

# LSBU Policy for the Acceptance of Gifts and Donations

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Senior Owner	Director of Alumni and Development
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Brief Summary of Purpose	To set out LSBU's policy for accepting gifts or donations.
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**This Procedure is available in accessible formats on request from Alumni and Development team. Please contact: [alumni@lsbu.ac.uk](mailto:alumni@lsbu.ac.uk)**

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# LSBU Policy for the Acceptance of Gifts and Donations

## 1. Introduction

In 1892, it was generous support from thousands of individual donors that founded what is now London South Bank University. Today financial support from our alumni, friends and other supporters continues to play an important role in LSBU's future.

LSBU is a charitable body whose work brings direct public benefit to the UK and the world, and who takes take pride in seeking gift income from UK and internationally based donors to advance our ambitions.

**Like all charities, LSBU must observe the requirements of charity law in relation to the acceptance, receipt and expenditure of funds. The purpose of this policy, alongside LSBU's Code of Ethics and Values in force at the time of this document, is to provide clarity and consistency on decisions regarding which prospective donors LSBU should engage with and the acceptance or refusal of donations.**

- 1.1. The Alumni Relations & Development Office is responsible for fundraising from alumni, non- alumni, trusts and foundations, commercial bodies.
- 1.2. Ultimate responsibility with regard to the acceptance or refusal of all donations rests with the Board of Governors. The law allows practical and ethical factors to be taken into account as long as they are ones that are relevant to the interests of the institution.
- 1.3. In making these judgements, trustees and their authorised decision-makers must not allow individual or collective personal, political or commercial interests, or personal views on political or ethical issues, which are not relevant to the interests of the charity, affect their judgement.
- 1.4. This Policy is intended for use across all parts of LSBU and any associated charities. It applies to all types of gift or donation, including cash, pledges, legacies/bequests, stocks/shares, and gifts-in-kind of equipment, artwork, software or other non-monetary gifts. For the purpose of this document, the terms 'gift' and 'donation' mean the same thing: a transfer of money or assets with philanthropic intent and no expectation of significant benefit in return.
- 1.5. LSBU has a charitable obligation to its beneficiaries, primarily its students, to accept donations except where these might harm directly or indirectly those beneficiaries, and it should be robust in exercising this obligation.
- 1.6. This policy has been devised to ensure clarity and openness to all LSBU stakeholders regarding the acceptance of gifts and donations.

- 1.7. This policy is approved by the LSBU Board of Governors. Compliance is monitored by the LSBU Finance, Planning & Resources Committee. It will be reviewed annually by the Fundraising Steering Group which may recommend amendments to the monetary values specified in this policy and/or amendments to reflect major risks associated with it or changes to relevant legal and regulatory requirements or other LSBU policies or regulations. Any amendments must be approved by the Board of Governors. A full review will be carried out by the Board of Governors every 2 years.
- 1.8. All staff engaged in fundraising on LSBU's behalf must adhere to the decision-making policies and procedures with respect to the acceptance and refusal of donations as articulated in this policy. Staff must also recognise the limits of their decision-making authority and the process for referral where their authority would otherwise be exceeded.
- 1.9. This policy should be read in conjunction with the associated procedures on the acceptance of gifts which are set out below.
- 1.10. This policy reflects the Ethical Principles behind the Acceptance of Gifts developed by the Council for Advancement and Support of Education (CASE).

## **2. Responsibilities of the Board of Governors?**

- 2.1. Ultimate responsibility for all decisions relating to the acceptance and refusal of donations, even where decision-making has been delegated to staff, rests with LSBU's Board of Governors.
- 2.2. The Board of Governors is obliged to take all decisions relating to the acceptance or refusal of donations and funding in the best interests of LSBU. This reflects the Board's key legal duty under charity law. The Board of Governors must act in accordance with their duties and responsibilities as charity trustees in relation to fundraising.
- 2.3. Where the Board has delegated decision-making powers to members of staff, all staff must ensure that they take all decisions relating to the acceptance or refusal of donations in the best interests of LSBU. In exercising their delegated powers, staff are required to comply with the duties of the Board of Governors.

