic fundraising strategy, delivery and decision-making

- 1.1 The overall philanthropic fundraising strategy and priorities for the University are approved by the Board of Trustees through its delegated authority to UEB.
- 1.2 The University Management Team has the delegated authority to approve the programme of philanthropic fundraising activity delivered by the Director of Development and Alumni Relations who may in turn delegate matters to members of their team, but other staff and volunteers across the University are also engaged in fundraising on the University's behalf.
- 1.3 The Board of Trustees determines the decision-making policies and procedures for the acceptance and refusal of donations as articulated in this policy and in so doing delegates certain decision-making powers to the Chair of the Board of Trustees, the Chief Operating Officer, the Vice-Chancellor, the Pro Vice-Chancellor (Global Engagement), the Director of Development and Alumni Relations and other DARO staff in line with this policy.
- 1.4 All staff engaged in fundraising on the University's behalf **MUST** adhere to the decision-making policies and procedures with respect to the acceptance and refusal of donations as articulated in this policy. Staff **MUST** recognise the limits of their decision-making authority and the process for referral where their authority would otherwise be exceeded.

2 Responsibilities of Trustees

- 2.1 Ultimate responsibility for overseeing the fundraising activities of the University rests with the Board of Trustees and the Board **MUST** have regard to national guidance when discharging this responsibility. This includes all decisions relating to the acceptance and refusal of donations, even where decision-making has been delegated to staff.
- 2.2 The Board of Trustees is responsible for all decisions relating to the acceptance or refusal of donations and funding in the best interests of the University, although it may delegate decision making. This is a requirement of the Code and reflects the Trustees' key legal duty under charity law. The Board of Trustees must act in accordance with their duties and responsibilities as charity trustees in relation to fundraising set out in **Appendix 1**.
- 2.3 Where the Board has delegated decision-making powers to members of staff, all staff **MUST** ensure that they take all decisions relating to the acceptance or refusal of donations in the best interests of the University. In exercising their delegated powers, staff are required to comply with the duties of Trustees set out in **Appendix 1**.

3 Responsibilities of DARO staff

- 3.1 DARO staff are responsible (among other things) for:
 - 3.1.1 devising the University's vision, mission and strategy for philanthropic fundraising;
 - 3.1.2 implementing the University's philanthropic fundraising programme;
 - 3.1.3 cultivating and stewarding relationships with prospects and supporters, including major and principal donors;
 - 3.1.4 conducting due diligence on prospects and donors in accordance with this policy and the Due Diligence Policy;

- 3.1.5 decision-making in relation to the acceptance / refusal of donations and associated naming opportunities where such approval is within their delegated authority;
 - 3.1.6 documenting gift agreements with donors (with legal advice where appropriate);
 - 3.1.7 implementing the University's Donor Charter and dealing with any complaints received from donors and members of the public in connection with the University's fundraising practices; and
 - 3.1.8 recording and reporting on all philanthropic donations received by the University and ensuring donors are thanked and recognised appropriately.
- 3.2 DARO staff **MUST**, in discharging their responsibilities, observe and promote the highest standards of personal and professional conduct and the University's Donor Charter and **MUST** continually strive to increase their professional knowledge.
- 3.3 When carrying out fundraising activities and supporting other staff of the University engaged in fundraising, DARO staff **MUST** comply with all relevant legal and regulatory requirements to which the University is subject in the context of fundraising and the voluntary codes to which it has subscribed including (but not limited to):
- 3.3.1 the requirements of charity law and guidance issued by the Charity Commission;
 - 3.3.2 the Code of Fundraising Practice issued and maintained by the Fundraising Regulator;
 - 3.3.3 the Ethical Principles for Fundraisers adopted by CASE; and
 - 3.3.4 data protection law and privacy law (specifically the General Data Protection Regulation (GDPR) and the Privacy and Electronic Communications (EC Directive) Regulations 2003) and guidance issued by the Information Commissioner's Office.

