

## **St George's, University of London: Gift Acceptance Policy**

**Policy Ownership: Head of Development**

**Policy Audience: All Staff at St George's University of London**

**Date of review: October 2015**

**The policy is relevant to all staff who may be in contact with potential donors, partners and contractors.**

### **Gifts to the University**

*In this policy, where the Director of Finance and Corporate Services is not available, the Head of Governance, Legal and Assurance Services should be approached in his/her stead.*

St George's, University of London (SGUL) actively pursues the solicitation and acceptance of donations, gifts and grants (all referred to in this policy as 'gifts') that support the mission of the University. However, to ensure institutional integrity, the following policy shall apply to all gifts offered to, and received by, SGUL for any of its institutes, departments, faculties and centres and the acceptance of the gift must adhere to the following key principles:

1. A gift shall not be accepted unless it is compatible with the mission of the University and helps fulfil the University's strategy and aims.
2. A gift shall not be accepted if there are reasonable grounds for believing the gift may be comprised or derived from funds arising from an illegal activity such as fraud or tax avoidance.
3. A gift shall not be accepted if it brings with it conditions which may restrict academic freedom. However, for the avoidance of doubt SGUL will accept unrestricted gifts and gifts for specific programmes and purposes provided that such gifts are consistent with SGUL's stated mission and do not violate the terms of its Scheme, Statutes, and Regulations.
4. A gift shall not be accepted if there is evidence that its acceptance would require SGUL to undertake any illegal action or which, in the reasonable opinion of the Director of Finance and Corporate Services, creates an unacceptable conflict of interest or exposes SGUL to unacceptable financial or legal liability.

In addition to the above stated principles, prior to accepting such a gift, SGUL will also consider the following questions:

- Does the gift require unacceptable expenditure of additional University resources?
- Could acceptance of the gift expose SGUL to undue adverse publicity or reputational risk?

All gifts will be routinely processed by the Alumni Relations Office. The Head of Fundraising shall be responsible for reviewing all gifts and advice where there are restrictions which:

- Are inconsistent with SGUL's stated academic purposes and priorities.
- May inhibit SGUL from seeking gifts from other donors.
- Involve unlawful discrimination (for example, based on race, religion, gender, age, nationality, colour, disability or upon any other basis prohibited by law).
- Require SGUL to provide special consideration for admission to SGUL for the donor or designate.
- Require SGUL to deviate from its usual hiring, promotion, and contracting procedures.

The Head of Fundraising shall report to the Director of Finance and Corporate Services:

(i) Any gifts which conflict with any of the key principles or which raise issues under any of the above considerations: and

(ii) Any gifts which exceed £5,000

In such cases the Director of Finance and Corporate Services will undertake a due diligence review of the source of funds. Appendix 1 Contains a template for conducting such a due diligence review.

In the case of potential gifts which may conflict with any of the key principles or which raise issues under any of the above considerations, the Director of Finance and Corporate Services shall refer such gifts to Audit Committee who will make a decision on acceptance, or otherwise, of the gift. The Audit Committee will make such enquiries as are reasonably necessary to ensure it has sufficient awareness of the activities of all bodies operating under the name of the school, and that it has a holistic view of potential and cumulative risks to the school.

The Director of Finance and Corporate Services shall refer any other proposed gifts to the Audit Committee at his/her discretion and will routinely report to this Committee on the nature and type of gift offered to, and received by SGUL in the preceding period, including those gifts that involve unusual funding arrangements, that require consultation with divisions/departments, or that are proposed with restrictions.

SGUL will be transparent about gifts received in terms of their sources and purposes. In cases where a donor wishes to remain anonymous, such anonymity will always be respected as far as is permissible at law. Any request for information about the purpose of gifts from anonymous donors will be referred to the Director of Finance and Corporate Services for a response.

Policy for acceptance and investment of Donations of under £5,000 in total:

If a donation is under £5,000 in value, or £1,000 in instalments for a duration of less than 5 years, the donor should be advised that they will contribute to the Scholarship

Award stream of the Annual Fund. This will be a fund managed by Alumni relations, and used at the discretion of the university to provide student support in the form of financial scholarships based on academic progress and achievement. It is specifically available to students who show a substantial percentage increase in their overall mark over the course of a year of study.

#### Terms of the Scholarship Award stream of the Annual Fund:

- Students must be currently studying at the University to be eligible for the Scholarship Fund, and the fund can only be awarded to benefit students whilst they are at St George's (no final year students).
- Post graduate students and students from the Joint Faculty are eligible for the award.
- Minimum scholarship awarded is £1,000 in value.
- The Scholarship must be awarded to students who have achieved significant improvement in their academic achievements whilst at the university. Students can submit applications for the Award or be nominated by their academic tutors (who they will require a reference from) for eligibility for the Student Scholarship Fund.
- Students must achieve a 7% increase in their Overall Mark over a year of study to be eligible to apply for the Scholarship Fund. Students are compared against other students on their programme of study only.
- Applications are judged by the Committee currently responsible for deciding the Student Experience Fund, chaired by a suitable academic lead (Dean for Student Experience).

#### 4.c Terms of Financial Process and Reporting:

- Revised Gift Acceptance Policy in place to advise all staff in contact with potential donors about the terms of donation to St George's (Appendix 1).
- Finance must report annually on the balance available for each stream of the Annual Fund to the Director of External Relations or Head of Fundraising.

#### Policy for acceptance and investment of donations over value of £5,000:

##### Establishing of Named Academic Prizes:

- The donor must commit to **£1,000 minimum donation per annum for a period of 5 years** (Total: £5,000) or more to be eligible for the establishment of a 'named' prize.
- **Prizes to be of the value of £250 per annum.** This will enable the Prize to run for at least 20 years (possibly more with interest).
- Donors to be encouraged to provide donation as a single sum of capital if possible to be invested in the Endowments fund (depending how endowment accounts end up structured) as the larger capital will enable greater interest to be raised by the donation. This will allow it to run for longer.