## **3. Policy**

- 3.1. As a charity, LSBU is obliged to accept all donations unless it would be unlawful to do so or would be detrimental to the achievement of the University's charitable educational purposes.
- 3.2. In recognition of this legal obligation, it is LSBU's policy that it will accept all donations except those that it judges to be obtained from activities which are or could be deemed to be unlawful whether in the United

Kingdom or overseas or those which could otherwise adversely affect the reputation of the University or compromise its academic freedom or integrity.

- 3.3. Each donation will be considered on a case by case basis in accordance with the procedures set out in this policy.
- 3.4. In applying this policy, all LSBU staff must have regard to the content of LSBU's "Donor Promise" when engaging with prospective and actual donors to LSBU. The Donor promise is available on the LSBU website at <https://alumni.lsbu.ac.uk/get-involved/make-a-gift>.
- 3.5. When carrying out fundraising activities and supporting other LSBU staff engaged in fundraising, LSBU staff must comply with all relevant legal and regulatory requirements to which LSBU is subject in the context of fundraising and the voluntary codes to which it has subscribed including (but not limited to):
  - 3.5.1. the requirements of charity law and guidance issued by the Charity Commission and the governance standards on donation acceptance explored in The Woolf Inquiry's [report into the LSE's links to Libya and lessons learned](#);
  - 3.5.2. the Code of Fundraising Practice issued and maintained by the Fundraising Regulator;
  - 3.5.3. the Ethical Principles for Fundraisers adopted by CASE; and
  - 3.5.4. data protection law and guidance issued by the Information Commissioner's Office.

#### **4. Other associated LSBU policies**

- 4.1. All LSBU staff involved in fundraising on LSBU's behalf must follow all of LSBU's policies and procedures at all times.
- 4.2. It is particularly important that all staff involved in fundraising adhere to LSBU's:
  - 4.2.1 . Data Protection Policy (available on LSBU's website).
  - 4.2.2 . Alumni and supporter privacy notice (available on LSBU's website).
  - 4.2.3 . Anti-Bribery Policy (available on LSBU's website).
  - 4.2.4 . Conflict of Interests Policy (available on LSBU's website).
  - 4.2.5 . Due Diligence Policy (available on LSBU's website).
  - 4.2.6 . Ethics Code of Practice

4.2.7. any other relevant policies or e.g. financial regulations.

## **5. What this policy does not relate to**

5.1. Body This policy relates to gifts and donations to LSBU. It does not relate to:

5.1.1. "Sponsorship" or "cause related marketing" arrangements where LSBU is considering contracting with a third party (often a commercial company) on terms which mean that the third party is receiving benefits in exchange for payments made to LSBU e.g. the third party can represent that it will make donations to LSBU in exchange for the use of LSBU's "brand". Please refer any proposed arrangement of this kind to **Governance and Legal** and to **Finance** for advice.

5.1.2. Gifts and hospitality provided by third parties to LSBU staff. Please refer to LSBU's Gifts and Hospitality Policy for information in relation to this.

5.1.3. Funding for research, which is dealt with by LSBU's Research Committee.

5.1.4. Payments made in respect of the grant of rights to name buildings, rooms, facilities, professorial chairs etc in return for payments made. Such payments will be regulated by this policy, but only in conjunction with LSBU's Naming and Recognition Policy. Please refer to **Governance and Legal** for advice on this.

## **6. Gift acceptance procedures**

### **Due diligence**

6.1. Due diligence on prospects and donors is essential to enable LSBU to manage possible risks associated with soliciting and accepting philanthropic donations. These include the risk of exposure to money laundering, funds from illegal sources and proceeds of crime; being used to give respectability to those whose reputation is doubtful; sources which are contrary to the core values of LSBU; and risk to reputation. Due diligence needs to be proportionate and appropriate and respect the legal and reputational rights of prospects and donors. In the case of donations that are linked, all financial thresholds in this policy apply to their cumulative rather than individual value.

6.2. LSBU will carry out due diligence in relation to prospects and donors in accordance with its Due Diligence Policy. This policy provides that potential funders are screened through Corporate Critic Database or other research sources to provide an independent assessment of funders before a decision to accept funding is made. LSBU does not assess donors or prospective donors of amounts of £10,000 or less.

