

## Appendix 2 – Proposed Gifts Acceptance Policy

### 1. Scope

Durham University actively seeks donations, sponsorship and legacies from individuals, trusts and foundations, commercial and charitable organisations, and government-related funding streams from all around the world to support research, educational and outreach activities consistent with the charitable mission of the University.

This Policy covers the solicitation, acceptance, recording, oversight, and reporting requirements related to all donations / gifts received into the University system – whether it is conducted by trustees, any staff members, students, volunteers, or third-party partner organisations with affiliated charitable status.

The University has an obligation to its trustees (Council), staff, students and wider stakeholders to ensure that funding opportunities are pursued enthusiastically to support the advancement of the institution. The University also has a responsibility to ensure that the sources of donations / gifts – and the way in which donations / gifts are received and processed – do not in any way undermine the University's or donors' reputation or create any unacceptable conflicts of interest. In addition, donations / gifts will not be welcomed into the University where their acceptance would inhibit the ability of the institution to pursue free and independent academic enquiry.

### 2. Context

The University is an educational charitable and chartered corporation, exempt from registration with the Charity Commission under the terms of the Charities Act 2011. The University's Royal Charter number is RC000650. Under the Charities Act 2006, the Office for Students, as principal regulator, is charged with ensuring that universities fulfil their obligations under Charity law. The University's Exempt Charity registration number is X6507.

The University recognises the guidance for fundraising published by the Council for the Advancement and Support of Education (CASE) and the Fundraising Regulator.

The University recognises and will meet the requirements of Museum and Archives Accreditation Standards.

The Privacy Notice outlines the University's commitment to protect the personal information of donors and transparency of information held: [Alumni and Supporters - Durham University](#)

### 3. Acceptance Principles

**3.1.** The following principles will apply to the acceptance of donations / gifts to Durham University, which shall include University faculties and departments; research institutes and centres, Maintained Colleges; Student Organisations that fall within the Durham Student Organisation Framework; and other strategic units.

**3.1.1.** The source and purpose must be consistent with the University's strategic aims and values.

**3.1.2.** The donation / gift must comply with all statutes, laws and regulations in force, including the University's Anti-Money Laundering Policy and, as relevant, the

Collections Development Policy. The acceptance of personal gifts by members of University staff is outside the scope of this Policy and is covered by the University's Procurement Policy.

- 3.1.3. Reasonable steps must have been taken to determine that the donation / gift was not illegally or immorally obtained, or breaches sanctions regulations at the time of donation.
- 3.1.4. The donation / gift must not create an unacceptable conflict of interest for the University with regard to issues including (but not limited to):
  - Applications and admissions
  - Academic progression of any current or future student
  - Academic freedom
- 3.1.5. The donation / gift must not result in an unplanned financial or operational liability.
- 3.1.6. The donation / gift should not create unwarranted reputational and/or other ethical risks for the University<sup>1</sup>.

#### **4. Definition of Donations / Gifts**

- 4.1. In general terms, donations / gifts can be distinguished between financial and non-financial, which are further described in Section 11 and Section 12 of this Policy.
- 4.2. For the purposes of this Policy, financial donations / gifts include money or money's worth, securities, tangible property and intangible property. The processing and receipt of financial donations / gifts will be overseen by the University's Development and Alumni Relations Office (DARO).
- 4.3. For the purposes of this Policy non-financial donations / gifts include museum, library or archive collections or individual items for use within the University's libraries and collections. These include the Oriental Museum, Western Art Collection, Museum of Archaeology, Durham Castle Museum, Archives and Special Collections and the Institutional Archive as well as collections embedded within University departments and Colleges. The processing and receipting of these non-financial donations / gifts will be overseen by University Library and Collections (ULC).

#### **5. Procedures for Review of Donations / Gifts**

- 5.1. Statutory funding bodies, including research councils, are exempt from enhanced due diligence screening.
- 5.2. In order to comply with anti-bribery, anti-money laundering and financial accounting procedures:
  - 5.2.1. All financial donations / gifts of any size received into the University must be recorded onto the University's central donor database Raiser's Edge (RE) Where possible, and

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<sup>1</sup> The University Library and Collections Committee monitors the external environment in which the University's libraries and collections operate and as required adapts its strategy and/or policies accordingly.

always with donor consent, Gift Aid or other matching-funds will be sought to enhance the value of the donation / gift.

