

## **GUIDELINES FOR ACCEPTING PHILANTHROPIC INCOME AND OTHER GIFTS**

*These guidelines have been revised from 16 March 2017.*

*These Guidelines are supplemental to the College Ethics Code and its Relationship Review Policy and supersede the Gift Acceptance Policy (May 2012). They are intended to set out the approval and associated due diligence processes for accepting philanthropic income and gifts, including legacies.*

*For the purposes of these guidelines, “philanthropic income” is:*

- (a) income which does not confer full or partial ownership of a deliverable on the funder in return for the funding; and*
- (b) Income that is in essence (albeit not entirely) philanthropic.*

*“Gifts” include philanthropic income and other non-financial gifts of a philanthropic nature, including Gifts-In-Kind.*

### **1. INTRODUCTION**

The College seeks and encourages charitable donations from a range of sources including individuals, companies, charitable trusts and foundations, alumni and friends of the College. These gifts may be in the form of cash, property, works of art, shares, in-kind services or pro-bono voluntary work.

However, as is acknowledged in the College’s Relationship Review Policy:

- (a) All relationships with third parties should be subject to prior and continuing consideration in order to confirm that they support the College’s mission, vision and strategic aims and are consistent with the overall objectives of the College; and
- (b) Careful review of proposed and on-going relationships is required in order to mitigate the risk of ethical issues causing damage to the College’s reputation, reducing the College’s ability to secure funding and reducing its capacity to develop beneficial relationships in the future.

Further consideration is also required to confirm that proposed receipts and the terms of such receipts are in the College’s best interest.

Accordingly, all gifts are accepted at the College’s discretion and following a proportionate review. This policy sets out the process for such review. The College reserves the right to refuse or refund any income thought not to meet these requirements.

### **2. RESPONSIBILITY FOR REVIEW**

Responsibility for the review of proposed gifts rests with Advancement, reporting to the Vice President (Advancement). This includes a review of the ethical considerations as well as the wider scope of any proposal.

Where Advancement is considering the receipt of income which is in essence (albeit not entirely) philanthropic, the team should liaise with other relevant College areas as appropriate, to discuss and agree where the responsibilities for review and any appropriate approvals should lie. Where there is a conflict of opinion which cannot be resolved, the matter should be escalated to the Head of Central Secretariat, who will obtain guidance from the College Secretary & Registrar as appropriate.

Where a Department/Faculty is involved in the gift, the gift will need to be considered and approved by that Department/Faculty/other College area and approved by the relevant Head of Department/Dean/equivalent prior to acceptance.

### **3. ALL STAFF RESPONSIBILITIES**

All staff at the College have a responsibility to notify the proposed receipt of all gifts to Advancement. Members of staff must give details of the proposed gift to Advancement.

Staff should provide the details to their usual link within Advancement. Where a member of staff does not have a specific link with a member of Advancement, details should be provided to the Director of Advancement Operations and Administration.

No action should be taken in relation to a proposed gift (or agreement of any terms of a gift) until confirmation has been provided by Advancement that the matter has been considered by them, including from an ethical perspective, and that a decision has been made at the appropriate level that the income may be accepted.

### **4. REVIEW BY ADVANCEMENT**

#### **A. GENERAL**

In line with the requirements of the Relationship Review Policy, when considering a proposed receipt of philanthropic income, the following guidelines will be considered by Advancement (in light of the information they receive and the due diligence they conduct):

#### **1. Proposed receipts and related arrangements should:**

- a. Support the College's mission, vision and strategic aims
- b. Be consistent with the overall objectives of the College

The mission of the College is: to embody and deliver world class scholarship, education and research in science, engineering, medicine and business, with particular regard to their application in industry, commerce and healthcare. It fosters multidisciplinary working internally and collaborates widely externally.

The College's vision is:

- a. To remain a world-leading institution for scientific research and education.
- b. To harness the quality, breadth and depth of our research capabilities to address the difficult challenges of today and the future.
- c. To develop the next generation of researchers, scientists and academics.
- d. To provide an education for students from around the world that equips them with the knowledge and skills they require to pursue their ambitions.
- e. To make a demonstrable economic and social impact through the translation of our work into practice worldwide.
- f. To engage with the world and communicate the importance and benefits of science to society.