- 6.3. The Alumni Relations & Development Office, in partnership with those involved in the funded activities and supported by the Secretary's Office where appropriate will be required to undertake any warranted due diligence about a potential donor.
- 6.4. In carrying out donor due diligence, LSBU's Data Protection Policy must be adhered to. Only LSBU and its group companies have direct access to its databases.
- 6.5. It should be recognised that the perceived endorsement provided by legal structures or association with third party organisations is often only limited and is not necessarily evidence of a bona fide organisation or source of funds.

### **Delegated authorities and approvals process**

- 6.6. Delegated decision-making authority and approval process in relation to accepting and refusing donations seeks to balance the need to protect LSBU from reputational risk in connection with donations against the need for operational expediency.
- 6.7. The delegated authorities and approval process set out below apply to both:
- 6.7.1. single donations corresponding to the values specified (whether paid in a lump sum or by instalments); and
  - 6.7.2. donations made by a donor who has previously donated to LSBU which, when added to other donations made by that donor, correspond to the values specified.
- 6.8. In the context of the approval process, "accepting" a donation means approving it for entry into a gift agreement or other legally binding arrangement with the donor.
- 6.9. The delegated authorities and approval process are as follows:
- 6.9.1. **Any donation of £5,000 or more in cash:** cannot be accepted by LSBU.
  - 6.9.2. **Any donation of £1,000 or more from a current LSBU student:** cannot be accepted without the consent of the Vice Chancellor.
  - 6.9.3. **Any donation**, regardless of value, which in the opinion of the Alumni Relations & Development Office would contravene this policy and processes, could give rise to significant public interest or potential controversy, or which raises complex questions with regard to acceptability **must** be referred at the earliest possible stage to the Vice-Chancellor for consideration.
  - 6.9.4. **Donations of £10,000 or more:**

- (a) The Alumni Relations & Development Office must give its prior consent to the acceptance of any donation of £10,000 or more;
- (b) Where the relevant donation is referred by the Alumni Relations & Development Office to the Vice Chancellor in accordance with paragraph 6.9.3, it will make recommendations on acceptance to the Vice Chancellor, who may make a decision taking into account the following criteria:
  - (i) The reputation of the donor and their associates.
  - (ii) The likely origin of the funds.
  - (iii) The activities of the donor as they relate to the area of the donation.
  - (iv) The nature of the funded activities.
  - (v) Any conditions attached to the donation.
  - (vi) The local, national and international context.
  - (vii) The degree of conflict with this policy.
  - (viii) The degree of risk to LSBU's reputation, assets or beneficiaries.
- (c) The Vice Chancellor may make a decision based on the criteria set out above and may seek the advice of the Executive or the Board of Governors before doing so.
- (d) If the proposed donation is considered by the Vice Chancellor to raise a significant risk in relation to a breach of LSBU's policy on the acceptance of gifts, the Vice Chancellor will refer the decision to the Board of Governors.

6.10. Reasons for refusing a donation might include concerns relating to:

- 6.10.1. Money laundering and receiving money, which might come from illegal activities, including contravention of the UK Bribery Act 2010.
- 6.10.2. LSBU's reputation and brand being used to give respectability to those whose reputation is doubtful. Where there is no absolute evidence, judgement must be made over whether the balance of benefit or potential damage is greater.
- 6.10.3. The activities of the prospective donor are inimical to the funded activities.



- 6.10.4. The possibility of adverse publicity from the donation which would likely result in a disproportionate reduction of donations from other sources.
  - 6.10.5. Dependence on conditions which are contrary to the objectives of LSBU or unreasonable in relation to the nature of the donation.
  - 6.10.6. Conditions which tie the donation to a specific activity where the activity itself is not within the objectives or intended strategy of LSBU.
- 6.11. LSBU may not make honorary awards in exchange for financial support.
- 6.12. LSBU will not solicit donations from Honorary Graduates or Fellows regarding new fundraising opportunities during a period of six months, three months either side of the award. Honorary awards can be made to existing donors provided this gift acceptance policy and procedures have been followed.
- 6.13. LSBU staff members have the opportunity to suggest candidates. However, LSBU staff directly involved in fundraising from an individual may not propose them as a candidate.

