

# GIFT ACCEPTANCE PROCEDURES 2014

**Issued by:** Vice-Principal (Advancement)

**Date:** 13 August 2014

**Last amended:**

**Signature:**

**Name:** Timothy Dolan

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## 1 Purpose and application

- (1) These procedures are to give effect to the requirements of the [Gift Acceptance Policy 2013](#) (“the **policy**”).
- (2) These procedures apply to the University, staff and affiliates.
- (3) These procedures do not apply to gifts:
  - (a) generated through the Sydney Development Fund;
  - (b) received as a result of direct mail, email or telephone contact with a donor as part of a fundraising campaign initiated by the University, or a part of the University; or
  - (c) offered to individual staff or affiliates, for example by companies, international dignitaries or collaborators.

**Note:** Individuals may accept only token gifts in limited circumstances. Refer to the [Code of Conduct](#) – Staff and Affiliates, clause 8.
- (4) These procedures do not apply to sponsorship arrangements.

## 2 Commencement

These procedures commence on 18 August 2014.

## 3 Interpretation

- (1) Words and phrases used in these procedures and not otherwise defined in this document have the meanings they have in the policy.

<b>account code</b>	means a finance system code with three mandatory elements: <ul style="list-style-type: none"><li>• a classification code;</li><li>• a responsibility centre; and</li><li>• a project or grant code.</li></ul>
<b>Advance database</b>	means the University's database of record for graduands, alumni, donors and affiliates.
<b>cultural gift</b>	means a gift offered to the University of scientific or historic significance, including, but not limited to, records, artworks, rare books, artefacts, antiquities, scientific specimens and instruments.
<b>gift acceptance document</b>	means a document or documents between the donor and the University recording at least the details specified in clause 11 of the policy.
<b>letter of acceptance</b>	means a document or documents between the donor and the University acknowledging that the University has accepted the donor's gift.

#### **4 Considering offers of gifts**

- (1) The University does not provide legal or financial advice to people or organisations considering making a gift to the University.
- (2) Staff members and affiliates dealing with potential donors must notify the Division of Alumni and Development as soon as practicable after becoming aware of a possible gift.
- (3) The Division of Alumni and Development will be responsible for:
  - (a) liaising with the Office of General Counsel about any proposed terms or conditions particularly in relation to application of the gift acceptance principles; and
  - (b) advising the relevant delegate and seeking gift acceptance.
- (4) If the proposed gift is a cultural gift (whether by bequest or donation) the Division of Alumni and Development will refer details to the following as appropriate:
  - (a) Office of Museums and Cultural Engagement;
  - (b) University Library; or
  - (c) University Archives.
- (5) If the proposed gift is real property, the Division of Alumni and Development will consult the Investment and Capital Management Office and Campus Infrastructure and Services.
  - (a) Wherever possible, gifts of real property should be made on the basis that the property is sold and the monies invested to support a particular purpose or the intent of the donor.

- (6) If the proposed gift involves an offer to transfer shares, the Division of Alumni and Development will consult the Investment and Capital Management Office.
  - (a) The Investment and Capital Management Office will be responsible for providing details necessary for completing share transfer forms and for selling any shares transferred.
- (7) If the proposed gift involves an offer to establish a scholarship, the Division of Alumni and Development will consult the Scholarships Office.

**Note:** See also: [Establishment and Award of Scholarships & Prizes Policy](#); and [Scholarships Policy](#).
- (8) The delegate responsible for accepting a gift of the kind and value proposed should be involved and consulted throughout any discussions or negotiations.

## 5 Applying the gift acceptance principles

- (1) The relevant delegate is responsible for complying with the policy and, in particular, for applying the gift acceptance principles when considering a proposed gift.

**Note:** See clause 8 of the policy.
- (2) A delegate who believes a proposed gift to be inconsistent with the gift acceptance principles should, together with the Division of Alumni and Development, initiate negotiations to explore with the potential donor the possibility of varying the proposal to conform to the gift acceptance principles.

**Note:** It should be borne in mind that executors do not have the power to vary the terms of the will of a deceased donor.
- (3) When endowing a gift in perpetuity, a donor may sometimes request that specific conditions be attached to the proposed gift relating to the management of the money. In considering proposed conditions, the relevant delegate must consider whether they might impair the feasibility of accepting the gift, for example by causing the costs of management to exceed the value of the gift or by imposing spending obligations inconsistent with capital preservation obligations.
- (4) In considering gifts intended to support academic positions, the delegate must assess whether the amount is sufficient to cover all applicable on-costs and loadings. If the amount is insufficient, the gift will not be feasible, and if it cannot be renegotiated, can only be accepted if the relevant organisational unit of the University agrees to bear the cost difference from its budget for the life of the gift.

