

# UEA DONATIONS AND DUE DILIGENCE POLICY

## 1. POLICY STATEMENT AND SCOPE

The University takes pride in the philanthropic support it receives from UK and internationally-based donors in order to achieve excellence in research, scholarship and teaching. This support enables the University to invest further in key strategic areas including student hardship, research, teaching and the enhancement of campus buildings and equipment.

The University is committed to conducting itself with the highest standards of probity and good conduct in carrying out its academic and business functions. This policy is adopted by the University's Council and supports these aims by ensuring that donations are compatible with the University's objectives and consistent with its strategic goals.

The University has a duty to comply with legal requirements, the requirements of funding bodies (including, notably, the Higher Education Funding Council for England) and the "Seven Principles of Public Life"<sup>1</sup>.

This policy sets out principles on the basis of which the University will pursue and vet potential donations in order to safeguard its reputation and integrity. It establishes explicit thresholds for due diligence procedures, the nature of those procedures, the guidelines to be invoked in the case of potentially controversial gifts or donors, and the criteria that the University will use in deciding whether or not to solicit or accept a donation from an organisation or individual.

It is essential that fundraising is professionally co-ordinated across the University to ensure that such activity is carried out effectively and in ways compliant with this policy, including appropriate standards of stewardship, accounting, auditing and internal and external reporting. The Development Office is responsible for leading this work and should therefore be involved at the earliest opportunity in any process of solicitation or negotiation of donations.

This policy applies to all staff, and to others associated with the University in a formal but unpaid capacity. The University accepts its responsibility to make its staff and others affected aware of this policy, and to provide support and guidance on its implementation.

## 2. STATUTORY AND GOOD PRACTICE CONTEXT

2.1 This policy has been drawn up in the context of the following statutory and good practice guidance:

- HMRC Guidance <http://www.hmrc.gov.uk/charities/>
- Woolf report (enquiry into the LSE's links with Libya, 2011). <http://www.woolfse.com/dl/woolf-lse-report.pdf>

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<sup>1</sup> [Nolan Committee First Report on Standards in Public Life](#)

As a member of CASE (Council for Advancement & Support of Education), a professional association serving educational institutions and the advancement professionals who work on their behalf in alumni relations, communications, development, marketing and allied areas, the University also subscribes to:

- CASE Europe: Ethical Principles Behind the Acceptance of Gifts [http://www.case.org/Samples\\_Research\\_and\\_Tools/Principles\\_of\\_Practice/CA\\_SE\\_Europe\\_Guidelines\\_Ethical\\_Principles\\_Behind\\_the\\_Acceptance\\_of\\_Gifts.html](http://www.case.org/Samples_Research_and_Tools/Principles_of_Practice/CA_SE_Europe_Guidelines_Ethical_Principles_Behind_the_Acceptance_of_Gifts.html)
- CASE Donor Bill of Rights [http://www.case.org/Samples\\_Research\\_and\\_Tools/Principles\\_of\\_Practice/Donor\\_Bill\\_of\\_Rights.html](http://www.case.org/Samples_Research_and_Tools/Principles_of_Practice/Donor_Bill_of_Rights.html)
- CASE Principles of Practice for Fundraising Professionals in Higher Education [http://www.case.org/Samples\\_Research\\_and\\_Tools/Principles\\_of\\_Practice/Principles\\_of\\_Practice\\_for\\_Fundraising\\_Professionals\\_at\\_Educational\\_Institutions.html](http://www.case.org/Samples_Research_and_Tools/Principles_of_Practice/Principles_of_Practice_for_Fundraising_Professionals_at_Educational_Institutions.html)

### 3. DEFINITIONS

3.1 'Donations', for the purposes of this policy, includes all donations, benefactions, endowments, legacies, pledges and other forms of giving that are voluntary transfers by a donor of money or other assets, made with philanthropic intent for the benefit of the University.<sup>2</sup> After receipt, the University must own the donation in full and any work, project or intellectual property that results. The donor may not retain any explicit or implicit control over a gift after acceptance by the University and there must be no contractual conditions attached to the donation. Donations are interpreted, for the purposes of this policy, as including the following forms of giving:

- **Buildings, land and equipment/other assets that remain the property of the University.**
- **Funding for staff appointments** providing there is no donor control over the appointment and neither consultancy nor work on research contracts is included.
- **Funding for scholarships and bursaries** as long as the student recipient is not required to undertake specific activities of economic benefit or other advantage to the funder (e.g. research projects, work placements) and the donor does not select the recipient.
- **Endowment** of lectures and other academic activities.
- **Funding of research** may be eligible where the University retains control over how the donation is spent and exclusive intellectual property and exploitation rights to the research results.