### **Notification**

- 6.14. To ensure that LSBU holds a complete view of all donor and similar relationships, the Alumni Relations & Development Office should be informed of all applications and solicitations for donations. This should be done in advance of any donation being accepted.
- 6.15. The approach adopted should ensure that there is adequate notice for the implications of a donation to be taken into account. Adequate supporting documentation should be provided by and to the Alumni Relations & Development Office in partnership with those involved in soliciting the relevant donation, which should ensure clarity over the most pertinent issues and include representation of all relevant views.
- 6.16. No donation in excess of £10,000 should be solicited without the prior agreement of the Alumni Relations & Development Office.
- 6.17. The Alumni Relations & Development Office should be notified of any donations being accepted within 7 days of this taking place.
- 6.18. Where a donation is offered on an unsolicited basis, the same process will apply. However, to avoid potential embarrassment, the process will be expedited through the use of electronic communications to enable a response to the prospective donor within 20 working days.
- 6.19. Any member of staff receiving or soliciting any gift to or for LSBU must notify details of the gift and any potential or actual conflicts of interest to the Alumni Relations & Development Office.

### **Review and reporting**

6.20. The Alumni Relations & Development Office will review annually previous donations above £10,000 where those donations continue to provide funding for LSBU programmes and deliver that review to the Executive for consideration.

6.21. LSBU's Policy & Resources Committee will receive an annual report from the Development Office on all donations above £10,000 and adherence to this policy.

### **Agreements**

6.22. LSBU staff must ensure that the appropriate documentation is completed for every donation. The specific documentation required is a matter for the Alumni Relations & Development Office, depending on the value of the donation and any other relevant factors, but the purposes and any terms of donations below £10,000 should be recorded in writing. Donations of more than £10,000 should be recorded in a formal gift agreement.

6.23. Legal advice must be obtained from Governance and LSBU Legal in relation to gift agreements for donations of £1m or more or where staff are in any uncertainty about the legal implications of any terms agreed with the donor which cannot be resolved within the Alumni Relations & Development Office.

## **7. Return of Donations**

7.1. Where a donor requests the return of all or part of a donation (whether due to a change in the donor's circumstances or otherwise), LSBU must comply with its legal obligations under charity law. Once LSBU has accepted a donation, it must only return it:

7.1.1. if the terms and conditions of the gift provide for it to be returned in particular circumstances and those circumstances apply; or

7.1.2. where the law specifically provides for the gift to be returned in particular circumstances.

7.2. In any circumstances where the return of a donation is proposed, advice must be obtained from Governance and Legal.

## **8. Application of donations**

8.1. LSBU will comply with its legal and regulatory obligations which apply to donations made for restricted purposes. Advice must be obtained from Governance and Legal if there is any doubt over whether funds were donated or raised for restricted purposes.

8.2. In the event of a significant change to a project or activity for which a donation has been received, which could prevent LSBU from applying the donation or any part of it for any restricted purpose relating to the donation, advice must be obtained from Governance and Legal at the

earliest possible stage and before any discussions with the donor. It should not be assumed that LSBU can amend the purposes by agreement with the donor; its ability to do so will depend on how any proposed new purposes differ from the original purposes and the terms of the gift agreement with the donor.

## 9. Risk areas

9.1. Particular care may need to be taken when donors indicate that they expect any of the following:

9.1.1. A "permanent endowment" fund to be created which does not enable LSBU to spend the capital of the donation. Donors may use words such as "in perpetuity" or may ask for the University to invest their gift and only spend the income.

9.1.2. Any restrictions which have potential Equality Act implications. **Legal advice** may need to be taken if the donor wishes to restrict the beneficiaries of their gift to students who share a protected characteristic.

9.1.3. Significant involvement in how LSBU applies the funds or detailed reports or information about e.g. students who benefit from their funds (which could have data protection implications).

9.1.4. Naming rights (see paragraph 5.1.4 above).

9.2. If any of these issues arises, please refer to **Governance and Legal** for advice.