

# Policy for the Acceptance of Philanthropic Donations

Effective from 01/09/2019

Updated 12/06/2024

---

## 1. Purpose

Newcastle University has a responsibility to students, colleagues, alumni and partners to ensure that due diligence is applied to the source of philanthropic donations and the purpose for which a donation is intended. The University will do everything it reasonably can to ensure that philanthropic donations complement the charitable purpose, vision, and reputation of the University, and will not constrain academic freedom.

## 2. What is covered by the policy?

This policy relates to the acceptance of philanthropic donations across the University.

## 3. Who does the policy apply to?

All staff involved in accepting and managing philanthropic donations.

## 4. What is a donation and how does this differ from a grant?

Newcastle University receives many offers of support from external sources. This support may be in the form of money, property or services, and may be applied to various purposes within the University – these transactions usually take the form of either a charitable donation or a research grant. The categorisation of these payments has significant legal and tax implications for both the University and the payor, and so it is crucial that Finance and NU Advancement colleagues can identify the nature of the payment (payors may use the terms *grant* and *donation* interchangeably, and the NU Advancement team can provide guidance on how a payment should be treated).

As a rule of thumb, research grant transactions involve an exchange of value between the University and the payor and entail formal obligations on the part of the University to carry out specific actions in exchange for the payment. Contrary to this, a charitable donation provides no direct benefit to the payor (i.e. the payor does not receive any goods or services as a result of the contribution). A donor can restrict a donation to a specific project or area of work, the NU Advancement team can advise donors and donation recipients on the development of a donation agreement and subsequent management of funds.

## 5. Roles and responsibilities

The primary responsibility for managing donations and grants lies with the; Advancement, Finance, Business Development and Enterprise (BDE), and Research Strategy, and Development Offices. It's important to note, however, that the Advancement Office does not conduct and is not responsible for conducting due diligence checks related to research grant income.

To facilitate proper due diligence, all professional service directorates, academic schools, research units, and individual academics, must inform the Advancement Office about intended approaches for, or the receipt of, donations of £10,000 and above.

## 6. Policy

The University must assess the source and purpose for all philanthropic donations. All such donations must align with the charitable purpose, values, vision, and strategy of the University.

Donations of £10,000 and above must be accompanied by a signed donation agreement or equivalent.

A form of the following statement will be included in all donation agreements:

*Both the donor/funder and the University affirm that this funding/donation will complement the vision, values and reputation of the University, and will not constrain academic freedom.*

Anonymous donations exceeding the value of £100 will not be accepted by the University. However, the University will respect the wishes of donors who choose to remain anonymous; recording such donation(s) accordingly, and not disclosing the name of the donor/s publicly (aside from where this is required by law).

The University will apply a process of due diligence in all cases where available information indicates potential for a donor to give £10,000 or more; either as one single donation, or through cumulative giving over time. The Advancement team will conduct research into publicly available information regarding the prospective donor. The resulting reports will be reviewed by the Director of Advancement, and by the Registrar in cases where the potential risk to the University is deemed to be “high”. If risks are deemed too great, and/or a significant conflict with the University’s values/mission is identified, the Director of Advancement and/or the Registrar may rule that the University should not pursue/end any discussions on philanthropy with the subject.

All due diligence processes shall be conducted in strict adherence to the University Due Diligence Framework. This framework will guide the assessment and categorisation of risks associated with potential partnerships, investments, and other significant decisions. All findings from the due diligence process will be thoroughly interpreted and reported, clearly indicating whether they represent no risk, low risk, or high risk, in alignment with the established NU Advancement Levels of Risk Document. This approach ensures that decision-making is informed, systematic, and reflective of our institution's values and risk tolerance. Where a relationship with a donor/prospective donor is ongoing, due diligence checks will be repeated every 2 years to ensure information remains up to date.

