

Donation and Gift Policy

Section 1 - Purpose

(1) This document sets out Charles Sturt University's policy covering all controlled entities for donations and gifts and the mechanism for solicitation, acceptance and deposit.

(2) This Policy applies to all philanthropic donations and gifts received by Charles Sturt University, including its Faculties, Divisions, Centres and all controlled entities (including the Charles Sturt University Foundation Trust).

Section 2 - Glossary

(3) In this Policy, unless the contrary intention appears:

- a. Act - means the [Charles Sturt University Act 1989](#).
- b. Advancement Unit - means the unit responsible for coordinating all formal fundraising and donation solicitation activities. It has responsibility for overseeing the development process, including the identification, cultivation, and formal solicitation of sources of private financial support and the valuation, recording, and acknowledgement of donations received.
- c. Bequest - means philanthropic provisions in a donor's will expressed as a specific amount, percentage or remainder of the estate.
- d. Capital Maintenance Adjustment - means any increase applied to donations that is considered necessary to maintain a value equivalent to the value of the original contribution.
- e. Charitable Institution - means an institution that is established to advance or promote a charitable purpose including the advancement of education or other purposes beneficial to the community, and includes a registered charity.
- f. Charity - means an entity:
 - i. that is a not-for-profit entity; and
 - ii. all of the purposes of which are:
 - charitable purposes that are for the public benefit; or
 - purposes that are incidental or ancillary to, and in furtherance or in aid of, purposes of the entity covered by sub-clause 3 f. i.; and

(4) Note 1: In determining the purposes of the entity, have regard to the entity's governing rules, its activities and any other relevant matter.

(5) Note 2: The requirement in sub-clause 3 f. ii. that a purpose be for the public benefit does not apply to certain entities (see clause 23 'Multipurpose Donations').

- iii. none of the purposes of which are disqualifying purposes; and
 - iv. that is not an individual, a political party or a government entity.
- g. Cultural Gifts Program - means the Australian Government program designed to encourage the donation of items of cultural significance from private collections to public art galleries, museums, libraries and archives.

- h. Controlled Entities - refers to any entity the University exerts control and is consolidated as part of the University's Statutory Annual Accounts.
- i. Corpus - means the original capital pledge or donation plus any capital maintenance adjustment that may have been applied to the original sum.
- j. Corpus Distribution - refers to the sum made available from the corpus for application for expenditure in accordance with the purpose of the donation or fund.
- k. Deductible Gift Recipient - means an organisation that is entitled to receive income tax-deductible gifts (i.e. the donor can generally claim the value of the gift as a tax deduction subject to specific taxation requirements).
- l. Donation or Gift - means a voluntary transfer of money or property from a donor to a recipient arising by way of benefaction where no material benefit or advantage is received by the donor. Any donation that includes a material benefit or advantage for the donor is a sponsorship and is managed according to the Sponsorship Policy.
- m. Donor - means the giving of a donation or gift where there is no material benefit or advantage received by the individual or institution making the donation or gift.
- n. Endowment Fund - is a fund where the principal is to be maintained and invested with the income derived from the investment available for distribution in accordance with the fund's purpose.
- o. Fund - means a grouping or accumulation of donations or pledges established for a purpose.
- p. Gift Fund - means a fund where the whole amount of the Gift may be applied or distributed in accordance with the purpose of the Fund.
- q. Institutional Donor - means an organisation, entity or body (not being an individual) that is a donor or potential donor.
- r. Pledge means - a promise to make a donation at some future time. A pledge may be a donation paid in instalments (i.e. a specified amount per year over several years).
- s. Registered Charity - means an organisation registered as a charity with the Australian Charities and Not-for-profits Commission.
- t. Specified Officer - means delegate or the authorised officer.
- u. Sponsorship - means a donation that includes a material benefit or advantage for the donor.
- v. Trustee - means Charles Sturt University.
- w. Trust - means the Charles Sturt University Foundation Trust.
- x. University Endowment or Gift Fund Account means an account established within the finance ledger designated for the purposes of the Gift or Endowment.
- y. University - means Charles Sturt University and in this Policy includes:
 - i. any Faculty, School, Division, unit, fundraising committee or individual staff member or officeholder;
 - ii. any controlled entities; and
 - iii. any private ancillary fund as defined in the [Taxation Administration Act 1953 \(Cth\)](#).

Section 3 - Policy

Part A - Roles

(6) The University is the Trustee for the Charles Sturt University Foundation Trust.

(7) The University, through the Advancement Unit, employs staff responsible for providing administrative support to the philanthropic activities of the University and for providing strategic support to Faculties, Divisions, fundraising committees and other groups within the University.

(8) The Executive Director, Marketing and Chief Marketing Officer, is responsible for the oversight of the Advancement

Unit.