- 5.2.2.** All non-financial donations / gifts will be presented to the University's Acquisition, Disposal, and Loan Panel for review / approval and, as relevant, if accepted, recorded in the Accession Register for the appropriate collection area(s).
- 5.3.** A donor's right to remain anonymous will be respected completely but full details related to their donation / gift will be recorded onto the Raiser's Edge database (financial) or the relevant collections Accessions Register (non-financial). Where a financial donation / gift is made anonymously, DARO will seek to confirm the identity of the donor(s). Where this is not possible, and funds cannot reasonably be returned, the donation / gift will normally be allocated to a scholarship or hardship fund.
- 5.4.** In advance of any approach to a potential donor with a financial donation / gift capacity exceeding £100,000, qualifying due diligence will be carried out by DARO to determine prospective suitability against the principles set out in Section 3. This does not preclude the process set out in 5.10-5.13 below.
- 5.5.** The Gift Acceptance Panel (GAP) has responsibility for decisions on the acceptance of - financial donations / gifts to the University in line with this Policy.
- 5.6.** The Acquisition, Disposal, and Loan Panel has responsibility for decisions on the acceptance of non-financial donations / gifts in line with this Policy.
- 5.7.** All decisions regarding financial donations / gift acceptance – whether in terms of benefactors or individual donations, or related naming opportunities – will be subject to periodic review, and the thresholds below will take into account a donor's cumulative giving.
- 5.8. Financial Donations / Gifts below £10,000:** Financial donations / gifts below £10,000 – whether single donations / gifts, recurring donations / gifts, or given as part of an existing pledge – given without conditions in support of an existing University endeavour will usually be accepted without further investigation. If any reputational risk or other is identified proactively, the donation / gift will be referred to the Chair of the Gift Acceptance Panel.
- 5.9. Financial Donations / Gifts between £10,000 and £100,000:** Basic due diligence<sup>2</sup> will be applied to all financial donations / gifts between £10,000 and £100,000 solicited or offered for a specific purpose. All donations / gifts over £10,000 and up to £100,000 will be referred to the Chair of the GAP for review and acceptance.
- 5.10. Financial Donations / Gifts between £100,000 and £999,999:** Enhanced due diligence<sup>3</sup> will be conducted for all proposed financial donations / gifts of £100,000 and above. Financial donations / gifts at this level will be referred directly to the Chair of the GAP.

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<sup>2</sup> Basic due diligence checks include: source of wealth and/or origin of funds; reputational risks of receipt linked to existing philanthropy in the public domain; potential major conflicts of interest arising through gift agreements and/or other gift related documentation; and/or unacceptable operational or financial burdens caused by gift receipt.

<sup>3</sup> Enhanced due diligence checks include all of the above plus: advanced internet searches for key words; company ownership; directorships; source of wealth/investments; government links; family background; company background.

**5.11. Financial Donations of £1,000,000 or above:** Enhanced due diligence will be conducted as above. Financial donations / gifts at this level will be referred directly to the GAP for formal review and approval, and subsequently reported to the Chair of Council.

## **6. Financial Gift Agreements and Pledge Counting**

**6.1.** For financial donations / gifts and pledges totalling under £10,000 (or equivalent), the following will apply:

**6.1.1.** Donors will be provided with appropriate acknowledgement and receipt of their donation / gift, and provided with updates as to the progress enabled as a result of their donation / gift, in a timely manner – either personally or via online updates to which donors can be directed.

**6.1.2.** Financial donations / gifts will be directed as per donor instructions, or as mutually agreed in a 'Gift Agreement'. In cases where a donation / gift with agreed restrictions has been received by the University but cannot – for legal or institutional reasons – continue to be directed to its original destination, the University will seek to use the funds in a manner which corresponds with the donor's original intention. Wherever possible, this will be done in consultation with the donor, or the donor's representatives, by written notification of the University.

**6.1.3.** Unless there are exceptional circumstances, Gift Agreements will track financial pledges over a maximum of five years for donation / gift reporting purposes and/or include a five-yearly review point for pledges over five years.

