



Title:

Donations Policy

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Short description	A policy on the acceptance and management of donations.
Relevant to	All staff
Approved by	University Council (CNL08/31) Board of Directors, Charles Sturt Foundation Ltd
Responsible officer	University Secretary/Company Secretary
Responsible office	Office of Corporate Affairs
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Introduction

1. PURPOSE

This purpose of this Policy is to define the framework for donations and the mechanism for solicitation, acceptance and deposit.

2. SCOPE

This policy applies to all donations received by the University and Foundation.

3. DEFINITIONS

In this Policy, unless the contrary intention appears:

Act means the *Charles Sturt University Act 1989*.

Board means the directors of the Foundation appointed and acting in accordance with the Constitution.

Chairman means the chairman of the Board elected in accordance with the Constitution.

Constitution means the constitution of the Foundation.

Corpus has the same meaning as provided in the Corpus Policy of the Foundation.

CPI means the All Groups Consumer Price Index applicable to Sydney kept by the Commonwealth Statistician.

Directors means the directors of the Foundation appointed in accordance with the Constitution.

Donation means a contribution that voluntarily transferred by one person to another without compensation or benefit flowing from the giver to the receiver. A donation is a transfer that is motivated by detached or disinterested generosity or out of affection, respect, admiration, charity, or similar impulses. Generally, donations are irrevocable, and, beyond a possible designation of use, the donor does not impose contractual requirements or subsequent reports as a condition of the donation.

Foundation means the Charles Sturt Foundation Limited.

Trustee means the Foundation.

Trust means the Charles Sturt University Foundation Trust.

University means the Charles Sturt University.

4. ROLES

4.1 The Foundation is a not-for-profit company established to act as Trustee for the Charles Sturt University Foundation Trust and for encouraging private donations to the Trust.

4.2 The Foundation is a whole controlled entity of the University.

- 4.3 The Foundation does not employ staff. The University, through the University Relations Unit, employs staff responsible for providing administrative support to the Foundation and strategic support to faculty, divisions, foundations committees and other fundraising groups within the University.
- 4.4 The Director of the Office of Corporate Affairs is responsible for the oversight of the University Relations Unit.
- 4.5 The University Relations Unit is responsible for:
- (a) coordinating and providing strategic support and guidance to the Foundation committees and other fundraising groups within the University;
 - (b) supporting institutional donor relations;
 - (c) managing major whole of institution prospects and solicitations;
 - (b) administering the Trust on a day to day basis;
 - (c) coordinating between the University and Foundation on the priorities for donations.
- 4.6 The Manager, University Relations, is responsible for the day to day management of the University Relations Unit and meeting the strategic objectives of the University and Foundation in the area of donations. To ensure effective coordination of Foundation and University activities, the Manager University Relations from time to time will be the Chief Executive Officer of the Foundation.
- 4.7 Foundation fundraising committees are responsible for developing strategies and encouraging donations to the Foundation within their areas of responsibility as set out in the By-law to the Constitution.

Solicitation and Acceptance

5. SOLICITATION OF DONATIONS

The Foundation and the University jointly encourage faculty and staff to seek donations to the Foundation as a means to assist the University to pursue its objects and for enhancing the quality of the University's educational, research and student support programs.

6. ACCEPTANCE OF DONATIONS

- 6.1 Donations may be made by individuals, by corporations, by foundations and other legal entities.
- 6.2 Donations will be accepted by the Foundation to assist the University to pursue its objects and consistent with the objects of the Foundation and terms of the Trust.
- 6.3 A donor may express the wish for a donation to be put to a specific purpose. In those cases, where the Foundation accepts such donations, it will put the value of the donations received to such purposes.

6.4 The donor may also propose the establishing of an Endowment Fund, in which case the donation principal and distributions will be governed by the Corpus Policy of the Foundation.

7. COORDINATION OF SOLICITATION

7.1 To maximise the opportunity for success and to insure that the Foundation's and University's priorities are properly represented in all appeals for private support, institutional coordination and approval of all formal representations for support is essential.

7.2 Because of the potential damage which can be caused by uncoordinated solicitation of donations, all efforts within the Foundation and University to raise funds from private sources including corporations, foundations, individuals, or other private philanthropic entities must be approved by Manager, University Relations *prior to their initiation* and must be coordinated through the University Relations Unit of the Office of Corporate Affairs.