#### **2. Proposed receipts and related arrangements should not:**

- a. Compromise the College's status as an independent institution
- b. Create material conflicts of interest
- c. Arise, in whole or in part, from illegal activity that might include:  
Tax evasion

Fraud  
Bribery  
Violation of international conventions on human rights or the environment  
Suppression or falsification of academic research

- d. Lead the College to contravene data protection and/or freedom of information legislation
- e. Require the College to be involved in action that is illegal
- f. Require the College to suppress or falsify academic research
- g. Require the College to deviate from its normal hiring, promotion, and contracting procedures
- h. Require the College to provide special consideration for admission to its programmes of study

**3. Judgement is required to ensure the College's interests are maintained when reviewing a relationship if it has the potential to:**

- a. Restrict or limit academic freedom
- b. Deter other from supporting or working with the College
- c. Cause any other damage, including financial or reputational, to the College
- d. Expose the College to potentially significant liability

Relationships where the sources of income or funding are difficult to establish require special scrutiny. In general, philanthropic income should not be accepted where the sources are unknown or cannot be verified.

Additional points Advancement will need to consider before approving a proposed receipt/the terms of any such receipt include:

- **Additional costs** - When the College accepts a gift to enable it to do a piece of work (e.g. a research project) the gift should, if at all possible, cover all the costs of that work (i.e. 100% FEC at least). If it does not, any costs and/or liabilities for the College associated with the acceptance of a gift must be clearly identified and agreed by the responsible person within the department/faculty who will bear the burden of those costs and/or liabilities, which will usually be the relevant Faculty Finance Officer.
- **Creditworthiness of the Donor** – Where College will be relying on receipt of funds for certain purposes and/or where the College will be incurring financial obligations to third parties on the basis that promised funds will be received, appropriate credit checks should be carried out on the donor. A search of donation databases e.g. Factory Phi should also be used to check whether previous donations were fulfilled.
- **Intellectual property matters** - Where copyright or intellectual property issues are involved in connection with any proposed receipt, they must be clearly understood, and it must be checked that the College can comply with any associated requirements before any relationship is formalised.
- **Onerous or unusual terms and conditions** – The proposed terms of the gift must be clearly understood and appropriately documented. Advancement will develop preferred gift terms which fundraisers will seek to agree with donors. Any proposed gift terms departing from the preferred terms will require particular scrutiny.
- **Naming requirements** – Any proposals regarding any naming benefits and use of the College brand must be in accordance with the College's naming and branding policies.
- **Any requests for anonymity** – The College aims to be transparent about relationships entered into, such that any requests for anonymity should be carefully scrutinised. The College will, in any event, have to disclose details of relationships where it is required to do so by law, by any governmental or regulatory authority, or by order of a court.
- **Documentation of the Gift** – all gifts should be appropriately documented:
  - (a) Where gifts are provided of less than £25k without restrictions, a letter will be sent to the donor thanking them for the gift and confirming that the gift will be used for the College's charitable purposes.
  - (b) Where gifts of more than £25 k (but less than £100k) are provided with simple restrictions only,

a letter will be sent to the donor thanking them for the gift and confirming that the gift will be used for the applicable purposes (which will be set out in full in the letter), subject to (d) below. The donor will be asked to sign and return a copy of the letter for the College's records.

- (c) Where material obligations are placed upon College and/or the donor, and/or where sums of £100k or above are involved, a full deed of gift must be entered into (using one of the College's standard forms). This will ensure that the obligations are binding upon the parties. Any divergence from the use of a deed in these circumstances must be approved by the Director of Advancement Operations and Administration and the individual referred to under the first bullet in this section.
- (d) There may be other cases where it is appropriate for a formal deed of gift to be entered into. This will be considered by the Director of Advancement Operations and Administration on a case by case basis.

## **B. DUE DILIGENCE PRACTICES**

In order to assist members of Advancement to make informed decisions as to whether a proposed receipt should be approved in accordance with the guidelines above, due diligence shall be carried out on philanthropic donations notified to Advancement.

Due diligence will be conducted by the College's Prospect Development team (part of Advancement). It is the responsibility of the relevant lead fundraiser or equivalent to ensure that the team is fully briefed on the nature of the proposal and any relevant issues.