**6.2.** For financial donations / gifts and pledges totalling £10,000-£99,999 (or equivalent), all of the above stipulations will apply, in addition to the following:

**6.2.1.** the University will require either:

a) a Gift Agreement to be completed with the donor; or

b) clear written instructions from the donor or their representatives with regard to the scope, direction and purpose of their donation / gift which the University will accept formally in writing.

If donations / gifts are sent before a Gift Agreement is signed by an authorised University Representative, or written notification has been finalised in some other acceptable form, this does not constitute the University's final acceptance of a donation / gift and it may be returned subject to the adjacent terms.

**6.3.** For financial donations / gifts and pledges of £100,000 or more (or equivalent), all of the stipulations above will remain applicable, in addition to the following:

**6.3.1.** Unless there are exceptional circumstances, Gift Agreements for donations / gifts of £100,000 or more will track pledges over a maximum of ten years for gift reporting purposes and/or include a ten-yearly review point for pledges over ten years.

**6.3.2.** Endowment funds will be invested in such a way as to maximise total return, in line with the University's ethical policies, and the amount forecast to be generated after inflation on the invested capital over the long term will be expended on an annual basis.

**6.4.** In addition to the due diligence and approval processes set out under Section 5, and in line with the University's list of Authorised Signatories under the Scheme of Delegation, final Gift Agreements will be executed by the following University officers:

<b>Value</b>	<b>Responsible Officer</b>
Up to £250,000	Director of Advancement or Director of Development and Alumni Engagement or Deputy of Philanthropy and Operations
£250,000 and above	PVC Global or Chief Financial Officer

## **7. Non-Financial Gift Agreements**

**7.1.** For all non-financial donations / gifts, a Gift Acknowledgement will be completed with the donor, to provide the University with clear proof of title to the item or collection. The Gift Acknowledgement will incorporate instructions relating to copyright, where applicable, and to the acknowledgement of the donation / gift, as appropriate. Gift Acknowledgements will be reviewed and approved at departmental level.

**7.2.** For non-financial donations / gifts of items or collections to be added to the University's museum, library or archive collections, a Gift Agreement will also be completed with the donor, where this is deemed necessary and appropriate based on the materiality of the donation / gift and/or the associated costs for its ongoing maintenance. The Gift Agreement includes instructions from the donor or other clauses relating to issues including appraisal, copyright and confidentiality. Gift Agreements will be executed by the following University officers: the Director of Library and Collections and University Librarian or the Chief Financial Officer.

## **8. Legacies and Bequests**

Legacies and bequests will be monitored and received in the same way as all other donations / gifts covered by this Policy. Enhanced due diligence will only take place on estate bequests – financial or non-financial – confirmed as valued over £1,000,000 and only once an estate has gone into administration, not when the University is first notified of a proposed legacy or bequest.

## **9. Endowments**

Financial donations / gifts of over £100,000 may, at the request of the donor, be placed in a permanent endowment according to the University's Ethical Investment Policy, and the income and/or capital used to support the donor's preferred area in perpetuity.

The University reserves the right to spend down, amalgamate, or transfer the capital value of financial donations / gifts should the return prove insufficient to meet the needs set out in the Gift Agreement for an extended period.

## **10. Student and Familial Giving**

- 10.1.** Donations / gifts are encouraged from those with a close connection to the University and share our values, but the University has a balanced obligation to avoid the perception of seeking or providing undue influence through donations/ gifts.
- 10.2.** Donations / gifts relating to the admission, college allocation, progression, degree classification, and/or inclusion in University teams and organisations of an individual student will not be accepted.
- 10.3.** Donations / gifts will not be accepted from prospective students who have applied but not yet been offered a place at the University, or their parents or family members. To avoid any potential or perceived conflict of interest, bursaries, scholarships or prizes funded by students, their parents, or families must not be available to the donor or any members of their family.