3.2 For the purposes of this policy, givers of donations are referred to as 'funders' or 'donors', and this should be interpreted as including all associates of the funder/donor.

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<sup>2</sup> As broadly distinct from gifts/hospitality received by members of staff as *individuals*, which fall under the University's Anti-Bribery Policy. Staff must be alert to any blurring of the individual/institutional boundary.

## **4. PROCEDURES RELATING TO DONATIONS**

### **4.1 The role of the Development Office (“Development and Campaigns” - DAC)**

DAC will co-ordinate fundraising across the University, maintain details of all donations on its database for reporting and audit purposes, ensure correct standards of stewardship, and coordinate contacts with donors. By having an overview, DAC can ensure that donations are consistent with the goals and policies of the University and can coordinate relationships between academics, Centres and donors to ensure no conflicting requests or multiple approaches from different parts of the University are made. All intentions to approach existing or potential donors should therefore be notified to DAC before contact is made, and in the event that anyone in the University becomes involved in the negotiation of a donation, DAC must be involved at the earliest opportunity. Likewise, when in receipt of philanthropic funding, Schools need to cooperate with DAC to thank donors appropriately and to ensure that the funding is disbursed in a timely manner and according to the wishes of the donor. It is not appropriate for an individual or School to accept a donation on their own initiative.

### **4.2 Guidelines and procedures for the acceptance of donations**

#### **4.2.1 General principles.**

The University will actively seek donations on the basis that:

- The donation is consistent with the University’s values and strategic goals.
- The funder can have no influence over the academic freedom and independence of the University, or over the assessment of the academic performance of any student or member of faculty, or over any other area of University activity.
- The project involves no, or minimal, net cost to the University in terms of financial commitment at the end of the period covered by the gift, unless agreed otherwise with the donor and specified as part of the process of accepting the donation.

#### **4.2.2 Due diligence principles**

The University will follow due diligence processes to ensure that the *bona fides* of potential donors (and particular donations) have been rigorously researched and verified. In doing so, the University will follow a risk-based approach. A preliminary screening will be conducted by the Development Office on all major gifts between £10,000 and £100,000. Should any red flags emerge from this initial screening, a more detailed and thorough screening will be conducted in order to inform the decision of whether or not to accept the donation. Donations of £100,000 and over will undergo the more detailed due diligence process,

which will be outsourced to an independent, specialist provider: contract currently in place with Wealth-X. Where a donation at this level comes from a Trust or Foundation governed by The Charity Commission, the independent regulator for charitable activity, this detailed due diligence process will not be required.

Due diligence is to be conducted at the earliest possible opportunity, and ideally before embarking on the solicitation process with a potential major donor. The detail of the University's due diligence procedures is set out in Appendix 1 of this policy.

The University will engage third parties to assist with due diligence where this seems desirable.

### **4.2.3 Acceptance/Refusal of donations**

In deciding whether to accept a donation the University will consider if the donation is compatible with the general principles set out in section 4.2.1, and whether the donation is consistent with its current Corporate Strategy. The University will not accept any donation which is deemed, via due diligence, to have been funded through activities which:

- a) Are unlawful, including any form of theft, fraud, tax evasion, money laundering or terrorist activity, whether in the UK or under the jurisdiction from which the donation is to be made;
- b) Violate international conventions that bear on human rights;
- c) Limit freedom of enquiry, or encroach on academic freedom.

In addition, the University will refuse a donation if due diligence indicates that the donation, or any terms of it, will:

- d) Require any action (or actions on behalf of the University) that is illegal, including any form of unlawful discrimination;
- e) Seriously damage the reputation of the University, e.g. by attracting negative publicity;
- f) Harm the University's relationship with other benefactors, partners, potential students or research supporters;
- g) Create unacceptable conflicts of interest for the University;
- h) Constitute any form of bribery.