It is noted that often quick decisions need to be made in relation to the acceptance of gifts. To this end, the College's Prospect Development team shall endeavour to:

- Complete all Standard due diligence and reporting within 3 working days
- Complete all Full due diligence and reporting within one week.

The level of due diligence to be carried out will depend on the circumstances.

### **Training for those involved in accepting donations**

All fundraisers and those responsible for processing gifts will receive training on identifying risks or ethical concerns and the factors they may encounter through conversations and communications which may cause a donation to be escalated for due diligence review. As a minimum all fundraisers within Development (including Regular Giving and student telethon callers), Global Development and Principal Gifts, as well as the Gift Administration team in Advancement Operations will be trained.

The Prospect Development team will ensure that relationship managers and all those who interact with prospects and donors are fully trained on the Due Diligence process and on risk analysis. This will be included in the induction process for new starters. The training will include examples of what information indicates a red flag (specific to the donor and their relationship to the College) as well as guidance on the significance of certain facts when processing and accepting a gift.

#### **1) Gifts / Proposals under £25k**

Acceptance of donations below £25k will proceed without formal due diligence review unless issues are highlighted by members of staff involved in receiving that donation (e.g. fundraisers and gift administration staff). If risks are highlighted the member of staff will escalate the information to the Prospect Development team and full due diligence will be carried out as described below, and approval to accept the donation will be sought from the College Secretary. No record of the review and acceptance process will therefore be held by Advancement unless risks are identified with acceptance of the gift.

#### **2) Gifts/Proposals between £25k and £100k (Standard due diligence)**

Where sums in excess of £25k are involved, prospects will be subject to **Standard due diligence**. This shall include:

- **Identity checking** - a review using sources which confirm a prospect's identity e.g. Raiser's Edge (for alumni), TraceSmart, Charity Commission, Companies House and FAME

- **Checking for high risk indicators** – an internet search using the prospect's name and the following terms: tax evasion, fraud, human rights, falsification, falsification of academic research, bribe, bribery, controversy, crime
- **Biographical information search** – desk research looking at standard biographical information e.g. family members, career history
- **News source review** – broader reading of news sources regarding the prospect, seeking background information and any indications of controversy
- **Business database check** - a check on business databases (e.g. FAME) to analyse how a prospect acquired their wealth, including analysis of subsidiary companies, and to identify potential conflicts of interest
- **Charity Commission review** - a check of the charitable organisations linked to the prospect using the Charity Commission website
- **Bankruptcy and court judgement check** – a search using databases e.g. Tracesmart to locate any bankruptcy or court judgements
- **College history** - a check of the College's records (e.g. using Raiser's Edge and electronic search tools) for information regarding previous College relationships and cultivation history. This includes details of previous donations.
- **Sanctions Check** – search database of international sanctions

Where no risks have been identified (through active Prospect Development due diligence checks), the following may approve the gift:

- Heads of Development (including Faculty and Programme areas e.g. Legacy/Regular Giving)
- Directors of Development (including Global Development, Faculty of Medicine and Principal Gifts)
- Director of Advancement Operations
- Vice President (Advancement)

If risks are identified, approval to accept donations will be escalated in accordance to the process set out below and additional approval will be sought.

The Approver will notify the lead fundraiser of his/her decision including any specific conditions of acceptance and guidance, as soon as possible. In the event that they do not feel able to approve a proposed receipt as a result of any ethical considerations identified, the decision may be escalated in accordance with the escalation procedure set out below.

An audit trail of *active* acceptance of donations (in written form e.g. email/signed document), including details of who approved each donation, will be held and managed by the Prospect Development team on Raiser's Edge.

The Prospect Development team will provide a monthly report of donations accepted and donations awaiting review/approval to the Director of Advancement Operations and Administration.

### 3) Gifts/Proposals over £100k (and where risks are identified)

Where sums in excess of £100k are involved or where risks are identified, prospects will be subject to **Full due diligence** (in addition to Standard due diligence). This shall include:

- **Further internet search** – further search engine research to locate possible connections to persons of disrepute e.g. fraudsters, criminals or controversial figures
- **Human Rights/environment/other record checks** – a review of research reports from NGOs e.g. Amnesty, Human Rights Watch, Greenpeace etc to consider human rights, environmental or other ethical issues

Approval must be recorded in writing on the Due Diligence & Ethical Notification Pro-forma, **all** of the following must approve the gift

- Lead Fundraiser
- Relevant Head of Development or Director of Development (as appropriate)
- Dean of Faculty

- Vice President (Advancement)
- College Secretary & Registrar

Where significant risks are identified and if the College Secretary deems it appropriate, the Gift may be drawn to the attention of the College President and Provost in addition to the above approvals.