(9) The Division of Marketing and Communication is responsible for:

- a. supporting relationships in relation to donations;
- b. managing major whole of institution prospects and solicitations;
- c. working with the Division of Finance in administering the Trust; and
- d. liaising with University and the Faculties, Divisions, Schools and Centres on the priorities for fundraising and solicitation of donations.

(10) The Executive Director, Marketing and Chief Marketing Officer, is responsible for the management of philanthropy and meeting the objectives of the University in the area of philanthropy.

Part B - Donations to University

(11) The Trust is the principal instrument for receipt and management of donations for the benefit of the University. The Trust is a registered charity and has deductible gift recipient status.

(12) From time to time donations will be received in the name of the University as a registered charity.

(13) Where a donation is received in the name of the University, the donor may be requested by the specified officer (where appropriate) to vary the named beneficiary to the Charles Sturt University Foundation Trust.

(14) 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 Trust (for example, it is common for other foundations to prohibit 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 Endowment or Gift Fund account in accordance with this Policy by the specified officer.

(15) To encourage donations and gifts of significance to public art galleries, museums, libraries and archives, the Commonwealth Government has established a program under which eligible institutions such as Charles Sturt University may accept valuable donations: the Cultural Gifts Program. Under the Cultural Gifts Program the donor may, subject to some exceptions, claim a tax deduction for the market value of the donation.

Purpose and Use of Donations or Gifts

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

(17) Where a donor wishes to specify the use that may be made of the donation or gift then this must be set out in documentation accompanying the donation and be subject to approval by the Executive Director, Marketing and Chief Marketing Officer.

(18) The Executive Director, Marketing and Chief Marketing Officer, will ensure that Faculties, Divisions and Centres are notified in a timely fashion about any restrictions or provisions on the use that may be made of donations or gifts received.

Donation Methods

(19) Donations and gifts may be received through the following means:

- a. cheque, credit payment, direct deposit of money or any other approved payment method;

- b. securities, fully paid-up negotiable shares, bonds, debentures, secured and unsecured notes;
- c. 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);
- d. tangible personal property or tangible assets such as books, furnishings, jewellery, boats, artworks or fine art;
- e. life insurance including term, whole of life and other commercial policies with the University named as owner and/or beneficiary; or
- f. bequests (that is philanthropic provisions in a donor's will expressed as a specific amount, percentage or remainder of the estate).

(20) The University may not accept cash donations. Donations and gifts must be paid by cheque, credit payment, direct debit or other approved methods of payment.

Endowments

Mechanism for making an endowment

(21) With the exception of bequests, donations or gifts intended for endowment should be accompanied by a document signed by the donor stating that the donation or gift 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 or gift is for the endowment or referencing to an earlier document under which the endowment was established.

Funding an endowment

(22) The funding of an endowed donation or gift may be by way of cheque, credit card, direct deposit, securities and/or pledged assets. On some of these items, the University may wish to place some restrictions or other conditions in accordance with its [Act](#), 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.

Endowed donation instrument

(23) The notification of an endowed donation to the University is usually made by a letter. This letter should outline the terms agreed upon by the donor and the University. The University will indicate its acceptance in an appropriate fashion.

Donations Requiring the Outlay of University Funds

(24) Donations to the University requiring a commitment by the University to spend funds, either upon receipt or in the future, in addition to amounts donated or pledged, must receive prior approval from the Chief Financial Officer, 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; and
- c. commitment to finance and/or administer an undertaking outside the routine functioning of the University.

Multi-Purpose Donations

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

Donations of Real Estate and Tangible Property

(26) 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 must receive the advance approval of the Vice-Chancellor.

(27) Prior to forwarding a recommendation to the Vice-Chancellor, the specified officer shall secure from the donor (normally at the donor's expense):

- a. title deeds to the property (and where old systems are still in place, 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) Upon receipt of these documents, a recommendation will be presented 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 acceptance of a donation of real estate or an interest in real property if satisfied that the donation is for the benefit of the University.

(29) For real estate not included in Charles Sturt University's campus master plans, it is usual practice for the University to initiate the sale of the property as soon as practical after legal transfer of title, except when the donor legally limits the University'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 University, and Faculties, Divisions and Centres should not assume that sales proceeds would be available at any specific time.

Tangible Personal Property and Artworks

(30) All donations of tangible personal property exceeding \$5,000 are subject to the acceptance of the University. All proposed donations of tangible personal property valued at \$1,000 or more require an appraisal.

(31) Physical material donations such as individual monographic items, collections of monographs, audio visual material and serials are generally accepted for inclusion in the University's collection on the basis of relevance to the University's teaching and research programs and in accordance with the guidelines set out in the University's Collection Development Policy.