**Note:** Information about the calculation of on-costs can be obtained from the University [Intranet](#).
- (5) In considering gifts intended to establish scholarships or prizes, a proposal will not be feasible unless it includes:
  - (a) a provision which enables the University to make the award at its discretion if the scholarship or prize proves unable to be awarded in the manner or form intended by the donor; and
  - (b) advance payment, or a written pledge, of funds for any scholarship for a full degree.

## 6 Declining a gift

- (1) If a delegate decides to decline the offer of a gift, he or she must prepare a letter to the donor in consultation with the Division of Alumni and Development, explaining why the University cannot accept the offered arrangement.

**Note:** Further information on preparing such a letter is available from the Division of Alumni and Development.

- (2) The delegate will provide a copy of the signed letter to the Division of Alumni and Development for filing in the Advance database.

**Note:** See also [University Recordkeeping Policy](#) and [Recordkeeping Manual](#).

- (3) If this process results in a modified offer being made by the donor then the delegate must begin consideration of the gift again.

## 7 Accepting a gift

- (1) If a delegate decides to accept a gift, the terms must be clearly documented in writing in:

- (a) a letter from the University to the donor confirming acceptance;
- (b) a formal gift acceptance document; or
- (c) a will or grant of probate.

- (2) A **letter of acceptance** may only be used for gifts which meet all of the following criteria:

- (a) payment is made in cash;
- (b) the amount is \$100,000 or less;
- (c) the gift is for general purposes of the University or of any faculty or unit of the University; and
- (d) there are no conditions attached.

- (3) A letter of acceptance must be in a form approved by the Office of General Counsel and must:

- (a) specify the amount of money to be given to the University;
- (b) identify the relevant delegate; and
- (c) describe how the University will recognise the gift.

**Note:** Further information and template documents are available from the [Division of Alumni and Development](#).

- (4) The relevant delegate will provide a copy of the signed letter to:

- (a) the Division of Alumni and Development, for filing in the Advance database; and
- (b) the Trusts Office.

- (5) Provided that it meets the requirements specified in subclause 7(3), the letter generated by Advancement Services and issued to the donor along with a receipt for the gift is also considered a suitable letter of acceptance.
- (6) A formal **gift acceptance document** must be used for gifts which meet any of the following criteria:
  - (a) the amount is more than \$100,000;
  - (b) the gift is to be paid in instalments over a period of time;
  - (c) a perpetual obligation is to be established;
  - (d) the gift is a non-financial gift; or
  - (e) the gift is for specific purposes or has conditions attached.
- (7) The delegate may request the use of a formal gift acceptance document for any gift, even if a letter of acceptance would otherwise be acceptable.
- (8) The relevant officer within the Division of Alumni and Development must prepare, and the relevant delegate must approve, an instruction sheet for completing an agreement for acceptance of gift in the form specified by the Vice-Principal (Advancement) and available for download from the [Advancement Services website](#).
- (9) The completed instruction sheet must be forwarded to the Office of General Counsel, which will:
  - (a) advise on consistency with the gift acceptance principles;
  - (b) prepare the necessary document; and
  - (c) advise the Division of Alumni and Development on the requirements for its proper execution.
- (10) Upon completion of any negotiations, the Office of General Counsel will provide the execution version of the gift acceptance document to the relevant Development Officer or delegate in pdf format.
- (11) If, during the course of finalising the gift acceptance document, the donor's requirements change or agreement cannot be reached about the content of the document, then the relevant delegate may decline the gift, or refer it to the Gift Acceptance Committee for advice.
- (12) Donors who intend to leave bequests to the University should be encouraged to provide a copy of the portion of their will which provides the intended bequest.
  - (a) The Planned Giving Office will record such details in the Advance database.
- (13) When the University is notified of a bequest by representatives of an estate, all documentation and correspondence must be provided to the Planned Giving Office as soon as possible.
- (14) The Planned Giving Office will then:
  - (a) liaise with the Office of General Counsel regarding protection of capital (if relevant); and
  - (b) advise the delegated authority of the bequest and seek gift acceptance.