4 **Responsibilities of other staff involved in philanthropic fundraising**

- 4.1 All University staff who are or are considering making a direct approach to a prospect or donor, or who have been approached by a prospect or donor or who are in discussions with a prospect or donor **MUST** contact DARO in the first instance. Staff **MUST** consider any specific or general directions or advice given by DARO in relation to the donation in question.
- 4.2 Contacting DARO is essential to allow appropriate due diligence to be undertaken where required in accordance with the Due Diligence Policy and for the donation to be recorded and accounted for by DARO. Failure to do so risks significant embarrassment for the individual and/or school or department soliciting the donation, for the donor and for the University if a donation has subsequently to be declined or returned following due diligence.
- 4.3 Donations of less than £25,000 will not generally require due diligence in accordance with the Due Diligence Policy (although DARO may decide on a case by case basis that due diligence should be carried out). Where no due diligence is required, the donation may be accepted by the Faculty or School Manager or similar member(s) of staff within the relevant [institute, centre or department] (as the case may be) who has been designated to accept donations at that level. For the avoidance of doubt, DARO should still be contacted prior to accepting any philanthropic donation.

- 4.4 For donations which require due diligence, the approval process is set out in **Section 6** below.
- 4.5 All staff involved in receiving donations directly to their school, department or office **MUST** follow the Finance Department's guidelines for recording and receiving donations.
- 4.6 All staff engaged in philanthropic fundraising on the University's behalf **MUST** adhere to the University's Donor Charter.

5 **Due diligence**

- 5.1 Due diligence on prospects and donors is essential to enable the University to manage possible reputational risks associated with soliciting and accepting philanthropic donations. Due diligence needs to be proportionate and appropriate and respect the legal and reputational rights of prospects and donors.
- 5.2 The University will carry out due diligence in relation to prospects and donors in accordance with this policy and its Due Diligence Policy included at **Appendix 2**.
- 5.3 Due diligence **MUST** be carried out by DARO staff or by third parties instructed by the Director of Development and Alumni Relations to carry out due diligence on the University's behalf.
- 5.4 In carrying out donor due diligence, the Data Protection Statement **MUST** be adhered to.

6 **Acceptance and refusal of donations - decision making authority and approval process**

- 6.1 The University's delegated decision-making authority and approval process in relation to accepting and refusing donations seeks to balance the need to protect the University from reputational risk in connection with donations against the need for operational expediency.
- 6.2 The delegated authorities and approval process set out below apply to both:
 - 6.2.1 single donations corresponding to the values specified (whether paid in a lump sum or by instalments); and
 - 6.2.2 donations made by a donor who has previously donated to the University which, when added to other donations made by that donor in the last five years, correspond to the values specified.
- 6.3 In the context of the approval process, "accepting" a donation means approving it for entry into a gift agreement with the donor.
- 6.4 The delegated authorities and approval process are as follows, and as shown in **Appendix 3**:
 - 6.4.1 **Any donation**, regardless of value, which in the opinion of the Director of Development and Alumni Relations would contravene the University's Policy Statement and guidelines, could give rise to significant public interest or potential controversy, or which raises complex questions regarding acceptability, **MUST** be referred at the earliest possible stage to the Vice-Chancellor for consideration.
 - 6.4.2 **Donations of less than £25,000**: The Director of Development and Alumni Relations has authority to accept the donation on behalf of the University (or, if applicable, it may be accepted in accordance with **4.3** above). The Director of

Development and Alumni Relations may delegate authority to other DARO staff for accepting donations below this amount.

6.4.3 **Donations of £25,000 to £499,999:**

- (a) Where in the opinion of the Director of Development and Alumni Relations due diligence raises no issues in relation to acceptability in accordance with this policy, the Director of Development and Alumni Relations has authority to accept the donation on behalf of the University.
- (b) Where in the opinion of the Director of Development and Alumni Relations due diligence raises issues in relation to acceptability but the Director of Development and Alumni Relations is satisfied that accepting the donation would not contravene the University's Policy Statement and guidelines and could not give rise to significant public interest or potential controversy, he or she has authority to decide whether to accept or refuse the donation or refer the decision to the Vice-Chancellor.
- (c) Where in the opinion of the Director of Development and Alumni Relations due diligence raises issues in relation to acceptability and the Director of Development and Alumni Relations considers that accepting the donation would contravene the University's Policy Statement and guidelines or could give rise to significant public interest or potential controversy, the decision **MUST** be referred to the Vice-Chancellor.