(32) Material donations and gifts including artworks or fine arts are accepted on the understanding that the material becomes the property of the University, and may not be claimed at a later date. Items which are not selected for the collections, including duplicate materials, may be transferred to other libraries, or disposed of in other ways as appropriate (including by sale) at the discretion of the Manager, CSU Regional Archives and University Art Collection, Manager, Development Services, Division of Library Services or the University Art Curator.

(33) Special treatment of significant collections may be considered on the agreement of the Executive Director, Division of Library Services.

(34) The University does not accept donations of personal property or artworks as long term loans. Donations and gifts might not be accepted if the donor wishes to place limitations or restrictions on its use or disposal. Gift material will be integrated into existing collections, and is subject to the same conditions of use as those collections.

(35) Donors of artworks may be eligible to claim a tax deduction for the market value of the donation under the Cultural Gifts Program. The donor should seek independent advice about eligibility.

Life Insurance

(36) The preferred form of life insurance is a whole of life policy naming the University as owner and beneficiary.

Retained Life Interest in Real Estate

(37) Where the University 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 University may use the property or may sell it to obtain the cash proceeds. In cases in which the University 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.

Bequests

(38) Bequests vary in respect to the time or manner in which they will eventually take effect.

(39) All bequests are subject to acceptance by the Trustee. 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 will not bind the University. Distribution may be in the form of money (e.g. by bank transfer, direct deposit, cheque, securities, real estate, artworks, tangible personal property or a combination of the foregoing).

(40) Normally, all realised bequests, unless otherwise restricted, will be placed in the Corpus Fund.

(41) The University may make policy and procedures with regard to bequests. (The Bequest Policy is currently in development).

Donation of Services

(42) 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 University but are not recorded and maintained centrally. Faculty, Divisions and 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.

Part C - Other

Grants and Contracts

(43) A distinction is to be made between donations, gifts, grants and contracts. Whereas the University 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.

(44) 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 Executive Director, Marketing and Chief Marketing Officer, should be notified to ensure that ongoing stewardship and donor recognition is accorded to the individual or institution making the donation.

Part D - Solicitation and Acceptance

Solicitation of Donations

(45) Charles Sturt University encourages Faculties and staff to seek donations as a means of assisting the University to pursue its objectives and for enhancing the quality of the University's educational, research and student support programs.

(46) The Vice-Chancellor may approve Terms of References for fundraising committees to support ongoing and short-term appeals for donations.

Coordination of Solicitation

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

(48) Because of the potential damage which can be caused by uncoordinated solicitation of donations, all efforts to raise funds from private sources including corporations, foundations, individuals, or other legal entities must be approved by the specified officer prior to their initiation and must be coordinated through the Executive Director, Marketing and Chief Marketing Officer, or specified officer.

(49) No member of the University, its controlled entities or its associated organisations may make formal approaches for fundraising purposes unless coordinated with, and approved through, the Executive Director, Marketing and Chief Marketing Officer, or specified officer.

(50) Prior to the initiation of a formal request for solicitation approval, the Executive Director, Marketing and Chief Marketing Officer, or specified officer must be consulted by those who wish to approach potential funding sources to assess the appropriateness and timing of such a solicitation in light of existing or proposed University philanthropic initiatives and priorities and any known financial commitments by those considered to be potential donors.

(51) Once a formal solicitation request has been endorsed by the Executive Director, Marketing and Chief Marketing Officer, or specified officer, the Advancement Unit can be requested to assist the relevant area to identify and evaluate prospects, to suggest solicitation approaches, and to assist, as appropriate, in the solicitation process.

(52) It is recognised that individuals, corporations, foundations, or other entities may themselves initiate contact with the University through Faculty and staff regarding donation opportunities. While individuals are encouraged to answer questions and to discuss donation opportunities with potential donors, those inquiries must be reported promptly to the Executive Director, Marketing and Chief Marketing Officer, or specified officer. That information is critical to the overall coordination of fund raising and development activities.

Acceptance of Donations

(53) Donations or gifts may be made by individuals, by corporations, by foundations and other legal entities.

(54) Donations or gifts will be accepted to assist the University to pursue its objectives consistent with this Policy and the terms of the Trust.

(55) A donor may express the wish for a donation to be put to a specific purpose. In those cases the value of the donation will be put to such purposes. Where a donor wishes to specify the use of the donation or gift then this must be set out in documentation accompanying the donation.

(56) The donor may also propose the establishing of an Endowment Fund, in which case the donation principal and

distributions will be governed by the policy of the University.

Part E - Receipt and Deposit

Receipt and Deposit of Donations

(57) All staff are responsible for ensuring that all donations and gifts received by the University by any means are forwarded immediately to the Executive Director, Marketing and Chief Marketing Officer, or specified officer. All donations, gifts and pledges whether solicited or unsolicited, should be receipted in accordance with University procedures and must be delivered promptly to the Executive Director, Marketing and Chief Marketing Officer, or specified officer along with copies of any accompanying documentation such as letters, cards, notes, and agreements.

