

Philanthropic Donations and Gifts Received Procedure

Section 1 - Purpose

(1) This procedure sets out the mechanism for appropriate soliciting, accepting and receiving of gifts and donations made to Charles Sturt University (the University).

Scope

(2) This procedure has the same scope as the [Philanthropic Donations and Gifts Received Policy](#).

Section 2 - Policy

(3) This procedure supports the [Philanthropic Donations and Gifts Received Policy](#).

Section 3 - Procedures

Part A - Types of donations

(4) The University will accept different types of donations to assist with its education objectives, including but not limited to endowments, bequests, real estate, life insurance and in-kind gifts or services, subject to the considerations in the [Philanthropic Donations and Gifts Received Policy](#) and this procedure.

Endowments

(5) Donations or gifts intended for endowment (other than bequests) should be accompanied by a document signed by the donor or relevant trustee/power of attorney stating that the donation or gift is for endowment and defining any proposed restrictions.

(6) Any addition 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 an earlier document under which the endowment was established.

(7) An endowment may be funded by cheque, credit card, direct deposit, securities and/or pledged assets. The University may place restrictions or other conditions on some of these items in accordance with the [Charles Sturt University Act](#), the terms of the Charles Sturt University Foundation Trust (the Trust), or statutory obligations.

(8) Endowments do not need to be for perpetuity but should be for significant periods (e.g. 25+ years).

(9) The University will confirm an endowment by written agreement that will outline the terms agreed upon by the donor and the University.

Bequests

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

(11) All bequests are subject to acceptance by the University as trustee 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.

(12) Distribution of a bequest 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 these.

(13) All realised bequests, unless otherwise restricted, will be placed in the corpus fund:

- a. Where the terms of a bequest require preservation of the bequest gift (cash, property or other tangible benefit), the bequest will be preserved in a corpus fund.
- b. Where there is no capital maintenance adjustment, the original capital from a bequest is preserved for initial preservation of 15 years, at which time the capital is reviewed.
- c. Where there is a capital maintenance adjustment or there are subsequent additions to the fund, perpetuity may be extended beyond the 15 year period. This should be determined at the time of the bequest or gift.
- d. Where an untied bequest is received or held, and preservation does not conflict with the terms of the request, the cash gift or liquidated capital value (e.g. of property or other tangible benefits) will be preserved within corpus in perpetuity, unless or until the trustee determines otherwise.

(14) In making a determination under clause 13, the trustee will consider:

- a. any proposal for the use of the bequest
- b. the strategic benefit to the University of releasing the funds from corpus, and
- c. the strategic benefit to the University of preservation of the cash gift or liquidated capital value of the property or other tangible benefit.

(15) A benefactor may request that the bequest be used or named in a particular way (e.g. for research into a specific area, to preserve a family name, or in memory of a deceased relative or friend).

(16) To ensure the effectiveness of a bequest, the benefactor should consult their solicitor and/or financial adviser before setting out the terms of the bequest.

(17) All bequests must be handled through the Advancement Office to ensure that the bequest is feasible, relevant and considers the long-term objectives of the benefactor and the University.

Real estate

(18) Due to 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.

(19) Before making a recommendation to the Vice-Chancellor, the specified officer will 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.

(20) The specified officer will make a recommendation to the Vice-Chancellor, including a detailed description of all

anticipated benefits versus costs associated with acceptance of that asset.

(21) 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.

(22) The University will normally initiate the sale of the property as soon as practicable after legal transfer of title, except for real estate that is included in the University's campus master plans or the donor legally limits the University's right to dispose of the property or limits its use of the property.

(23) Donations of real estate do not necessarily result in cash being available to the University and organisational units should not assume that the proceeds of sales will be available at any specific time.

(24) 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 the death of the donor or other designated individuals, the University may use the property or may sell it to obtain the cash proceeds. Where the University receives a donation of a retained life estate, all maintenance, rates, taxes, insurance, mortgages or loans, and other expenses are to be paid by the donor or primary beneficiary.

Tangible personal property and artworks

(25) Donations of tangible personal property exceeding:

- a. \$5,000 in value are subject to the acceptance of the University.
- b. \$1,000 in value must be appraised before they are accepted (appraisals will be coordinated through the Advancement Office).

(26) Physical material donations such as individual or collections of monographs (books), audio-visual material and serials are generally accepted for inclusion in the University's collection based on relevance to the University's teaching and research programs and in accordance with the guidelines set out in the University's [Collections Policy](#) and collection development guidelines.