6.4.4 **Donations of £500,000 to £999,999:**

- (a) Where in the opinion of the Pro Vice-Chancellor (Global Engagement), in consultation with the Director of External Relations and the Director of Development and Alumni Relations, due diligence raises no issues in relation to acceptability in accordance with this policy, the Pro Vice-Chancellor (Global Engagement) has authority to accept the donation.
- (b) Where in the opinion of the Pro Vice-Chancellor (Global Engagement), in consultation with the Director of External Relations and the Director of Development and Alumni Relations, due diligence raises issues in relation to acceptability but the Pro Vice-Chancellor (Global Engagement) is satisfied that accepting the donation would not contravene the University's Policy Statement and guidelines and could not give rise to significant public interest or potential controversy, the Pro Vice-Chancellor (Global Engagement) has authority to decide whether to accept or refuse the donation or refer to the Vice-Chancellor, Chief Operating Officer and the Chair of the Board of Trustees.
- (c) Where in the opinion of the Pro Vice-Chancellor (Global Engagement), in consultation with the Director of External Relations and the Director of Development and Alumni Relations, due diligence raises issues in relation to acceptability and the Pro Vice-Chancellor (Global Engagement) considers that accepting the donation would contravene the University's Policy Statement and guidelines or could give rise to significant public interest or potential controversy, the decision **MUST** be referred to the Vice-Chancellor, Chief Operating Officer and the Chair of the Board of Trustees.

6.4.5 **Donations of £1m or more:**

- (a) Where in the opinion of the Vice-Chancellor, the Chief Operating Officer and the Chair of the Board of Trustees due diligence raises no issues

in relation to acceptability in accordance with this policy, they have authority to accept the donation.

- (b) Where in the opinion of the Vice-Chancellor, the Chief Operating Officer and the Chair of the Board of Trustees due diligence raises issues in relation to acceptability, but they are satisfied that accepting the donation would not contravene the University's Policy Statement and guidelines and could not give rise to significant public interest or potential controversy, they have authority to decide whether to accept or refuse the donation or refer the decision to the Board of Trustees.
- (c) Where in the opinion of the Vice-Chancellor, the Chief Operating Officer and the Chair of the Board of Trustees due diligence raises issues in relation to accountability and they consider that accepting the donation would contravene the University's Policy Statement and guidelines or could give rise to significant public interest or potential controversy, the decision **MUST** be referred to the Board of Trustees.

6.5 In respect of 'gifts in kind', an estimated monetary value will be applied to the item by the Head of School, Head of Department or Head of Special Collections (where appropriate) in the first instance. He or she will liaise as necessary with DARO and ensure that due diligence is undertaken, and that the decision-making authority and approval process is followed as detailed in **Appendix 3**.

7 **Monitoring and reporting**

7.1 The Director of Development and Alumni Relations will prepare an annual report on philanthropic fundraising (including cash and new funds raised and major donations including those which have been declined) for UEB and the Board of Trustees.

7.2 A register of 'gifts in kind' **MUST** be maintained by the Faculty or School Manager or similar member(s) of staff within the relevant [institute, centre or department] (as the case may be) who has been designated to accept donations at that level. This register **MUST** be submitted for inspection and review by the relevant Senior Management Team on an annual basis or as required.

7.3 DARO will monitor donations which the University has already received and will maintain up to date records in relation to donations of £500,000 or more received in the previous five years. If an existing donation is considered to contravene the University's Policy Statement or guidelines or give rise to significant public interest or controversy, the Director of Development and Alumni Relations **MUST** refer the matter immediately to the Vice-Chancellor.

7.4 An annual confidential report will be produced by the Director of Development and Alumni Relations for the Vice-Chancellor, Chair of the Board of Trustees and Chief Operating Officer detailing current donors who wish to remain anonymous.

8 **Review of previous decisions to accept donations**

8.1 The University can at any time review and reconsider previous decisions taken in good faith relating to the acceptance or use of particular gifts.

8.2 In any circumstances where a donation already received is considered to contravene the University's policy statement or guidelines or give rise to significant public interest or controversy or where the University's continued association with the donor is considered not to be in the University's best interests, the University's response should be transparent and proportionate.