## **11. Types of Financial Donations / Gifts**

The following financial donations / gifts are or may be acceptable (depending on restrictions):

### **11.1. Cash, debit/credit card, cheque or bank transfer**

For cash donations / gifts received from any jurisdiction with the exception of the United States of America (USA):

- Cash donations / gifts over £500 (or local currency equivalent) will not be accepted.
- All donations / gifts by cheque should be made payable to 'Durham University'.
- All donations / gifts via debit or credit card should be made online at <https://www.dunelm.org.uk/donations/donate-now> or via telephone at 0191 334 6305.
- All donations / gifts via bank transfer should be made to the University's main bank account. Bank details available on request from [alumni.office@durham.ac.uk](mailto:alumni.office@durham.ac.uk)

For USA cash donations:

- Please consult our partner charity's website [www.dunelmusa.org/giving](http://www.dunelmusa.org/giving) for full giving options.

### **11.2. Financial Instruments**

The University can accept both publicly traded securities and closely held securities. Publicly traded and marketable securities may be accepted subject to completion of the necessary transfer formalities and the payment of any Stamp Duty.

As a general rule, all publicly-traded and marketable securities will be sold upon receipt unless otherwise directed by the Chief Financial Officer acting on the advice of appointed investment advisers.

Closely held securities, which include not only debt and equity positions in non-publicly traded companies but also interests in limited partnerships and limited liability companies, or other ownership forms, can be accepted subject to the approval of the Chief Financial Officer. However, such donations / gifts must be reviewed prior to acceptance to determine that:



- There are no restrictions on the security that would prevent the University from ultimately converting the asset to cash;
- The security is marketable or likely to become marketable in due course (without imposing any undue costs, administrative or other burdens in the interim);
- The security will not generate any undesirable tax or reputational consequences for the University.

In the normal course of events, every effort will be made to sell non-marketable securities upon receipt. The Chief Financial Officer will make the decision regarding acceptance and sale/retention of closely held securities.

### **11.3. Real Estate (property and land)**

Donations / gifts of real estate may include gifts of developed property or undeveloped land. Prior to acceptance of donations / gifts of real estate, the University shall require a structural survey or other similar review of the real estate to ensure that it offers no significant on-going financial or environmental risks or costs to the University. The cost of such survey or review will generally be an expense of the donor.

Donations / gifts of real estate will be subject to the prior approval of the Chief Financial Officer. Considerations for the acceptance of real estate include:

- Is the real estate useful for the purposes of the University?
- Is the real estate marketable?
- Are there any restrictions, reservations, easements or other limitations associated with the real estate?
- Are there on-going costs, which may include insurance, taxes and mortgages associated with the real estate?
- Does the structural survey show that the real estate is in a reasonable state of repair and likely to remain so prior to disposal?

The University may accept a remainder interest in a personal residence, farm, or vacation property subject to the provisions above. The donor or other occupants may continue to occupy the property for the duration of the stated life. On the death of the donor, the University may use the property or convert it to cash at its absolute discretion.

## **12. Types of Non-Financial Donations / Gifts**

### **12.1. Cultural Collections**

The University will accept museum, library or archive collections or individual items that fall within the Collection Development Policy for use within the University's libraries and collections.

These items will be retained and managed as part of the University's cultural heritage and used as resources for teaching, research, and engagement, and for wider scholarship and public benefit.

## **12.2. Tangible Personal Property**

Other tangible personal property may include artworks, furniture, books, memorabilia, coin and stamp collections, jewellery, vehicles, intellectual property, and any other personal property items owned by a donor.

The Acquisitions, Disposals and Loans Panel will determine whether or not any tangible personal property offered to the University falls within the scope of the Collection Development Policy and, if so, whether it will be accepted as an acquisition.

The University may examine a potential donation / gift of tangible personal property that is not within the scope of the Collection Development Policy and not of museum or archival quality for the item's financial value and whether the item could be sold quickly and converted into cash or recommended to another institution.

In the case of a potential donation / gift of tangible personal property that is not within the scope of the Collection Development Policy but is of museum or archival quality, advice will be given to the potential donor relating to other relevant institutions to which an offer might be made. The University will not accept donations of museum or archival quality with the intention of converting them into cash, other than in exceptional circumstances.