As above, an audit trail of *active* acceptance of donations will be held and managed by the Prospect Development team on Raiser's Edge. A copy of the signed Due Diligence and Ethical Notification form will be kept on Raiser's Edge.

#### 4) Additional notes on:

##### a) International prospects and donors

Where donations are anticipated from international prospects/donors due diligence checks will include:

- International news search (e.g. Factiva)
- Country specific databases (e.g. IWave)
- Referral to a translator where relevant

Advancement shall seek advice as required from the support functions within the College when assessing the proposed terms of any gift.

In addition to the above checks, all donors will be monitored through their relationship with fundraisers and will be recorded via contact reports, alongside continued press monitoring by the Prospect Development team.

##### b) Thresholds and cumulative giving

Where gifts are to be received over a specified period, the total amount received over that period will dictate the level of Due Diligence (e.g. a gift agreement detailing 3 gifts of £50k over 3 years will mean full due diligence will be completed). Where regular gifts are made over an unspecified period, the cumulative value of giving over 5 years will dictate the level of due diligence and approval process.

##### c) Legacies

Where gifts are being provided to the College under the terms of a will, appropriate due diligence needs to be taken place both at the stage a pledge is made and at the stage that the pledge is fulfilled.

The due diligence should follow the requirements set out above for non-legacy gifts. An assessment should be made at the time of the pledge as to the value of the gift likely to be received in respect of the legacy, where possible, and due diligence should be undertaken accordingly.

##### d) Continuing relationships

It is acknowledged that the position as regards an existing donor may change over time. Accordingly, where funding continues, Advancement will review all gifts at five-yearly intervals. In the event that Advancement have reason to believe that a review is required at an earlier point in time, a review shall be carried out accordingly. Each time an additional gift is made the relationship holder will make a judgement to determine whether the terms of the relationship have changed and if further Due Diligence is required.

Where gifts are received from Corporate Partners, Prospect Development will make reference to the Approved List of Corporate Partners maintained by Corporate Partnerships. If donors are included on this list, the lead fundraiser and Prospect Development will make a judgement to determine whether corporate approval is relevant (e.g. there is no additional new information or onerous terms) to the terms of the philanthropic relationship.

In both circumstances detailed above, and consistent with the rest of the policy, an audit trail of *active* acceptance of donations will also be kept, including copies of correspondence detailing the approval.

## 5. CONSIDERATION BY THE INTENDED BENEFICIARY

Where a gift is to be given without restriction, this may be accepted by Advancement following its review. It shall be for the President to determine how the gift may be used.

Where a gift is to be given for specific purposes, the relevant Head of Department/Dean/equivalent (as appropriate) must confirm that they will accept gifts for such purposes prior to any commitment being made. The relevant individual must be made fully aware (in writing) of any restrictions on the use of the gift.

Where a gift is to be given that places any active obligations on a Department/Faculty/other area of College, the Head of Department/Dean/equivalent (as appropriate) must be satisfied that the relevant Department/Faculty/other College area can honour such obligations. Advancement will highlight any areas for particular consideration.

## **6. CONSIDERATION OF NON-PHILANTHROPIC ELEMENTS**

In the event that Advancement receives details of a proposed a non-philanthropic receipt, it shall notify the Corporate Partnerships team/Research Office/other College area (as appropriate) to allow them to carry out appropriate review. If Advancement cannot identify a team in College with responsibility for review of the non-philanthropic elements of the proposed receipts, it shall notify the Head of Central Secretariat, who will seek the opinion of the President's Executive Group if necessary, and who will make any necessary directions for where the review will take place.