8.3 Where a gift agreement authorises the University to terminate the agreement where the University's continued association with the donor is considered not to be in the best

interests of the University, the decision to terminate **MUST** be referred by the Director of Development and Alumni Relations to the Vice-Chancellor in the first instance.

- 8.4 Where the financial loss to the University of terminating the gift agreement is considered by the Vice-Chancellor to be significant, or termination could give rise to significant public interest or controversy or could otherwise cause damage to the University's reputation, the decision **MUST** be referred to the Chair of the Board of Trustees in the first instance.

9 Return of donations

- 9.1 Where a donor requests the return of all or part of a donation (whether due to a change in the donor's circumstances or otherwise), the University must comply with its legal obligations under charity law. Once the University has accepted a donation, it **MUST** only return it:

9.1.1 if the terms and conditions of the gift provide for it to be returned in particular circumstances and those circumstances apply; or

9.1.2 where the law specifically provides for the gift to be returned in particular circumstances.

- 9.2 In any circumstances where the return of a donation is proposed, legal advice **MUST** be obtained.

10 Application of donations

- 10.1 The University will comply with its legal and regulatory obligations which apply to donations made for restricted purposes. Legal advice **MUST** be obtained if there is any doubt over whether funds were donated or raised for restricted purposes.

- 10.2 In the event of a significant change to a project or activity for which a donation has been received, which could prevent the University from applying the donation or any part of it for any restricted purpose relating to the donation, legal advice **MUST** be obtained at the earliest possible stage and before any discussions with the donor. It should not be assumed that the University can amend the purposes by agreement with the donor; its ability to do so will depend on how any proposed new purposes differ from the original purposes and the terms of the gift agreement with the donor.

- 10.3 All gifts of permanent or expendable endowment will, unless other arrangements have been agreed with the donor, be invested and managed as part of the University of Bristol Endowment Fund under the trusteeship of the University.

11 Gift agreements

- 11.1 DARO **MUST** ensure that the appropriate documentation is completed for every donation. The specific documentation required is a matter for DARO, depending on the value of the donation / funding and any other relevant factors.

- 11.2 All staff **MUST** use the set of template documents for gift agreements held by DARO and **MUST** start with the template for each new agreement. Staff **MUST** not adapt documents used for other donations even if the terms of the donation appear to be similar.

- 11.3 Legal advice **MUST** be obtained in relation to gift agreements for donations of £1m or more, or where naming rights are given in relation to buildings, facilities, centres or institutes, or where staff are in any uncertainty about the legal implications of any terms agreed with the donor which cannot be resolved within DARO.

12 Donor engagement

- 12.1 All agreements with donors will confirm that the management and governance of projects, activities and programmes funded through donations rest solely with the University.
- 12.2 The University may choose, without undermining the above principle, to offer donors the opportunity for continuing engagement with the projects, programmes or activities they have funded.
- 12.3 The University will employ its standard procedures relating to recruitment, admissions, hiring, promotion, procurement, management and governance for all research, teaching, outreach, capital development, and student scholarship programmes funded by donations.

13 Naming and recognition

- 13.1 The University recognises the importance and potential value of naming opportunities for its buildings, facilities, centres and institutes, and other areas of work and activities, including academic posts and scholarship and prize funds.
- 13.2 The principal motivation for considering a naming opportunity is that the University wishes to recognise an exceptional or significant contribution to the University by an individual, group or organisation. This contribution may be through exceptional leadership, outstanding academic contribution or excellence in a particular field.
- 13.3 The University also recognises philanthropic support through naming opportunities. The University's Naming Policy outlines the process of nomination, consideration, consultation and approval for naming opportunities which **MUST** be adhered to across the University.

14 Freedom of Information Act 2000

- 14.1 The Freedom of Information Act 2000 gives a general right of access, subject to certain exemptions, to all types of recorded information held by public authorities, which for the purposes of the Act includes universities. The aim of the Act is to promote greater openness and transparency in how public authorities operate and in their use of public funding.
- 14.2 The University has regard to the Section 40 exemption relating to personal data and the Section 43 Exemption related to commercial interests in particular.