Indicators that would, if present, give the University cause to scrutinize a potential donation with particular care include (but would not be limited to):

- i) Irregularities in the form of the donation, e.g. large cash donations by single transactions, the use of offshore financial mechanisms or unnecessary involvement of third parties in transactions;
- j) The source of the donation being a jurisdiction with high perceived

levels of corruption<sup>3</sup>;

- k) The nature or level of the gift being such as to create current or future financial liabilities for the University beyond those built into the University's financial plans

#### **4.2.4 Safeguards against specific areas of conflict of interest**

##### **a) Donations from current or potential suppliers**

As part of the due diligence involved in accepting a gift, the University will identify if there are any present or upcoming University tenders that may be of interest to the donor. If there is a possible link, donations will not normally be accepted or discussed until the University has ensured that this risk no longer exists.

##### **b) Donations from the parents/relatives/other associates of students**

The University will accept gifts from the parents/relatives/other associates of current and prospective students but will make it clear within the gift agreement and related communication that the gift will in no way have any bearing or influence on how the University will treat that student.

#### **4.2.5 Anonymous donations**

The University adopts a principle of not normally accepting wholly anonymous donations, i.e. cases where the donor will not make his/her identity known to University, even on a confidential basis via an intermediary.

Exceptions to this principle may include:

- i. Small, anonymous donations collected in community fundraising activity.
- ii. Gifts or donations presented in a manner where impossible to identify the donor and therefore impossible to return or identify the origin.
- iii. Gifts from unnamed individuals presented through legitimate bodies/charities governed by UK/EU law who are in turn able to provide written assurances that rigorous due diligence has been undertaken. In such cases an even more rigorous level of due diligence will be conducted via third party organisation.

The University accepts and will facilitate the wishes of donors who do not wish to have their identity published or otherwise made generally known. However, the minimum set of University officers to whom the identity of the donor must be disclosed is set out (for different levels of donation) in section 6.1 below.

#### **4.2.6 Named recognition linked to donations**

Where the University offers to name a building, academic post or other aspect of its activities in recognition of a particular benefaction, the University reserves the right to withdraw such named recognition in the future if it subsequently

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<sup>3</sup> As defined by Transparency International – <http://www.transparency.org.uk/>

transpires that the source of funding arose in whole or in part from any activity listed under sections 4.2.3 and 4.2.4.

## **5. SAFEGUARDS RELATING TO ACADEMIC INDEPENDENCE**

This section details provisions to underpin the principle that “the funder can have no influence over the academic freedom and independence of the University, or over the assessment of the academic performance of any student or member of faculty, or over any other area of University activity.” Where a donation funds (in whole or in part) an area of academic activity:

- a) Donors will have no influence over the process of appointing staff, including the composition of the appointing committee, the short-listing process, the interviews or the decision-making process of the appointing committee.
  
- b) If donors indicate a wish to suggest suitable candidates for roles created by their donation, the University will respectfully seek to decline to accept such suggestions, and will advise that the donor may him/herself flag the advertisement for the new role(s) to any potentially suitable candidates.
  
- c) The composition of short-listing and appointing committees, via their internal and external membership, will be such as to ensure their independence as well as the proper range of academic expertise and conformity to other aspects of good employment practice.
  
- d) Normal selection and appointing processes will be followed for the roles in question.
  
- e) After appointments are made, the independence of postholders in relation to the possibility of undue influence will be safeguarded by normal mechanisms, in relation to line management and transparent scrutiny of academic developments via local and University-level teaching and learning bodies.

## **6. RESPONSIBILITY FOR THE ACCEPTANCE OR REFUSAL OF DONATIONS**

- 6.1** The University will conduct due diligence on all gifts of £10,000 and over, following the risk-based approach outlined. The responsibility for accepting and refusing a gift, following the relevant due diligence process, will fall to:

Size of donation	Officers involved	Commentary
Up to £100,000	The Director of Development	In cases that may be in conflict with the guidelines set out in sections 4.2.3/4.2.4, the Director of Development will discuss these with the Registrar.

Between £100,000 and £1M	The Vice-Chancellor, the Director of Development and the Registrar	Third parties may assist with due diligence if thought appropriate.
Over £1M	The Executive Team	For major donations, consulting the Executive Team gives an appropriate range of views, which also allows for individual declarations of interest and withdrawal from the process. Third parties may assist with due diligence if thought appropriate.
Over £5M	Council	For the most significant and donations which may have strategic implications it is appropriate to consult Council. Third parties may assist with due diligence if thought appropriate.