(58) The Executive Director, Marketing and Chief Marketing Officer, or specified officer is responsible for ensuring that all monetary funds received are deposited to the correct Trust, Endowment or Gift Fund.

(59) The Executive Director, Marketing and Chief Marketing Officer, or specified officer must ensure that the funds are:

- a. deposited within 24 hours in the proper 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.

Part F - Valuation of Donations

Value

(60) Donations and gifts are to be valued and credited on the date the donor relinquishes control of the assets. The amounts recorded by the University are to be arrived at independently of the donor's 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.

(61) Donations of securities are to be credited at the lower of market value or face 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.

(62) 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.

(63) Donations of real estate and personal property, if accepted for resale, will be credited at the appraised fair market value.

(64) Donations of real estate and personal property, or donations-in-kind which are retained by the University are to be accounted for in such a manner as to clearly identify that the amount represents a donation which has been retained.

(65) 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 University and re-valued every three years until the retained interest is liquidated.

(66) 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 University is the irrevocable beneficiary.

Insurance Valuation

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

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

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

Adequacy for Purpose

(70) Donations should be appropriate to the proposed uses and consistent with the University Strategic Priorities and Enabling Plans. Exceptions may be made with the approval of the Vice-Chancellor.

Grounds for Declining a Donation or Gift

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

(72) The University actively solicits 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 potentially expose the University to adverse publicity or is not aligned with University objectives , or
- b. could extend the University's resources beyond reasonable limits, or could involve the University in new and unplanned activities,

(73) the matter must be referred to the Executive Director, Marketing and Chief Marketing Officer, or specified officer who will confer with the appropriate University officials prior to final acceptance of the donation.

(74) While the University appreciates the financial support and goodwill of donors, special care is required to ensure that the acceptance of a donation or gift will not involve continuing financial commitment or other obligation on the part of the University that is disproportionate to the usefulness of the donation or gift. While donors often wish to specify the general purpose for which a donation or gift is given, the University will not accept donations or gifts which are too restrictive in nature or which do not support the University's overall objects.

(75) The University will not accept a donation or gift which bears with it any discrimination prohibited by the University's [Equal Opportunity Policy](#) or by prevailing law.

Donation Records

(76) The Executive Director, Marketing and Chief Marketing Officer, is responsible for the receipt, recording, depositing, and acknowledgment of donations to the University of a philanthropic nature. Such receipting will be in accordance with the financial policies and procedures of the University.

Part G - Treatment of Donations

Australian Taxation Office Regulations

(77) The University will comply with relevant law, including the prevailing rules and regulations of the Australian Taxation Office when accepting and structuring the various types of donations covered by this Policy.

Responsibility of Institutional Donors

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

Accountability

(79) The Advancement Unit's primary and ultimate responsibility is to serve the University in a manner befitting the profession. Institutional 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 or gift. specified officers should not portray themselves as financial or legal advisers to prospective institutional donors. A disclaimer clause to this effect shall be incorporated in all relevant written communications.

Investment Policy

(80) All funds shall be invested by the University in accordance with its Investment Policy. Corpus and Endowment Funds shall be entitled to receive interest as determined by the average performance of the University's investment fund and applied annually.

(81) A copy of the [Investment Policy](#) will be available for distribution to donors.

Corpus Distribution

(82) Distributions may be made from the Corpus. The amount available for distribution shall be determined by the University having regard to the investment income on the funds held under investment and the purpose for which the Fund was created. It may apply a portion of the distribution for development that support initiatives which will enhance the objectives and capacity of Advancement.

Seeking of Name Attached to a Donation

(83) Approval of the Vice-Chancellor or University Council (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.

Named Donations

(84) The University will comply with the [Official Naming Policy](#) when dealing with endowment donations, naming of a building or part of a building for a donor or an donor's designee and the naming of an academic program for an donor or an donor's designee.

Payment of Professional Fees

(85) In donation transactions, the University will 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.

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

Promotion

(87) In the promotion of its fundraising programs, the University will not promote donations as tax shelters or financial investments but rather as donations to the work of the University.

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

(89) 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 donate or make a gift. For this reason, the University 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.

Annual Report

(90) The University will publish in its Annual Report details of donations and gifts received under clause 10, and the name of the donor (where the donor has not otherwise requested anonymity).

Delegation

(91) The Vice-Chancellor has the authorities and powers necessary and convenient for giving effect to this Policy.

Section 4 - Procedures

(92) Nil.

Section 5 - Guidelines

(93) Nil.

Status and Details

Status	Current
Effective Date	10th November 2014
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