15 DARO Complaints Policy

- 15.1 DARO has a complaints policy which is available on the University's website: <http://www.bristol.ac.uk/alumni/contact-us/complaints/>.

Appendix 1 - Duties and responsibilities of decision-makers in relation to accepting and refusing donations

16 Responsibility for accepting and refusing donations

- 16.1 Ultimate responsibility for all decisions in relation to the acceptance and refusal of donations rests with the Board of Trustees. This is the case even where decision making has been delegated to individual Trustees, University staff or volunteers.

17 Legal framework

- 17.1 As a charity, the University is obliged to accept a donation unless it is legally entitled to refuse it. The only legal basis on which the University can refuse a donation is that:

17.1.1 it would be unlawful to accept it (e.g. the University knows that the gift comprises the proceeds of crime); or

17.1.2 accepting the donation would be detrimental to the achievement of the University's charitable educational purposes e.g. because it would be damaging to its reputation. Such detrimental or anticipated detriment must be set against the benefit of having the funds from the donor, which enable the University to pursue its purposes.

- 17.2 While the University's values and ethics are important considerations for decision-makers in reaching a decision in relation to the acceptance or refusal of a donation, they should not be decisive factors. For the University to be able to refuse a donation, it needs to be able to demonstrate that acceptance of the donation would be detrimental to the achievement of its purposes (e.g. because it would have a negative impact on the University's ability to attract donations and funding from other sources or its ability to recruit and retain staff).

18 Policy statement and guidelines

- 18.1 In setting the University's Acceptance and Refusal of Donations Policy, the Trustees have agreed a Policy Statement (which takes into account the legal framework above) and formulated a set of guidelines indicating where donations which would contravene that Policy Statement should be refused. This is on the basis that such donations are likely to cause damage to the University and its interests. However, each donation must be considered on a case by case basis.

19 Decision-makers' duties

- 19.1 Trustees and their delegates **MUST** take all decisions relating to the acceptance or refusal of donations in the best interests of the University. This reflects the key legal duty the Trustees have as charity trustees of the University.

- 19.2 Because they must act in the interests of the University in pursuing its charitable educational purposes, decision-makers **MUST**, when deciding whether to refuse a donation, do so only if to accept it would be more detrimental to the University than rejecting it. This should involve a careful analysis of the extent to which the University is likely to be harmed by accepting a donation and balancing that against the benefit to be obtained by accepting it.

- 19.3 Trustees and their delegates must decide these matters on a case by case basis and the University's Acceptance and Refusal of Donations policy is there to guide them in their decision making.

20 **Decision-making**

- 20.1 As part of their decision-making, decision-makers must take account of all relevant factors and disregard irrelevant factors. In this context, irrelevant factors are likely to include individual or collective personal, political or commercial interests or personal views on political or ethical issues, which are not directly related to the interests of the University. Decision-makers must not allow these interests or views to affect their judgment.
- 20.2 The University does not need to establish an overwhelming case for refusing a donation; decision-makers merely have to act reasonably in deciding whether the University's interests would be served best by accepting or refusing the donation. If they take account of relevant factors, disregard irrelevant ones and take a decision that a reasonable body of trustees could have taken then they will have complied with their duties.
- 20.3 It is essential that clear records are kept of all decision-making processes which detail the factors which contributed to the decision.

Appendix 2

Due diligence policy and procedures in relation to philanthropic donations ("Due Diligence Policy")

21 Introduction

- 21.1 The purpose of this policy is to set a clear and consistent framework under which the University will carry out due diligence in relation to prospective philanthropic donors to the University. It aims to balance the University's need to manage any reputational risks associated with accepting donations against the rights of donors and the need for checks to be proportionate and appropriate.
- 21.2 This policy forms part of the University's Acceptance and Refusal of Donations Policy and must be read in conjunction with that document.