Once the due diligence process has been completed, and a donation has been agreed, an additional “Acceptance of Donation” (AoD) procedure will be followed. Initial due diligence will be reviewed and updated, and additional approval may be sought depending on the level of donation (see; Appendix 1: Donation Levels and Responsibility of Authorisation). The University will only accept philanthropic donations that are aligned to its vision and strategy, and support its values and guiding principles, and where it is confirmed that:

- The source of the donation is not the result of activity that is/was illegal or is incompatible with the University’s Code of Ethics and/or values.
- The source and purpose of the donation is consistent with, and will not damage or limit, the operation of the University in fulfilling its stated charitable purpose and vision.
- The source and purpose of the donation does not represent a significant reputational risk.
- The purpose and level of the donation does not create any conflict of interest for the University, or harm relationships with other funders, partners or stakeholders.
- The purpose of the donation will not create detrimental current, or future, financial liabilities for the University.
- The purpose for which the donation is made is deliverable and is in line with the University’s stewardship and acknowledgement guidelines, without the application of unmanageable conditions.
- The University will apply the funds for the purpose they are given, unless explicit consent is given by the donor or, in the case of legacy donations, the executors or the Charity Commission.

If, at any point following the acceptance of a donation, information arises to indicate that any of the guiding principles relating to the acceptance of the donation are no longer applicable; the Acceptance of Donation process will be repeated, and the authorising person/s may decide it is necessary to return any donation/s.

In all cases where total amount donated by a single donor (individual or organisation) comes to exceed £10,000, £100,000, or £500,000; the Acceptance of Donation Process will be repeated with authorisation for

acceptance of donation sought from responsible person(s), as outlined in Appendix 1. This guidance applies to any single donation, or to cases where a single donor reaches these total donation amounts via cumulative donations over time.

### **7. Related regulations, statutes and policies**

- Code of Ethics
- Stewardship and acknowledgement guidelines
- Advancement Research Handbook
- Ethical Investment guidelines
- Delegation of authority
- Guidelines for Academic Applications to Philanthropic Trusts and Foundations
- NU Advancement Levels of Risk Document

### **8. Procedure to implement the policy**

The operational processes for the acceptance of and processing of donations are outlined within the Research Handbook, Donation Acceptance Process, and the donation processing and stewardship and acknowledgement guidelines.

### **9. Monitoring and reporting on compliance**

The Advancement Office conducts weekly checks to verify that no due diligence checks are missing and to ensure that all due diligence reports that have lapsed are rerun promptly. This oversight is managed by the Head of Philanthropy and the Head of Operations within the Advancement Office, ensuring that due diligence processes are thorough and up to date.

In addition to these weekly checks, the Finance team flags monthly cumulative due diligence check requirements. This is to ensure that donors who exceed the agreed giving threshold have also undergone the necessary due diligence checks, maintaining a consistent and rigorous monitoring system across all levels of donation acceptance.

Fundraisers play a role in this monitoring process. They bear a level of responsibility to ensure that appropriate due diligence checks have been carried out before accepting any donation. This ensures that all donations comply with the policy from the point of initiation.

By signing off on due diligence and acceptance of donation reports, as well as donation agreements, the Director of Advancement and the Registrar are involved in the process of overseeing the compliance with these checks.

Information regarding the dates of due diligence checks and the levels of approval obtained is readily available on the alumni and supporter database. Due diligence reports generated are stored in individual donor files, which can be found on SharePoint.

### **10. Failure to comply**

The potential legal, moral and reputational consequences of not following the acceptance of donation policy are significant, and the University may deem it so great that disciplinary action could be taken in specific cases.

## [Appendix](#)

### [Appendix 1: Donation Levels and Responsibility of Authorisation](#)

Donation Level	Responsibility for Authorisation
Less than £10,000	Director of Advancement
£10,000 - £100,000	Registrar, following review by Director of Advancement
£100,001 - £500,000	Executive Board
>£500,000	Council