## 8 Documenting and processing gifts

- (1) As soon as possible after a determination is made to accept a gift:
  - (a) the relevant delegate will obtain advice about capital protection and investment of the gift from the Office of General Counsel and the Investment and Capital Management Office; and
  - (b) the Division of Alumni and Development will:
    - (i) liaise with the donor or estate representative as necessary; and
    - (ii) request the relevant University unit (usually a faculty or foundation) to establish an appropriate account code.
- (2) The relevant University unit will:
  - (a) determine the appropriate responsibility centre; and  
**Note:** The [Chart of Account Procedures](#) applies.
  - (b) complete and submit to the Trusts Office a **gift account request** form, in the form specified by the Vice-Principal (Advancement) and available for download from the [Advancement Services website](#), together with copies of:
    - (i) the signed gift acceptance document;
    - (ii) the will or grant of probate (if applicable); and
    - (iii) all relevant correspondence with the donor or donor's representative.
- (3) The Trusts Office will:
  - (a) determine the applicable classification code and project or grant code, in consultation with the Finance Unit if necessary;
  - (b) confirm that the correct responsibility centre has been selected;
  - (c) nominate one of the following as the officer authorised to open the account:
    - (i) the Corporate Finance Accountant (Research) for research related gifts; or
    - (ii) the Administration/Accounts Officer, Financial Management and Analysis for all other gifts;
  - (d) complete the relevant sections of the gift account request form and return it to the sender, with a copy to Advancement Services; and
  - (e) instruct the authorised person to open the account.
- (4) Upon receipt of the gift, a **gift summary form** in the form specified by the Vice-Principal (Advancement) and available for download from the [Advancement Services website](#), must be prepared, and authorised:
  - (a) by the faculty or foundation finance officer if the gift is valued at \$100,000 or less; or
  - (b) by the relevant delegate if the gift is valued at more than \$100,000.
- (5) The gift summary form must be sent immediately to Advancement Services, with the following:
  - (a) the gift;

- (b) all original gift acceptance documents;
  - (c) a copy of the gift account request form signed by the Manager, Trusts Office; and
  - (d) copies of all relevant correspondence with:
    - (i) the donor or the donor's representative;
    - (ii) University finance staff; and
    - (iii) Trusts Office staff.
- (6) Copies of the gift summary form and all accompanying documents must also be sent to the Trusts Office.
- (7) Cash must never be sent through the University's internal mail.
- (8) Cheques should not be sent through the University's internal mail without first consulting with Advancement Services.
- (9) All cheques should be made out to The University of Sydney.
- (a) Cheques made out to a faculty, department, program or project may still be processed.
  - (b) If a cheque is made out to an entity that is not part of the University, it cannot be processed.
- Note:** The [Group Secretary Workspace](#) lists University entities.
- (10) If a cheque is made payable to an individual staff member, that staff member should:
- (a) endorse the cheque to the University by signing the back of the cheque; and
  - (b) forward the cheque to Advancement Services, together with:
    - (i) a letter of explanation;
    - (ii) the approved gift summary form; and
    - (iii) any other documents required by subclause 8(5).
- (11) Gifts received through online donations will only be accepted if they have been processed through the University's online donation system, administered by the Division of Alumni and Development.

## 9 Receipting gifts

- (1) Once the required gift documentation has been received by Advancement Services, the gift will be:
  - (a) recorded in the Advance database; and
  - (b) where appropriate, banked.
- (2) Advancement Services will generate a tax deductible receipt, containing the following information, and send it directly to the donor or the donor's estate:
  - (a) confirmation that the receipt is for a gift;
  - (b) the University's name and Australian Business Number;

- (c) the date the gift was made;
  - (d) the value of the gift; and
  - (e) the purpose of the gift.
- (3) Receipts will not be issued for non-financial gifts.
- (4) A tax deductible receipt will only be issued to the individual or organisation that transferred the funds to the University.
- (a) Where payment is made by credit card, the receipt will be issued to the cardholder.
  - (b) Where payment is made by cheque, the receipt will be issued to the drawer of the cheque.
  - (c) Where payment is made by Electronic Funds Transfer or direct deposit, the receipt will be issued to the account holder from which the funds are transferred.
- (5) Tax deductible receipts will not be issued to third parties who have elected to donate to the University through an intermediary.
- (6) For cultural gifts, the donor should provide a valuation or other documentation evidencing the gift's value. Any claim to be made for tax deductibility under the Australian government's cultural gift program is the responsibility of the donor.
- Note:** Further information can be obtained from the Australian Valuation Office, within the Australian Tax Office.

## 10 Replacement and rescission

These procedures replace the *Gift Acceptance Procedures* which came into effect on 1 July 2010, and which are hereby rescinded.

## NOTES

### Gift Acceptance Procedures 2014

Date adopted:	13 August 2014
Date commenced:	18 August 2014
Administrator:	Vice-Principal (Advancement)
Review date:	13 August 2019
Related documents:	<i>University of Sydney Act 1989 (NSW)</i> <i>Charter of Academic Freedom 2008</i> <i>Delegations of Authority – Administrative Functions Rule 2010</i> <i>Code of Conduct 2008</i>



*Donor and Alumni Information: Guidelines for Confidentiality and Privacy 2000*

*Establishment and Award of Scholarships and Prizes Policy 2008*

*Foundations: Policy for Establishment, Management and Review 2006*

*Gift Acceptance Policy 2013*

*Gift Administration Policy 2012*

*Tobacco Industry Funding Policy 2003*

*Naming Policy – Positions and Events 1994*

*Naming of Buildings and Other Significant Physical Assets Policy 2005*

*Donor Charter*

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## AMENDMENT HISTORY

**Provision    Amendment**

**Commencing**