22 Key principles

- 22.1 DARO will avoid, as far as reasonably practicable, cultivating relationships with individuals and organisations who might contravene the Core Principles described in Part I of the Acceptance and Refusal of Donations Policy.
- 22.2 Due diligence carried out in accordance with this policy will follow a risk-based approach. The significant majority of the University's prospects and donors are either i) alumni or friends (where the University makes the first approach and the relationship develops over a period of time), ii) registered charities or iii) public companies listed on recognised and well-regulated markets. The aim of this policy is to identify risks at an early stage and to focus detailed due diligence work accordingly.
- 22.3 Due diligence **MUST** be carried out in accordance with this policy when a donation meets the criteria set out in the following due diligence triggers:

Type of Donor / Prospect	Donation Amount or Gift in Kind Value	Level of Due Diligence
All	less than £25,000	None (unless requested)
All (excluding trusts and foundations and legacies)	£25,000+	Preliminary Screening
Individuals and closely held private companies	£100,000+	Full Review
Public companies	£500,000+	Full Review
Charitable trusts and foundations	£100,000+	See additional note below
Planned giving and legacy gifts	£100,000+	See additional note below

- 22.4 For the purposes of the preliminary screening, a "**donation of £25,000+**" means a single donation of £25,000 or more (whether paid in a lump sum or by instalments).

- 22.5 For the purposes of the full due diligence review, a “**donation of £100,000+**” means:
- 22.5.1 a single donation of £100,000 or more (whether paid in a lump sum or by instalments); or
- 22.5.2 a donation which, when added to other donations made in the last 5 years by the donor, is equal to or exceeds £100,000,
- (and references to a “**donation of £500,000+**” are to be construed accordingly).
- 22.6 In addition to the triggers under **2.3** above, due diligence **MUST** be carried out in relation to any donation, regardless of value, which in the opinion of the Director of Development and Alumni Relations would contravene the University's Policy Statement and guidelines, could give rise to significant public interest or potential controversy, or which raises complex questions regarding acceptability. This may include, but is not limited to:
- 22.6.1 donors or potential donors based or operating in jurisdictions where regulation is weak and / or the prevalence of corrupt or other practices that are unacceptable to the University is high;
- 22.6.2 donors or potential donors connected to industry sectors where the sector (as opposed to the particular donor) increases the likelihood of conflict or potential controversy;
- 22.6.3 unsolicited approaches from previously unknown donors or prospects, particularly where there is no clear connection to the University or the proposed area of support;
- 22.6.4 donors or potential donors where enhanced risk factors and / or other concerns emerge from the Preliminary Screening.
- 22.7 When considering donations from a foundation or other charitable entity, the University will take reasonable steps to ensure that funding sources for that charity are consistent with this Acceptance and Refusal of Donations Policy. Where charities send audited accounts to, and have full and current approved status with, a recognised national regulatory body for charities, further due diligence on the sources of funding of those charities will not typically be undertaken, unless there is reason to believe that reputational risk may be involved. Those reasons may include, for example, any current or recent investigation into the activities of the Charity by the relevant regulatory body. At the time of approval of this policy, such recognised regulatory bodies included:
- The Charity Commission for England and Wales
 - The Office of the Scottish Charity Regulator
 - The Charity Commission for Northern Ireland
 - Entities considered an ‘exempt’ charity by HMRC
 - The Inland Revenue Service in the US through its 501 (C) 3 regulations for tax-exempt non-profit corporations or associations
 - The Canada Revenue Agency

This list will be updated on a regular basis as similarly transparent bodies are created in other countries.

22.8 Where required, the due diligence process **MUST** be carried out before a gift agreement is entered into with the donor.

22.9 This policy applies to planned giving and legacy gifts as well as to lifetime giving.

DARO staff will perform a Preliminary Screening as per **3.3** below for all legacy pledges either confirmed as £100,000+ or where the expectation is that the amount in question

is £100,000+. Full legacy due diligence should be requested in accordance with this policy once an executor or administrator of an estate notifies the University of a confirmed donation in a deceased person's will. All legacy administration should be handled by DARO, so any member of staff who is notified of a legacy donation should contact DARO immediately.