7.3 No member of the University or its associated organisations may make formal approaches for fundraising purposes unless coordinated with, and approved through, the University Relations Unit.

7.4 The University Relations Unit is responsible, on behalf of the Foundation and University, for *coordinating* all formal fundraising and donation solicitation activities for the Foundation and University. It has responsibility for overseeing the development process, including the identification, cultivation, and formal solicitation of sources of private financial support for the Foundation and the valuation, recording, and acknowledgement of donations received.

7.5 Prior to the initiation of a formal request for solicitation approval, the University Relations Unit is available to consult with those who wish to approach potential funding sources. The Unit will assess the appropriateness and timing of such a solicitation in light of existing or proposed University or Foundation initiatives and priorities and any known financial commitments by those considered to be potential donors.

7.6 Once a formal solicitation request has been approved by the University Relations Unit, it can be requested to assist the relevant faculty, school, department, unit, foundation committee or individual faculty or staff member to identify and evaluate prospects, to suggest solicitation approaches, and to assist, as appropriate, in the solicitation process.

7.7 It is recognised that individuals, corporations, foundations, or other entities may themselves initiate contact with foundation officers, faculty and staff regarding funding opportunities. While individuals are encouraged to answer questions and to discuss donation opportunities with potential donors, those inquiries *must be reported promptly* to the University Relations Unit. That information is critical to the overall coordination of fund raising and development activities.

Receipt and Deposit

8. RECEIPT AND DEPOSIT OF DONATIONS

8.1 The University, and its faculty, divisions and other units, are responsible for ensuring that all donations received by the University by any means are forwarded immediately

to the Foundation through the University Relations Unit. All donations and pledges, whether solicited or unsolicited, which are sent directly to the Foundation, an area of the University or to an individual must be delivered promptly to the University Relations Unit along with copies of any accompanying documentation such as letters, cards, notes, and agreements.

8.2 The University Relations Unit is responsible for ensuring that all monetary funds received by the University or Foundation are deposited to the correct Trust, Endowment or Gift Fund.

8.3 The University Relations Unit must ensure that the funds are:

- (a) deposited within 24 hours in the proper Foundation account; and
- (b) the donor is issued with an official receipt for tax purposes; and
- (c) an appropriate acknowledgement is organised to be sent to the donor.

9. DONATION RECORDS

The University Relations Unit shall oversee the receipt, recording, depositing, and acknowledgment of donations to the Foundation of a philanthropic nature. Such receipting will be in accordance with the financial policies and procedures of the Foundation. The University Relations Unit, in turn, will ensure that faculties, divisions and other centres are notified in a timely fashion regarding donations restricted for their use.

Treatment of Donations

10. AUSTRALIAN TAXATION OFFICE REGULATIONS

The Foundation will comply with the prevailing rules and regulations of the Australian Taxation Office when accepting and structuring the various types of donations covered by this Policy.

11. RESPONSIBILITY OF DONORS

All prospective donors, particularly those making large donations or planned donations, are strongly encouraged to seek the legal and financial assistance from an independent advisor on all questions relating to their donation, taxation and estate planning. The Foundation will, in turn, seek the advice of the Legal Services Unit in the Division of Finance of the University, in matters relating to the acceptance of donations involving formal donation agreements and in other cases in which such involvement is warranted.

12. DONATION METHODS

12.1 Donations may be received through the following means:

- (a) cash (not exceeding the value of \$200);
- (b) cheque, credit payment or direct deposit;
- (c) securities fully paid-up negotiable shares, bonds, debentures, secured and unsecured notes;

- (d) real estate including unimproved and improved property and may be in the form of an entire or part interest and may be assigned outright or used to set up a fund to provide a cash flow to the University (and may include the residual of a retained life benefit in real estate);
- (e) tangible personal property tangible assets such as books, furnishings, jewellery, boats or fine art;
- (f) life insurance includes term, whole of life and other commercial policies with the University named as owner and/or beneficiary; or
- (g) bequests (that is philanthropic provisions in a donor's will expressed as a specific amount, percentage or remainder of the estate).

12.1 The Foundation may not accept cash donations exceeding \$200. Donations exceeding this cash amount must be paid to the Foundation by cheque, credit payment or direct debit.

13. NAMING OF BENEFICIARY

13.1 In order to protect their charitable status, all donations should be made payable to "Charles Sturt University Foundation Trust".