## **7. ESCALATION OF ETHICAL ISSUES**

If the Vice President (Advancement) identifies an area of concern during the solicitation/negotiation or review of a proposed receipt, the Vice President (Advancement) shall consider the matter and direct and provide guidance to the members of Advancement as appropriate. Matters that cannot be resolved at this level should be referred by the Vice President (Advancement) to the President's Executive Group (via the Head of Central Secretariat) for decision. A formal referral is required using the pro-forma attached at Appendix A.

In addition, any proposed receipts (including legacies) involving values of £100k and above must be referred to the College Secretary & Registrar for review prior to acceptance. A formal referral is required using the pro-forma attached at Appendix A. Where receipts are anticipated or promised over a specified period, the threshold should be considered by reference to the total amounts/values anticipated. Where receipts are anticipated/promised over an unspecified period (unless it is clear that the values will exceed the relevant thresholds) the value over the first five years should be relevant in assessing whether the threshold is reached.

(The pro-forma attached at Appendix A provides a mechanism for a decision maker/decision making body to request further information to enable it to come to a decision and a formal method by which the decision may be notified and any guidance provided.)

## **8. RECORD KEEPING**

A record of all gifts notified to Advancement will be retained by Advancement, including:

- Confirmation in each case that the Vice President (Advancement), or delegated authority, has approved/rejected receipt or escalated the matter to the Head of Central Secretariat if an issue is raised or the College Secretary & Registrar if the £100k threshold has been exceeded;
- Details of any subsequent approvals/rejections provided by the College Secretary & Registrar and/or the President's Executive Group
- Records of ethical and other due diligence carried out
- All reports containing details of the due diligence carried out/any recommendations made/relevant signatures confirming approval
- Copies of material relationship documentation

## **9. ACCOUNTABILITY REPORTING AND TRANSPARENCY**

The College Secretary & Registrar (in consultation with the Vice President (Advancement) and others as

appropriate) will produce a report to the Audit Committee each term, outlining the ethical issues considered by him/her and by the President's Executive Group, and how such matters have been dealt with. Any concerns with how the Code or related policies are functioning will be included within the report.

The College aims to be transparent about relationships entered into and a report detailing gifts received will be included in the College's Annual Fundraising Report.

**Approved by Council: 12 July 2013**

**Effective from: 1 November 2013**

**Revised: March 2017**



## Appendix A

### DUE DILIGENCE & ETHICAL NOTIFICATION PRO-FORMA

#### 1. Summary of Relationship / Donation

To be completed by Prospect Development

i.e. Where the gift is being directed, duration of the donation, the relationship status, details of scholarship to be awarded (if relevant), any other additional context.

#### 2. Due Diligence

To be completed by Prospect Development

<b>Prospect name</b>	
<b>Constituent ID</b> New constituent should be created if one doesn't already exist	
<b>Primary Canvasser</b>	
<b>Prospect Development Owner</b>	
<b>Type of relationship</b> i.e. gift, corporate partnership, research partner etc	
<b>Type of gift</b> i.e. research, philanthropic, sponsorship, in kind	
<b>Type of due diligence completed</b>	<input type="checkbox"/> Standard <input type="checkbox"/> Full
<b>Date completed</b>	
<b>Gift /Proposal Amount</b>	

#### Verification of prospect's identity

<b>Full name</b>	
<b>Date of birth (if applicable)</b>	
<b>Company Registration Number or Charity Number (if applicable)</b>	
<b>Main postal address</b>	
<b>Sources used to verify identity</b>	<input type="checkbox"/> Raiser's Edge (for alumni only) <input type="checkbox"/> TraceSmart <input type="checkbox"/> Charity Commission

	<input type="checkbox"/> FAME/Companies House <input type="checkbox"/> Other:
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### Risk management checks

Check	Outcome If concerns arise, please summarise and provide relevant URLs
Has the funder been subject to criminal, civil or regulatory proceedings? If so, please provide details	
The gift would not arise, in whole or in part, from illegal activity	
The gift would not compromise the College's status as an independent institution	
The gift would not restrict or limit academic freedom	
The gift would not create material conflicts of interest	
The gift would not damage the College's reputation	
The gift would not cause any other damage, including financial, to the College	
The gift would not expose the College to potentially significant liability	
The gift would not in any other way be in conflict with the values and aims of the University	