- 22.10 Fundraisers or staff within the relevant faculty, school, institute, centre or department are responsible for requesting due diligence reviews under this policy, including a check of aggregate donations to ensure the appropriate level of due diligence work is performed.
- 22.11 Where a prospective donation is likely to give rise to significant public interest or raise complex questions regarding acceptability, staff **MUST** at the earliest possible stage refer the matter to the Director of Development and Alumni Relations for consideration.
- 22.12 If a payment of a donation is being made by a third party on the donor's behalf, due diligence **MUST** also be carried out in relation to that third party.
- 22.13 Due diligence process in relation to in kind gifts is the same as that used for monetary gifts.
- 22.14 The legal and reputational rights of prospects and donors should also be considered as part of any due diligence undertaken in assessing the acceptability of a proposed donation. In this regard a clear distinction should be drawn between rumour or speculation and matters of confirmed fact or legal finding, whilst also accepting the reputational risks that could be incurred through public perception of any particular prospect or donor.

23 **Cultivation of donor relationships**

- 23.1 DARO will avoid, as far as reasonably practicable, cultivating relationships with prospects (individuals or organisations) that do not meet the requirements of the Core Principles.
- 23.2 To achieve this, DARO will perform a Preliminary Screening in relation to all prospects it is believed may donate £25,000+ at the initial stage(s) of the relationship with them.
- 23.3 For the purposes of this policy a "**Preliminary Screening**" includes routine background research and a check against LexisNexis® WorldCompliance™ (or equivalent source) for high risk factors such as sanctions, politically exposed persons, and enforcement actions.
- 23.4 At the stage of cultivation where the prospect or donor has indicated a clear intention to make a donation of £100,000+ / £500,000+, a full due diligence review, incorporating the Preliminary Screening, will be instigated.

24 **Due diligence on prospects**

- 24.1 Where a prospect (or donor) has indicated a clear intention to make a donation that triggers due diligence under 2.3 above and DARO has not previously carried out due diligence as part of cultivating a relationship with them, the due diligence process will be instigated as soon as possible after the University learns of their intention.