## **13. Cautionary Areas**

The University has identified a list of 'cautionary areas' which may require enhanced ethical consideration when undertaking due diligence of donors, potential donors and their associations. These relate to particular types of output, areas of industry and practices of partners/funders, which may involve ethical questions about the origins of potential donations, as well as potential reputational issues. Inclusion on this list does not prohibit accepting donations from these sources and the Gift Acceptance Panel should support responsible use of donations which involve these areas, where potential risks are given due consideration and mitigation.

The cautionary areas are:

- a) Development of products/technologies relating to the following areas, or work with partners/ funders which profit from\* these areas:
  - i) Alcohol
  - ii) Tobacco
  - iii) Pornography
  - iv) Gambling
  - v) Arms
  - vi) Fossil fuel extraction
  
- b) Work with funders/partners where it is known that they:
  - i) Engage child labour
  - ii) Have human rights violations
  - iii) Engage anti-competitive practices
  - iv) Have a record of environmental issues



*\* 'Profits from' should be taken to mean that the funder/partner has a clear link to the cautionary area, and profits directly from it, e.g. through the production or sale of related products/technologies.*

### **13.1 Issues to consider to support decisions**

It is impossible to identify an appropriate response for every potential donation origin and the Gift Acceptance Panel (GAP) are advised to use their knowledge and experience to make their best judgement in line with this guidance. Questions and issues for discussion are suggested to support consideration, however if other issues arise, or if it is unclear whether a potential donation falls within scope of this guidance, the GAP should use their judgement, and seek advice from University Ethics Committee or the Research and Innovation Services (RIS) as required.

#### **13.1.1 All donations**

- a) Potential donations should be considered on a case by case basis to balance the risks with proportionate benefit.
- b) Consideration of issues relating to cautionary areas should always be undertaken in the context of any other ethical considerations relating to the proposed activity or to the funder/collaborator, for example where there may be a conflict of interest. Are appropriate controls in place to mitigate potential risks?
- c) The context of the proposed use of the donation should also be taken into account, bearing in mind where there may be increased risk to the University of accepting a gift emanating from a specified country. Are risks justifiable and mitigated as far as possible?
- d) Is the origin of the donation and its intended use sufficiently clear for the GAP to make an informed judgement on the balance between risk and benefit?
- e) Where a potential donor is linked to a cautionary area, consider the level of involvement of the donor in the cautionary area. If this is a small part of their wealth origin or business then approval may be justified.
- f) Consider the potential benefits from the intended use of the donation. Does this justify engagement with the potential donor? For example, working with donors involved in fossil fuel extraction on projects which support the development of green energy.
- g) Consider the potential wider benefits or potential for future opportunities for donations. For example, civilian benefits of projects undertaken for military purposes and vice versa.
- h) Consider the ability to defend the donation from public scrutiny. For example, donations involving 'arms' may have been generated in the pursuit of defence or to support sovereign capability.
- i) Consider the reputational impact of acceptance/rejection of the donation. Would rejection impact on other acceptable donations from the same funder? Could acceptance or rejection cause reputational damage to the University?

### **14. Other Donations / Gifts**

The acceptance of donations / gifts in any other form than those stated above will be considered on a case by case basis.

### **15. Equality, Diversity and Inclusion (EDI)**

This policy has been designed to ensure that no one receives less favourable treatment due to protected characteristics. In line with the Equality Act 2010, donors may only restrict funding to a specific group according to one or more protected characteristic if there is evidence that the

specified group is under-represented on a particular academic programme or at the University overall.

Should the criteria describing a scholarship award become inoperable, illegal, or obsolete (e.g. criteria based on gender, religion or nationality) the University reserves the right to adjust the criteria.

For donations / gifts related to and/or held in specific territories, the University will respect local laws and customs and/or applicable statutes and regulations within the relevant legal jurisdiction that may positively influence global EDI agenda.

## **16. Complaints**

The University has a robust process in place to ensure complaints are given full and fair consideration and wherever possible resolved to the full satisfaction of all parties. Any complaints regarding matters addressed in this Policy should be addressed to the Director of Development and Alumni Relations.

## **17. Related Information**

This policy should be read in conjunction with the University's [Donor Recognition Policy](#), which outlines the University's approach to the acknowledgement of donations / gifts via naming and alternative forms of recognition.