- The Donor will be invited to a meeting to discuss the terms under which they would like to the named prize to be awarded (which area of the course). A gift agreement and the procedure surrounding this must be agreed and signed as per the Gift Acceptance policy (Appendix 1).
- New donations must sign a gift agreement by 31<sup>st</sup> March for the Prize to be awarded in that academic year.

### **Gifts to individual members of staff:**

Any member of staff who receives a gift of any kind from any third party in relation to their work (e.g. supplier, contractor, student) must disclose the fact of the gift, its nature and the identity of the sender to their line manager. If the gift is anything other than a small token of appreciation having no substantial financial value, the employee will be required to return the gift to the sender with a polite note thanking them and explaining that it is the University's policy that employees should not receive gifts.

If, in the opinion of the line manager, the gift might constitute a bribe or other inducement, the employee will be asked to pass the gift to the Director of Finance and Corporate Services, who will return it to the sender with a suitable letter explaining the organisation's policy and asking that it be respected in the future.

In cases where the employee's line manager agrees that the small gift was sent to the employee as a token of gratitude\* for work carried out to a particularly high standard or for an exceptional level of service given, the employee may, at the line manager's discretion, be permitted to retain the gift. Thus small gifts that are genuinely given as a token of appreciation or gratitude will be acceptable, provided that the employee properly declares the gift in line with this policy and provided that the employee does not subsequently treat the person who sent the gift more favourably than other students/suppliers, etc.

This policy does not apply to promotional gifts, i.e. items such as stationery or pens that bear the logo or organisation's name of another organisation, provided that these have no significant value. However, since it is likely that such gifts will be received by only a limited number of employees, they should be shared amongst other members of staff where appropriate and practicable.

\* A token of gratitude will be under the value of c £10.00. Section 3.4.1 of the Conflicts of Interest and Business Dealings also refers.

## APPENDIX 1: Gifts policy and due diligence process

This process operates in accordance with the gifts policy dated [October 2012]

### 1 Authority levels

This is in respect of gifts above [£20,000], which require the approval of the Institute director/Secretary and director AAQ (as applicable) and the Finance & corporate services director.

Gifts of £100,000 or above also require the Principal's approval

Gifts below [£20,000] require a more limited due diligence, with Finance Director or Head of Finance approval.

### 2 Due diligence process

<b>Answer YES is support for acceptance</b>	
Is the donor known to the University as who they state they are, either through their relationship with specific staff or through the alumni association?	
Does the person have the money they wish to donate? Established through discussions; the final test will be when the funds are transferred.	
Is the donation is compatible with the current Strategic Plan, although not necessarily explicit within it?	
Is the gift compatible with the mission and values of the University?	
Is the gift consistent with SGUL's stated academic purposes, priorities and freedoms?	
Are the terms of the gift clear as regards the intentions?	
Are the terms of the gift clear as regards any restriction on use?	
<b>Answer No is support for acceptance</b>	
Is there any indication that the funds have been sourced from:	

Unlawful activities, including any form of theft, fraud, tax evasion, money laundering or terrorist activity, whether in the UK or under the jurisdiction from which the donation is to be made?	
Activities that violate or may violate international conventions in relation to human rights, freedom of speech, or association?	
Activities that limit or may limit freedom of enquiry, or encroach on academic freedom?	
May the gift inhibit SGUL from seeking significant gifts from other donors?	
Do the proposed terms of the donation:	
Require any action directly, or on behalf of the University, that is illegal, including any form of unlawful discrimination?	
Seriously damage the reputation of the University, e.g. by attracting negative publicity?	
Harm the University's relationship with other benefactors, partners, potential students or research supporters?	
Create unacceptable conflicts of interest for the University?	
Constitute any form of bribery or undue influence?	
Is there a potential conflict of interest?  eg any current University tenders or research applications that may be of benefit to the donor; or connections to current or prospective research collaborations If there is a possible link, donations will not normally be accepted or discussed until the University has ensured that this risk is not significant.  Gifts offered by a parent or associate of a prospective or current student will be acceptable, subject to the other considerations set out here.	
Is the donor providing the funds on behalf of a third party?	
Does the gift require an unacceptable level of expenditure beyond the value of the gift? Matched funding may be acceptable as long as it is affordable	
Could acceptance of the gift expose SGUL to undue adverse publicity or reputational risk?	
Does the gift involve unlawful discrimination, eg, based on race, religion, gender, age, disability or other basis prohibited by law?	
Does the gift require or encourage SGUL to deviate from its usual	

operating, staffing or contracting procedures, including Scheme, Statutes and Regulations?	
Does the gift require or encourage SGUL to provide special consideration for admission to or privileges from SGUL for the donor or an associated party, apart from appreciation of the gift itself?	

### 3 Approved

Finance & corporate services director

Institute director/ Secretary & director AAQ

Principal (if applicable)

### 4 Financial treatment

Gifts which have restrictions on the allocation of funds or specific requirements for how the funds are spent will be treated as endowments. This means that they will be accounted for as endowments in SGUL's financial statements.

Some endowments restrict expenditure to the income raised from investment of the funds whilst others enable the original gift to be spent, as well as the investment income, meaning that the capital declines over time.

The accounting treatment is for the funds to be ring fenced from SGUL's other funds, cannot be used for SGUL general expenditure and must be spent in accordance with the terms of the gift. Neither the gift income nor the expenditure arising from it will be included in SGUL's income and expenditure account. It will not form part of the Alumni departmental income, as the gift will be spent, over time, in accordance with the directed terms.