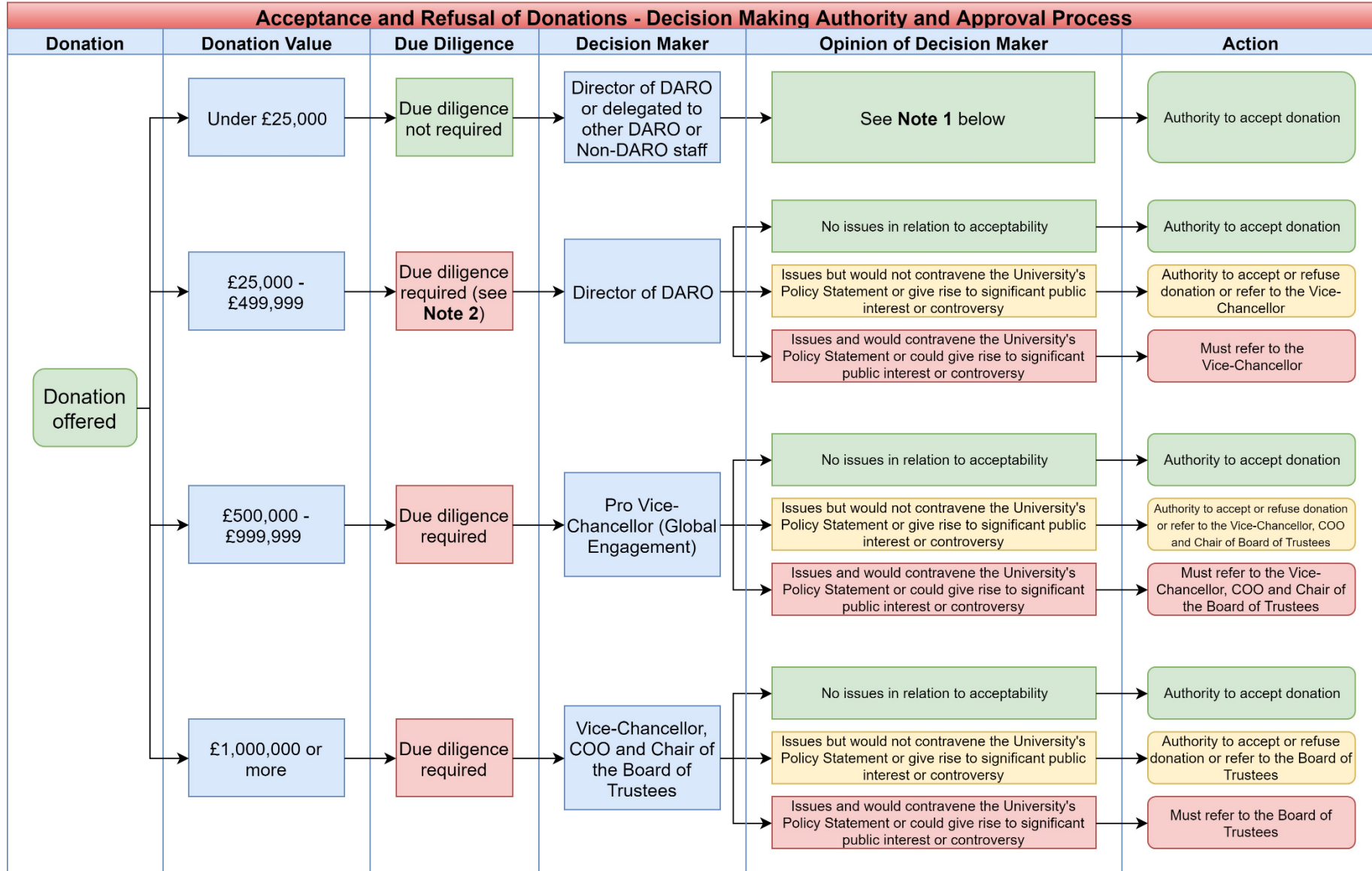
25 **Due diligence process**

- 25.1 DARO will undertake due diligence research on prospects and donors in order to:
 - 25.1.1 verify the identity of the prospect or donor;

- 25.1.2 identify the source of funds from which the donation derives; and
- 25.1.3 identify any reputational risks for the University in connection with accepting the donation, having regard to the Core Principles.
- 25.2 The alumni database is a primary source of identity verification for alumni and a record of historical interactions between prospects / donors and the University. Due diligence research is carried out against a comprehensive set of publicly available sources. A non-exhaustive list is set out below:
- LexisNexis® WorldCompliance™, Companies House, 192.com, Who's Who, Charity Commission, iWavePRO Research, Ancestry, Zoopla, London Gazette, Insolvency Register, Financial Services Register. In addition, Corporate Social Responsibility policies are reviewed (where available), as well as coverage within the world press via Nexis® News and People, a business intelligence database, and advanced internet searches.*
- 25.3 In exceptional circumstances, the Director of Development and Alumni Relations may instruct third parties to carry out due diligence in relation to a prospect or donor on the University's behalf.
- 25.4 A due diligence report is completed by DARO for consideration by the Director of Development and Alumni Relations and, if applicable, the Vice-Chancellor and other appropriate decision-makers.
- 25.5 The delegated authorities and approval process for prospective donations, including those where issues are identified during the due diligence process, are as set out in Paragraph 6.4 of the Acceptance and Refusal of Donations Policy.
- 25.6 Following the referral of prospective donations, under the heading 'Due Diligence: Sensitivities' (and treated as Commercial in Confidence), the appropriate decision-maker(s) may:
- 25.6.1 decide that discussions with the prospect/donor should be suspended pending further investigation; or
- 25.6.2 make a decision either to accept or refuse the donation.
- 25.7 Following any decision to refuse a donation, the records obtained from public domain sources relating to the prospect or donor will not be retained on file by the University.

26 **Amendments**

This policy, and the procedures set out in it, may be amended only with the approval of the University Management Team.



NOTE 1: Donations under £25,000 do not normally require due diligence but any donation, regardless of value, which in the opinion of the Director of Development and Alumni Relations would contravene the University's Policy Statement and guidelines, could give rise to significant public interest or potential controversy, or which raises complex questions with regard to acceptability, **MUST** be referred at the earliest possible stage to the **Vice-Chancellor** for consideration.

NOTE 2: Level of due diligence required varies from preliminary screening to a full review based on the donation value and source. For full details see **Appendix 2** of the **Policy and Guidelines for the Acceptance and Refusal of Donations**.