13.2 If it is desired to further specify the use of the donation then this should be set out in documentation accompanying the donation.

14. PURPOSE AND USE OF DONATIONS

The purpose and use of a donation as proposed by the donor must be appropriate to the objects, functions and character of the University, Foundation and Trust and not require the Foundation or University to act contrary to law or public policy or in a manner considered unethical.

15. GROUNDS FOR DECLINING A DONATION

15.1 The purpose of this clause is to provide general guidance to prospective donors and their advisors as well as to Foundation and University officials in determining what kinds of donations are acceptable to the Foundation and University.

15.2 The Foundation and University actively solicit donations from individuals, corporations, foundations, and other entities to help fulfil its mission of teaching, learning, research, student service, patient care and community development. Whenever it appears that a donation:

- (a) because of its source, its conditions, or its intended purpose, could expose the Foundation or University to adverse publicity,
- (b) could extend the University's resources beyond reasonable limits, or could involve the University in new and unplanned activities,

the matter must be referred to the Manager, University Relations who will confer with the appropriate University officials prior to final acceptance of the donation.

- 15.3 While the Foundation appreciates the financial support and goodwill of donors, special care is required to insure that the acceptance of a donation will not involve a continuing financial commitment or other obligation on the part of the University or the Foundation that is disproportionate to the usefulness of the donation. While donors often wish to specify the general purpose for which a donation is given, the Foundation will not accept donations which are too restrictive in nature or which do not support the University's overall objects.
- 15.4 The Foundation will not accept a donation which bears with it any discrimination prohibited by the University's Equal Opportunity Policy or by prevailing law.

16. ADEQUACY FOR PURPOSE

Donations should be appropriate to the proposed uses and consistent with the University objects, Strategy and Enabling Plans. Exceptions may be made with the approval of the Vice-Chancellor.

Valuation of Donations

17. VALUE

- 17.1 Donations are to be valued and credited on the date the donor relinquishes control of the assets. The amounts recorded by the Foundation are to be arrived at independently of the donors' estimation of the donation value. It remains the donor's responsibility to settle their valuation with the Australian Taxation Office for purposes of their own taxation.
- 17.2 Cash, securities and donations of tangible assets are to be credited at full face value of the financial instrument.
- 17.3 Donations of securities are to be credited at market value on the date the donor relinquished control of the assets. Neither losses nor gains realised by the sale of the securities after their receipt, nor brokerage fees or other expenses associated with the transaction are to be taken to affect the value that has been assigned to the initial donation.
- 17.4 Donations of real estate and personal property, such as land, houses, paintings, antiques, and rare books, are to be reported at the fair market value placed upon them in accordance with this policy.
- 17.5 Donations of real estate and personal property, if accepted for resale, will be credited at the appraised fair market value.
- 17.6 Donations of real estate and personal property, or donations-in-kind which are retained by the Foundation are to be accounted for in such a manner as to clearly identify that the amount represents a donation which has been retained.
- 17.7 Donation of a retained interest in real property (retained life estate in a personal residence, farm or vacation home) which will be valued at the date of transfer of the asset to the benefit of the Foundation and re-valued every 3 years until the retained interest is liquidated.

17.9 The value of the assets in trust that the donor has chosen to have administered by others is to be included in the donation totals provided the trust is irrevocable and the Foundation or University is the irrevocable beneficiary.

18. INSURANCE VALUATION

18.1 In crediting donations of insurance the Trust must be named both beneficiary and irrevocable owner of an insurance policy before the policy is to be recorded as a donation.

18.2 The cash surrender value of the policy when given, rather than its face value, is the amount to be credited as a donation.

18.3 If a donor pays further premiums on the policy the premiums are to be included in the donation totals.

19. DONATION OF SERVICES

Donations of time or services by local corporations, entities, or individuals for which a dollar value cannot be readily established and which are not recognised by the Australian Taxation Office as donations for tax purposes are appreciated by the Foundation and University but are not recorded and maintained centrally. Faculty, divisions and other centres which receive such donated services should acknowledge those donations, when appropriate, and should maintain records of the donations. Donations of time or services that are recognised by the Australian Taxation Office are to be valued in accordance with the Australian Taxation Office policy from time to time.