<b>Document control information</b>		
<b>Does this replace another policy?</b>		
No, this is an updated version		
<b>Approval</b>		
<b>Approved by:</b>	<u>Executive Board</u>	<b>Date:</b>
<b>Effective from:</b>	<u>Immediate</u>	
<b>Review due –</b>	<b>every five years or shorter period:</b>	
<b>Responsibilities</b>		
<b>Executive sponsor:</b>	<u>Registrar</u>	
<b>Policy owner:</b> (This maybe an officer or Committee)	<u>Director of Advancement</u>	
<b>Person(s) responsible for compliance:</b>	<u>Director of Advancement</u>	
<b>Consultation</b>		
<b>Version</b>	<b>Body consulted</b>	<b>Date</b>
<u>Initial assessment</u>	<u>Registrar</u>	<u>1<sup>st</sup> September 2019</u>
<u>Improved</u>	<u>EB</u>	<u>10<sup>th</sup> September 2019</u>
<b>Equality, Diversity and Inclusion Analysis:</b>		
<b>Does the policy have the potential to impact on people in a different way because of their protected characteristics? <del>Yes</del>/ No/ <del>Unsure</del></b>		
If yes or unsure please consult the Diversity Team in HR for guidance		
<b>Initial assessment by:</b>	<u>Registrar</u>	<b>Date:</b> <u>1<sup>st</sup> September 2019</u>
<b>Key changes made as a result of information management and donation processing audit, autumn 2021</b>		
<b>Document location</b>		
<a href="https://newcastle.sharepoint.com/:w:/r/sites/NUAdvancement2/Shared%20Documents/NUA%20Policies%20and%20Procedures/AoD%20Policy_2019.docx?d=wa35092a04bd540da98ae2fa557ca4018&amp;csf=1&amp;web=1&amp;e=0SlxPr">https://newcastle.sharepoint.com/:w:/r/sites/NUAdvancement2/Shared%20Documents/NUA%20Policies%20and%20Procedures/AoD%20Policy_2019.docx?d=wa35092a04bd540da98ae2fa557ca4018&amp;csf=1&amp;web=1&amp;e=0SlxPr</a>		

# Ethical Policy for the Acceptance of Philanthropic Donations

## Introduction

Ethical decision making is a deliberate and conscientious effort to make judgements that reflect the university's mission, values and long-term goals. Ethical decisions are made with the public trust and institutional integrity in mind.

The Council for Advancement and Support of Education (CASE) describes philanthropy as a voluntary exchange in which values and aspirations of donors are matched with the values and aspirations of those they benefit". As philanthropic contributions to UK Higher Education continue to grow in both scale and diversity, it's imperative to uphold best practices in fundraising. Guided by the Etherington Review of 2015, our institution rigorously assesses the credibility of gift sources, ensuring transparency and alignment with our mission.

We emphasise ethical decision-making in accepting gifts, rooted in the university's mission and the public trust. This approach requires that fundraising professionals, university staff, and volunteers alike, critically evaluate potential donations, particularly those defined as major gifts of £10,000 or more. Our updated Ethical Gifts Policy reflects a commitment to integrity and the advancement of education, balancing the importance of philanthropic support with the responsibility to uphold our values and objectives.

## Guidelines: Authorisation of the acceptance of philanthropic donations

A major gift is defined as one of £10,000 or more. Acceptance of Donation process will be completed for the levels stipulated below where a donor makes a single donation to the value of the level stipulated, or reaches this level via cumulative donations over time.

Total donation	Authorisation by
Less than £10,000	Designated staff in NU Advancement and Finance and Planning (Management Accountant)
£10,000 - £100,000	Deputy Vice-Chancellor following review by Director of NU Advancement
£100,001 - £500,000	Ethics Committee (research or teaching bequests) Executive Board (other bequests)
>£500,000	Council

## Principles

The Acceptance of Donation process shall be conducted in strict adherence to the University Due Diligence Framework, including but not limited to the following considerations:

- Has the donor acted illegally in the acquisition of funds?
- Would acceptance damage or limit the operation of the University in fulfilling its stated objectives?
- Would acceptance harm relationships with other partners, funders or stakeholders?
- Would it create a significant conflict of interest?
- Would it damage the University's reputation?

- Would acceptance lead to unmanageable conditions applied by the donor? Newcastle University does not accept anonymous donations above £100. Newcastle University will, however, respect a donor's wish for privacy should they wish their details not to be publicised.
- The gift will be applied for the purpose for which it was given, unless explicit consent is given by the donor or in the case of bequests, the executors.
- Gifts of £10,000 or over must have a signed Gift Agreement or equivalent. The following statement will be included in all Gift Agreements:

**Both the donor and the University affirm that this gift will complement the mission, values and reputations of the University and will not in any way constrain academic freedom.**

Where further background information is needed in relation to the source of a potential gift, NU Advancement will use its research facility to undertake this work and then make recommendations to the authorising person/s. Where there is concern, there will be discussion with the potential beneficiary of the gift prior to any decision to decline a gift.

NU Advancement will maintain a record of all major gifts accepted and declined.