Where there is a clear connection with the academic or teaching portfolio, the relevant Head(s) of School will be consulted as appropriate.

- 6.2 Ongoing monitoring and due diligence will be maintained on all lead donors (giving £100K and above) following the acceptance of a donation.
- 6.3 Once a donation has been agreed, any School likely to benefit from or otherwise be engaged in developments arising from the donation will be notified, if they have not already been involved.

## **7 RESPONSIBILITIES, RAISING A CONCERN, CONTACTS**

- 7.1 The Director of Development has responsibility for the development of this policy and for ensuring that it is effectively implemented, that progress is monitored and that the policy is regularly reviewed.
- 7.2 The Finance Division takes lead responsibility for the correct financial administration of donations, and related internal procedural guidance.
- 7.3 Anyone wishing to raise a concern about the operation of any aspect of this policy may contact the Director of Development.
- 7.4 Below are contact details for individuals within DAC who can be contacted to discuss issues relating to fundraising activities.

## **Development Office**

Director of Development – Graeme Byrne, ext 1391  
Deputy Director of Development – David Ellis, ext 1168  
Development Manager – Joyce Griffin, ext 2114  
Development Manager – Georgette Ward, ext 7574  
Development Manager – Vanessa Bell, ext 7575  
SCVA Development Manager – Caroline Sier, ext 7577  
Stewardship Officer – Sarah Sheldrake/ Emily Fuller, ext 3930  
Development Operations Manager– Diane Rhodes, ext 3776  
Regular Giving Officer – Jack Merrington, ext 1005  
Prospect Research Officer – Adam Tolladay, ext 3249

## **Donations and Due Diligence Policy**

### **Appendix 1: Donor due diligence procedure**

#### **1. Aims of the procedure**

The aim of the due diligence procedure is to feed data into the donation consideration process to ensure that the University's reputation is not compromised in accepting or refusing a donation. The brand value and reputation of the donor should not be at odds with the University and should help it meet its aims and fulfil its mission. Due diligence involves researching and gathering quantitative and qualitative analysis of publicly available information about the donor; and identifying the source of their funds. It is essential that due diligence is carried out at the earliest possible opportunity, prior to the solicitation process. The content of this due diligence procedure reflects the guidance provided by the Charity Commission as best practice. It has both quantitative and qualitative elements:

##### **Quantitative**

- The financial and legal compliance of organisations is evaluated by certain regulatory bodies and their monitoring is deferred to. Consideration is given to the legal and regulatory environment of Money Laundering, Bribery Act, Fraud Act and financial compliance.
- Ethical screening is made of the source of funds to ensure that it does not arise in whole or in part from any activity listed under sections 4.2.3 and 4.2.4.

##### **Qualitative**

- The non-financial activities of donors are collated to show the balance of negative and positive views of the media and public.
- This collation will show the magnitude and significance of opinion towards any donor activity but does not endorse or promote an opinion. It will show the weight of opinion towards the negative or positive.

All data sourced and collated is publicly available and retained with regard to the Data Protection Act and Freedom of Information Act.

##### **Procedural approach**

DAC will be responsible for conducting due diligence on all major donors and donations over £10,000 following the two-stage approach mentioned in section 4.2.2 of the policy, and, where appropriate, for presenting their findings to the decision making bodies listed in section 6.1 above in a unbiased way for their consideration. Due diligence will be conducted prior to accepting a gift. In the case of a gift being received unsolicited, due diligence will be applied retrospectively and prior to signing a gift agreement with the donor.

##### **Key questions**

The procedural checklist below gives the series of questions that need to be asked of each donation over £10,000 as part of the due diligence process. Should the due diligence process identify a cause for concern in relation to a donor or the source of his/her donation, the Director of Development will discuss the answers to the questions below with the approval bodies identified in 6.1 above. The approval body may deem it necessary to engage third parties to assist with further checks and enquiries.

## **Donations and Due Diligence Policy**

### **Appendix 2: Due diligence procedural checklist**

The due diligence procedural questions below will be applied to gifts of more than £5,000 according to levels of risk. The answers to these questions will assist in the decision making process of accepting or refusing a donation.