Endowments

20. MECHANISM FOR MAKING AN ENDOWMENT

With the exception of bequests, donations intended for endowment should be accompanied by a document signed by the donor stating that the donation is for endowment and defining any proposed restrictions. Any additions to an endowment must be accompanied by a letter signed by the donor indicating that the donation is for the endowment or referencing to an earlier document under which the endowment was established.

21. FUNDING AN ENDOWMENT

The funding of an endowed donation may be by way of cash, securities and/or pledged assets. On some of these items, the Foundation may wish to place some restrictions or other conditions in accordance with its Constitution, the terms of the Trust or statutory obligations. Endowment need not be for perpetuity but can also be for significant periods such as 25 years.

22. ENDOWED DONATION INSTRUMENT

The notification of an endowed donation to the Foundation is usually made by a letter to the Chairman of the Board. This letter should outline the terms agreed upon by the donor, the Foundation and the University. The Chairman will indicate the Foundation's acceptance in an appropriate fashion.

Other

23. GRANTS AND CONTRACTS

23.1 A distinction is to be made between donations, grants and contracts. Whereas the Foundation has the responsibility to use donations for the purpose specified by its donors, its obligation to the donor usually does not exceed the limit of the donation.

23.2 The University responsibility under a contract or research grant, on the other hand, normally involves the generation of some tangible product or service, often for the exclusive or proprietary use of the contacting agency and subject to certain standards of performance and the expectation of economic benefit on the part of the grantor. Of course, there will be cases which partake of elements of donations and elements of grants or contracts. Where there is a significant element of philanthropy in the transaction, the University Relations Unit should be notified to ensure that ongoing stewardship and donor recognition is accorded to the person making the donation.

24. DONATIONS REQUIRING THE OUTLAY OF UNIVERSITY FUNDS

Donations to the Foundation requiring a commitment by the University or Foundation to spend funds, either upon receipt or in the future, in addition to amounts donated or pledged, must receive prior approval from the Executive Director, Division of Finance of the University. Examples are donations requiring:

- (a) matching funds by the University;
- (b) commitment to continue a project after termination or exhaustion of the donation financing of construction projects; and
- (c) commitment to finance and/or administer an undertaking outside the routine functioning of the University.

25. MULTI-PURPOSE DONATIONS

If a donation is for multiple purposes but the donor does not indicate the distribution percentage, the Board shall clearly define the basis for distribution so that the amounts can be properly recorded.

26. INVESTMENT POLICY

Donors shall be informed that all funds received by the Foundation will be managed in accordance with the Foundation Investment Policy. A statement on the nature of this policy will be available for distribution to donors.

27. SEEKING OF NAME ATTACHED TO A DONATION

Approval of the Vice-Chancellor or Council is required before the acceptance of any donation on the condition that part of a building be named after the donor in accordance with the Official Naming Policy and Official Naming Procedure of the University. The Council may grant pre-approval for the official naming of certain facilities on request of the Foundation to allow for naming rights to be offered as part of an appeal.

28. DONATIONS OF REAL ESTATE AND TANGIBLE PROPERTY

28.1 Because of the complexity of transacting donations of real property or interest in real property, the expense of managing real property and the potential for liability, such donations should receive the advance approval of the Vice-Chancellor.

- 28.2 Prior to forwarding a recommendation to the Board, the Chief Executive Officer shall secure from the donor (normally at his/her expense):
- (a) title deeds to the property (and where old systems, a complete title examination);
 - (b) a qualified appraisal consistent with the standards and guidelines established by the Australian Taxation Office; and
 - (c) certification that the title is free and clear of any encumbrances which will affect the marketability of the property including any environmental concerns or the provision of an explanation of encumbrances that might affect the marketability of the property.
- 28.3 Upon receipt of these documents, the Board will present a recommendation to the Vice-Chancellor. This recommendation shall include a detailed description of all anticipated benefits versus costs associated with acceptance of that asset. The Vice-Chancellor may approve the Board to accept a donation of real estate or tangible property if satisfied that the donation is for the benefit of the Foundation and University.
- 28.4 For real estate not included in Charles Sturt University's campus master plans, it is usual practice for the Board to initiate the sale of the property as soon as practical after legal transfer of title, except when the donor legally limits the Foundation's right to dispose of the property or limits its use of the property. In any case, donations of real estate do *not* necessarily result in cash being available to the Foundation, and faculty and other centres should not assume that sales proceeds would be available at any specific time.