### Results

1. Were any Risks Identified during the course of Due Diligence?	Y/N Delete as appropriate
2. Is Gift Value over £100k	Y/N Delete as appropriate
3. Is the identity of the prospect/donor unconfirmed	Y/N Delete as appropriate

**If the answer to any of the above questions is yes please continue to section 3 otherwise please proceed to section 4**

**3. Matter for Ethical Consideration**

*To be completed by the Lead Fundraiser*

<b>Your recommendation as to how the matter should proceed</b>

<b>Details of any non-standard or potentially onerous conditions proposed in connection with the proposed gift/relationship</b>

<b>Any other comments</b>

**4. Authorisation**

**For all Gifts / Reviews**

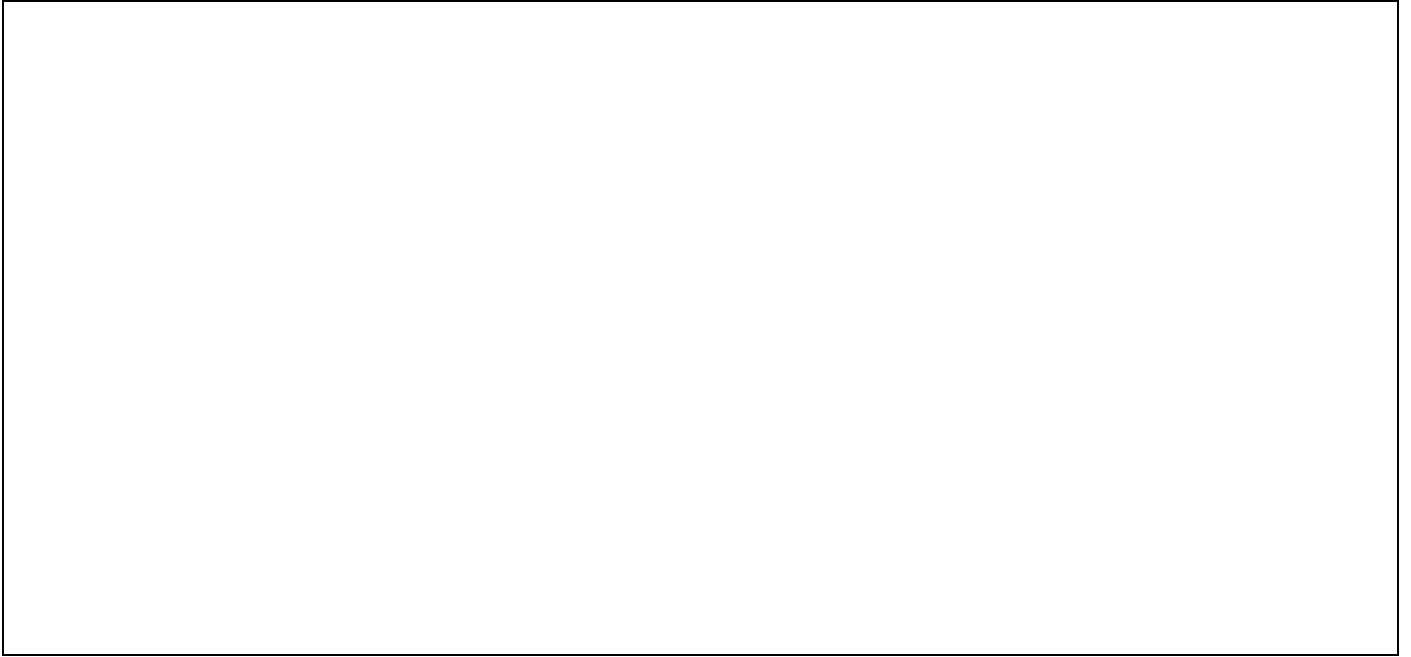
Lead fundraiser for the proposed gift:  ..... Signature / Approval Over Email  ..... Name  ..... Date	Head of Development / Director (where there is no Head)  ..... Signature / Approval Over Email  ..... Name  ..... Date
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**For any gifts/proposals over £100k and/or Risks are identified**

Dean of Faculty:  ..... Signature  ..... Name  ..... Date	Vice President (Advancement):  ..... Signature  ..... Name  ..... Date	College Secretary/Registrar:  ..... Signature  ..... Name  ..... Date
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**Appendix**

**Any additional notes or requirements**

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