(27) Physical material donations and gifts including equipment, produce, artworks or fine arts are accepted on the understanding that the material becomes the property of the University, and may not be subsequently re-claimed.

(28) Donations of books, artworks or fine arts that 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, Charles Sturt University Regional Archives & University Art Collection, Manager, Collection Services, or the Art Curator. Special treatment of significant collections may be considered on the agreement of the University Librarian.

(29) Donations and gifts of live animals, animal cadavers and biological material are accepted on the condition that they become property of the University and may not be subsequently reclaimed.

(30) Donations and gifts of live animals must comply with all relevant legislative requirements. In the case of livestock, this includes compliance with transport and tracking systems.

(31) The University has a strong commitment to the ethical treatment and positive welfare of animals in its care, which extends to donations and gifts.

(32) The University does not accept donations as long-term loans. Donations and gifts might not be accepted if the donor wishes to place limitations or restrictions on their use or disposal.

(33) Donors of artworks may be eligible to claim a tax deduction for the market value of the donation under the

Commonwealth Government's Cultural Gifts Program. Under this program, the donor may, subject to some exceptions, claim a tax deduction for the market value of the donation. See also the [Collections Procedure - University Art Collection](#). The donor should seek independent advice about eligibility.

Life insurance

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

In-kind gifts and services

(35) Organisational units that receive donations of in-kind gifts or services should acknowledge the donations and must forward records of the donations to the Advancement Office before the close of each quarter.

(36) In-kind gifts or services that:

- a. are recognised by the Australian Taxation Office will be valued in accordance with Australian Taxation Office policies
- b. are not recognised by the Australian Taxation Office as donations for tax purposes and for which a dollar value cannot be readily established, may be accepted and an estimated value to the University may be recorded.

Part B - Soliciting donations and gifts

Solicitation

(37) Organisational units and staff are encouraged to seek donations that may assist the University consistent with this policy. However, 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 Director, Advancement or specified officer.

(38) The Vice-Chancellor may approve terms of reference for fundraising committees to support ongoing and short-term appeals for donations.

Coordinating solicitation

(39) Anyone wishing to approach potential donors must first consult and get approval from the Director, Advancement or specified officer, who will consider:

- a. the appropriateness (including risk of conflicts of interest and levels of transparency) and timing of such a solicitation
- b. existing or proposed University philanthropic initiatives and priorities
- c. any known financial commitments by potential donors.

(40) The Advancement Office can assist organisational units to identify and evaluate potential donors, suggest solicitation approaches, and assist as appropriate in the solicitation process.

(41) If potential donors initiate contact with the University through an organisational unit other than the Advancement Office, the inquiries must be referred to the Advancement Office.

Part C - Accepting donations and gifts

Acceptance of donations and gifts

(42) Donations or gifts will only be accepted to assist the University to pursue its objectives consistent with the

[Philanthropic Donations and Gifts Received Policy](#) and the terms of the Trust.

(43) Where a donor expresses a wish for a donation to be put to a specific purpose, this must:

- a. be set out in documentation accompanying the donation, and approved by the Director, Advancement or, where the Director, Advancement considers there may be an actual, potential or perceived conflict of interest, by the Vice-Chancellor
- b. be for a purpose and use appropriate to the objects, functions and character of the University and Trust, and
- c. not require the University to act contrary to law or public policy, or in a manner considered unethical.

(44) Acceptance of donations that require the University to commit funds are subject to approval by the Chief Operating Officer, regardless of the source of the funds.

(45) The Director, Advancement will ensure that all organisational units receive timely notification about any restrictions or provisions on the use of donations or gifts received.

(46) 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.

(47) A donor may wish to establish an endowment fund, in which case the donation principal and distributions will be governed by the policy of the University.

Declining a donation or gift

(48) 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.

(49) Donors may wish to specify the general purpose for which a donation or gift is given, however, the University will not accept donations or gifts that are too restrictive or that do not support the University's overall objects.

(50) A proposal for a donation or gift must be referred to the Director, Advancement or specified officer, who will confer with the appropriate University officials, if it appears that a donation:

- a. because of its source, conditions, or intended purpose, could potentially expose the University to reputational damage or is not aligned with University objectives, or
- b. could extend University resources beyond reasonable limits, or could involve the University in new and unplanned activities.