**Potential Donor:**

**Date:**

**Researcher:**

**Canvasser:**

**Submitted to:**

#### **A) Donor due diligence - *completed by Prospect Research Officer***

- 1) Who is the donor or donors?
- 2) What is the source of their funds? Do these give rise to any red flags?
- 3) What relationship does the University have with the donors?
- 4) Are there clear legitimate reasons why the donor wishes to make the donation?
- 5) Make additional identity checks, particularly with regulatory bodies that can provide additional information and can help verify information provided by the donors. Record the donor's unique identifiers, e.g. charity number, Companies House number, individual's date of birth.
- 6) Have any public concerns been raised about the donors or their activities?
- 7) If concerns have been raised, have they been investigated by any authorities? How long ago were the concerns raised and what was the outcome?
- 8) Has the donation been proposed or arranged via a third party or agent?
- 9) Has risk assessment or due diligence been undertaken on this party and has it given cause for concern?
- 10) Is the donation within any rules that apply to the donor?
- 11) Is the method of payment of the donation to be made transparently and without any red flags? E.g. a donation routed through a third party or via an offshore structure might give rise to concerns and should prompt further enquiry.
- 12) Is the University being asked to accept a donation in a manner that puts it in breach of its wider obligations, e.g. in relation to tax or its charitable status or HE funding requirements?
- 13) Are the donors or anyone connected directly or indirectly to the donation public officials, foreign public officials or politically exposed persons?
- 14) Are there any political connections of the donors which could give rise to corruption or wider concerns?
- 15) Are there risks that donations could be misused or abused?

## **B) Acceptance/refusal of donations – completed by the canvassing**

### ***Development Manager with input from Prospect Research Officer***

- 1) Is there published or other credible evidence that the proposed gift will be made from a source that arises in whole or in part from an activity that:
  - a) Is unlawful, including any form of theft, fraud, tax evasion, money laundering, terrorist activity or any other illegal activity
  - b) Violated international conventions that bear on human rights
  - c) Limited freedom of enquiry, or encroached on academic freedom?
- 2) Is there any evidence that the proposed benefaction, or any terms of it will:
  - a) Require action that is illegal, including unlawful discrimination?
  - b) Seriously damage the reputation of the University or will harm the University's relationship with other benefactors, partners, potential students or research supporters?
  - c) Create unacceptable conflicts of interest?
  - d) Constitute any form of bribery?
- 3) Are there indicators that suggest that:
  - a) The proposed gift is a large cash donation by a single transaction, or if there are suspicions of money laundering?
  - b) The nature or level of the gift may result in current or future financial liabilities for the University, beyond those built into the University's financial plans?
  - c) The money derives from a source that is at odds with the University's values?

The University will also carefully consider whether, by accepting the gift, it would attract negative publicity.

## **C) The donation**

How big is the donation, and therefore, who needs to decide upon its acceptance? Refer to 6.1 of the main Donations Policy above to address this question.

## **D) Legislative context**

These Acts are referred to within the due diligence process and consulted directly from the Government website in order to capture all amendments and to consider pending amendments [www.legislation.gov.uk](http://www.legislation.gov.uk)

- Data Protection Act 1998  
<http://www.legislation.gov.uk/ukpga/1998/29/contents>
- Bribery Act 2010 <http://www.legislation.gov.uk/ukpga/2010/23/contents>
- The Money Laundering Regulations 2007  
<http://www.legislation.gov.uk/uksi/2007/2157/contents/made>
- Fraud Act 2006 <http://www.legislation.gov.uk/ukpga/2006/35/contents>
- Freedom of Information Act 2000  
<http://www.legislation.gov.uk/ukpga/2000/36/contents>
- Sex Discrimination Act 1975  
<http://www.legislation.gov.uk/ukpga/1975/65/contents>
- Disability Discrimination Act 1995  
<http://www.legislation.gov.uk/ukpga/1995/50/contents>

- Race Relations Act 1968  
<http://www.legislation.gov.uk/ukpga/1968/71/contents/enacted>

## E) Regulatory authorities

**Financial Services Authority** for register of individuals and companies registered and regulated by the authority. <http://www.fsa.gov.uk/register/home.do>.

**The Charities Commission** regulates charities in England and Wales. <http://www.charity-commission.gov.uk/>

**Office of the Scottish Charity Regulator** regulates charitable organisations in Scotland. <http://www.oscr.org.uk/>

**Companies House** registers all companies in the UK incorporated under the Companies Act and related legislation. <http://www.companieshouse.gov.uk/>.

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