29. TANGIBLE PERSONAL PROPERTY

All donations of tangible personal property exceeding \$5000 are subject to the acceptance of the Board. All proposed donations of tangible personal property valued at \$1,000 or more require an appraisal.

30. LIFE INSURANCE

The preferred form of life insurance is a whole of life policy naming the Trust as owner and beneficiary.

31. RETAINED LIFE INTEREST

Where the Foundation accepts real estate with a retained life interest, the donor or other occupants may continue to occupy or use the real property for the duration of the stated life. After death of the donor or other designated individuals, the Foundation may use the property or may sell it to obtain the cash proceeds. In cases in which the Foundation receives a donation of a retained life estate, expenses for maintenance, rates and taxes, insurance, mortgages or loans and all other expenses are to be paid by the donor or primary beneficiary.

32. BEQUESTS

- 32.1 Bequests vary in respect to the time or manner in which they will eventually take effect. All bequests are subject to acceptance by the Foundation. This acceptance can only occur when the assets of the estate are available for distribution. Any advice given

when a will is being drawn up should not bind the Foundation. Distribution may be in the form of cash, securities, real estate, tangible personal property or a combination of the foregoing.

32.2 Normally, all realised bequests, unless otherwise restricted, will be placed in the Corpus.

32.3 The Board may elaborate policy and procedures with regard to bequests.

33. PAYMENT OF PROFESSIONAL FEES

33.1 In donation transactions, the Foundation shall not provide payment of any fees to the donor or to any advisers or agents acting on behalf of the donor. The payment of any and all fees to the donor's adviser(s) shall be borne entirely by the donor. As a practical matter, the donor may wish to decrease the total amount of the donation by the amount of any fees incurred as a result of the donation transactions.

33.2 It is recognised that the Foundation may incur some expenses as a result of certain donation transaction. In some instances, for example, the University may elect to commission an independent appraisal or consult with a professional adviser.

34. PROMOTION

34.1 In the promotion of its philanthropic donation program, the Foundation will not represent donations as tax shelters or financial investments but rather as donations to the work of the University.

34.2 Advertisements, literature and estate planning seminars will appeal to basic philanthropic motivations and donative intent as important components of giving. The satisfaction of contributing to a worthwhile cause shall be emphasised in all communications.

34.3 In order to encourage philanthropy, Australian tax laws provide certain economic benefits to donors. Such benefits may help determine the amount of the donation and may even influence the decision to contribute. For this reason, the Foundation may cite the tax implications in their communications with donors and prospective donors, though not to the exclusion of less tangible benefits or as a primary motive.

35. ACCOUNTABILITY

The University Relations Officer's primary and ultimate responsibility is to serve the Foundation and University in a manner befitting the profession. Donors should be actively encouraged both in written proposals or financial illustrations, as well as in person, to consult their own financial and/or legal advisers when contemplating a donation. University Relations Officers should not portray themselves as financial or legal advisers to prospective donors. A disclaimer clause to this effect shall be incorporated in all written communications.

36. NAMED DONATIONS

The Charles Sturt Foundation Limited and Charles Sturt University will comply with the Official Naming Policy of the University when dealing with endowment donations, naming of a building or part of a building for a donor or a donor's designee and the naming of an academic program for a donor or a donor's designee.

37. DONATIONS TO UNIVERSITY

37.1 While the Trust is the principal instrument for management of donations for the benefit of the University, from time to time donations will be received in the name of the University as a charitable institution scheduled under relevant taxation laws.

37.2 Where a donation is received in the name of the University, the donor may be requested by the University Relations Unit (where appropriate) to vary the named beneficiary to the name of the Foundation.

37.3 In some cases, a donor may specifically wish donations to be managed by the University or donations may not be permitted to be received by the Foundation (for example, it is common for other foundations to prohibited the making of a donation to another foundation). In these cases, the donation may be accepted in the name of the University and deposited to an appropriate University Trust or Gift Fund account in accordance with this Policy (as though a reference to the Foundation or Trust was a reference to the University) by the University Relations Unit.

38. ANNUAL REPORT

The Foundation will publish in the Annual Report of the University donations received by the Foundation, or by the University under clause 37, and the name of the donor (where the donor has not otherwise requested anonymity).

39. DELEGATION

The Chief Executive Officer has the authorities and powers necessary and convenient for giving effect to this Policy.

Table of amendments

Version number	Date	Short description of amendment