(51) The University will not accept a donation or gift which:

- a. bears with it any discrimination prohibited by the University's [Equal Opportunity Policy](#) or [Anti-Discrimination Policy](#)
- b. imposes constraints on the freedom of speech or academic freedoms of University staff or students or is otherwise inconsistent with the [Statement on Academic Freedom and Freedom of Speech](#)
- c. exposes the University to unacceptable risk of foreign interference (see the [Risk Management Policy](#) and [Countering Foreign Interference Procedure](#)) or fraud and corruption (see the [Fraud and Corruption Control Policy](#))
- d. conflicts with other University policies or the University's legal obligations
- e. conflicts with the University's values
- f. conflicts with any other obligations of a public officer.

(52) The following industries are areas that the University sees as conflicting with its values (as per the [Responsible Investment Guidelines](#)):

- a. organisations with exposure to modern slavery
- b. manufacture of tobacco
- c. gambling
- d. manufacture and distribution of armaments, and
- e. coal seam gas.

Part D - Receipt of donations and gifts

Donation methods

(53) 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, but not limited to, books, furnishings, jewellery, boats, animals, plants, artworks or fine art
- e. life insurance including term, whole of life and other commercial policies within the University names as owner and/or beneficiary, or
- f. bequest (that is philanthropic provisions in a donor's will expressed as a specific amount, percentage or remainder of the estate).

(54) 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.

(55) All staff are responsible for ensuring that all donations and gifts received by the University by any means are forwarded immediately to the Director, Advancement 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 Director, Advancement or specified officer along with copies of any accompanying documentation such as letters, cards, notes and agreements.

(56) The Director, Advancement or specified officer must ensure that the funds are:

- a. deposited within 24 hours in the proper Trust or University account
- b. the donor is issued with an official receipt for tax purposes, and
- c. appropriate acknowledgment is sent to the donor.

Refunds

(57) The Trust does not refund monies gifted. If a donation is made in error a request for review may be made in writing to the Director, Advancement.

Valuation of donations

(58) 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.

(59) Donations of securities are to be credited at the lower of market value or face value on the date the donor relinquishes 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.

(60) 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.

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

(62) 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.

(63) Donation of a retained interest in real property (retained life estate in a personal residence, farm or vacation home) 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.

(64) 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

(65) 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.

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

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

Donation records

(68) The Director, Advancement or a specified officer must ensure that:

- a. the funds are deposited within 24 hours in the proper account, the donor is issued with an official receipt for tax purposes, and an appropriate acknowledgement is organised to be sent to the donor
- b. the donation is recorded in the donor management system and reported as required.

(69) Records of donations will be retained in line with the [Records Management Policy](#) and relevant legislation, and will be available upon request.

Part E - Other considerations

Grants and contracts

(70) A distinction is to be made between donations, gifts, grants and contracts.

(71) The University may have a responsibility to use donations for the purpose specified by its donors, however, the obligation to the donor usually does not exceed the limit of the donation. In contrast, the University's responsibility

under a contract or research grant normally involves the generation of some tangible product or service which may benefit the contracting party or grantor.

(72) Notwithstanding these distinctions, where there is a significant element of philanthropy in the transaction, the Director, Advancement should be notified to ensure that ongoing stewardship and donor recognition is accorded to the individual or institution making the donation.

Donations requiring the outlay of University funds

(73) 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 Operating 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/or
- c. commitment to finance and/or administer an undertaking outside the routine functioning of the University.

Payment of professional fees

(74) 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.

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

Multi-purpose donations

(76) 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.

Accountability

(77) The Advancement Office's primary and ultimate responsibility is to serve the University in a manner befitting the profession.

(78) Institutional donors will 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.

(79) Specified officers will 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.

Section 4 - Guidelines

(80) Nil.

Section 5 - Glossary

(81) This procedure uses terms defined in the [Philanthropic Donations and Gifts Received Policy](#), as well as the following:

- a. 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.
- b. Corpus distribution - means the sum made available from the corpus for application for expenditure in accordance with the purpose of the donation or fund.
- c. 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.
- d. Long term fund - means funds invested either in the foundation or the long-term fund of the University in accordance with the [Investment Policy](#).
- e. Material benefit - means a benefit that may not be financial but has a monetary value.
- f. Perpetuity - means the length of time a corpus fund is to operate.
- g. Pledge - means a promise to make a donation at some future time. A pledge may be a donation paid in installments (i.e. a specified amount per year over several years).
- h. Short term fund - means funds invested in the short-term fund of the University in accordance with the [Investment Policy](#).
- i. Sponsorship - means a donation that includes a material benefit or advantage for the donor.

Status and Details

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