

# PHILANTHROPIC GIFT ACCEPTANCE & ADMINISTRATION PROCEDURE

## SCOPE

This procedure applies to staff engaged in soliciting, accepting and administering philanthropic gifts to benefit Monash University.

For the purpose of this procedure, references to 'the University' includes activity at Monash University Australia, Monash University Indonesia, Monash University Malaysia, Monash Suzhou, the Monash University Prato Centre and World Mosquito Program Ltd (and its subsidiaries), unless otherwise indicated.

This procedure does not apply to gifts, benefits and hospitality offered to individual employees by Monash University (the University) or external entities that are addressed in the [Gifts, Benefits & Hospitality Procedure](#), to grants, any gambling activities, or to sponsorship arrangements where there is a material benefit to the sponsor.

## PROCEDURE STATEMENT

This procedure has been established to:

- coordinate the solicitation, acceptance and administration of philanthropic gifts;
- guide decision-making on the acceptability of philanthropic gifts;
- mandate compliance with relevant laws; and
- maintain the University's Deductible Gift Recipient (DGR) status.

## 1. Donor Relations

1.1 The University values donors and will:

- undertake appropriate due diligence of prospective donors;
- protect donor interests and expectations;
- keep donors informed about the impact of their philanthropy;
- recognise donors publicly, where appropriate, and where the donor(s) has given consent to do so;
- respect donors' rights to privacy, where they have sought to remain anonymous, and comply with applicable privacy laws;
- build enduring relationships of mutual trust with donors and/or their representatives, treating them with the highest level of care, transparency and respect;
- take the greatest care to honour donor intentions for the use of designated gifts; and
- endeavour to discuss with donors or their representatives alternative uses for their gift, should circumstances render the University unable to direct the gift to the purpose originally intended.

1.2 External Relations Development and Alumni (ERDA) oversee fundraising activity and manage all philanthropic gift acceptance, gift processing and receipting for the University across all locations.

- 1.2.1 All philanthropic gift acceptance at Monash University Malaysia must be initially referred to External Engagement, Monash University Malaysia. The Associate Director, External Engagement, Monash University Malaysia will advise ERDA is responsible for facilitating notification of all prospective fundraising activities and offers of philanthropic gifts to ERDA.
- 1.2.2 Where a prospective gift or donation for the University is offered to staff at Monash College, Monash University Indonesia, Monash Suzhou, the Monash Prato Centre, or the World Mosquito Program Ltd, ERDA's Donor Relations team should be contacted for advice.

## 2. Fundraising initiatives

2.1 Proposed events and fundraising initiatives must align with the principles outlined in the Gifts Policy and support the University's strategic objectives across learning, teaching and research.

- 2.2 Fundraising initiatives may be undertaken by staff to seek philanthropic gifts or raise funds for the University. Fundraising initiatives may include such things as appeals, charity auctions or balls, community giving and philanthropic or charitable crowdfunding.
- 2.2.1 Proposed fundraising initiatives at Monash University Malaysia must be referred to the Associate Director, External Engagement for assessment.
- 2.3 Philanthropic gifts and funds raised via any fundraising initiatives must be invoiced and/or receipted in accordance with taxation laws and to meet the University's tax obligations.
- 2.4 Raffles are not permitted as a means of raising funds for the University.

### 3. Philanthropic Gift solicitation

- 3.1 All intended approaches to prospective donors, and/or approaches received from prospective donors must have appropriate approval to proceed as set out at 4.1 – 4.6 before an approach is made or as soon as practicable after an approach is received from prospective donors
- 3.2 Gifts must be consistent with the following conditions in order to be acceptable to the University. Employees involved in soliciting gifts are responsible for taking these into account when developing donor relations.

Condition	Description
Eligible	Gifts must comply with the University's definition of a gift (see Definitions below).
Legal and Ethical	Appropriate due diligence must be performed on donors and proposed gifts, including their source, in order to ensure no legal or reputational issues are raised by their acceptance. Gifts must not compromise the University's autonomy, integrity or academic freedom.
Aligned	The intended purpose of designated gifts must be consistent with the University's: <ol style="list-style-type: none"> <li>1. legislative objects as outlined in the <a href="#">Monash University Act</a></li> <li>2. mission and strategic goals as outlined in the <a href="#">Focus Monash strategy</a></li> <li>3. policies and procedures (see Governance below)</li> </ol>
Feasible and Adequate	In considering a gift, the University must be satisfied that: <ol style="list-style-type: none"> <li>1. the proposed gift is adequate to achieve the intended purpose of the gift, or the University agrees to meet any additional costs that will arise from its acceptance; and</li> <li>2. any expectations that a donor may have in relation to the gift are reasonable and able to be met;</li> <li>3. the benefits and/or risks they bring;</li> <li>4. the University's capacity to use them effectively; and</li> </ol> <p>In the case of Non-financial gifts (see also 7.3 below) will also be evaluated in terms of:</p> <ol style="list-style-type: none"> <li>5. any ongoing costs associated with their use and maintenance.</li> </ol> <p>Endowed gifts (see also 7.4 below) are to be evaluated in terms of:</p> <ol style="list-style-type: none"> <li>6. whether the gift amount is adequate to generate sufficient income to fund the intended purpose of the gift, or if the University agrees to meet additional costs required; and</li> <li>7. any other requirements as determined by the Office of the Chief Financial Officer and Senior Vice-President.</li> </ol>
Documented	The intention of a gift must be appropriately documented and include: <ol style="list-style-type: none"> <li>1. the name of the donor;</li> <li>2. the contact details of the donor or executor/trustee;</li> <li>3. supporting information and/or documentation where required (e.g. letter from a donor, gift agreement, Will) outlining the:               <ul style="list-style-type: none"> <li>- donor intentions;</li> <li>- donor preference in relation to recognition or anonymity;</li> <li>- expectations for reporting on the use of the gift;</li> <li>- means by which the gift will be/was solicited.</li> </ul> </li> </ol>

- 3.3 The University does not provide legal, tax or financial advice to donors. Donors are encouraged to discuss all gift planning decisions with their own legal, financial or tax advisors before entering into any commitment to make a gift to the University. Donors are responsible for all costs in relation to obtaining such independent professional advice.
- 3.4 The Australian Tax Office may require independent appraisals of the value of a gift for which a tax deduction is sought. Donors are responsible for arranging the appropriate valuation.

## 4. Philanthropic Gift review

- 4.1 All prospective gifts and relevant documentation are to be forwarded to ERDA's [Donor Relations team](#) who will coordinate the review process.
  - 4.1.1 The Associate Director, External Engagement at Monash University Malaysia is responsible for forwarding all prospective gifts and relevant documentation received by Monash University Malaysia to ERDA's Donor Relations team.
  - 4.1.2 Where a prospective gift or donation for the University is offered to staff at Monash University Indonesia, Monash Suzhou, the Monash Prato Centre, or the World Mosquito Program Ltd, ERDA's [Donor Relations team](#) should be contacted for advice.
  - 4.1.3 Where a prospective gift or donation for the University is offered to staff at Monash College, the staff member must notify the Chief Executive Officer and Director, Governance, who will contact ERDA for advice.
- 4.2 Fundraising appeal activity initiated by the University via direct mail, email, phone or online is to be reviewed and authorised in advance by the Vice-President (Advancement).
- 4.3 Other gifts are subject to a donor and gift risk assessment and endorsement process appropriate to the intention and value of the gift.
- 4.4 Depending on the nature of the gift, the review process may involve other appropriate University faculty and organisational decision makers.
- 4.5 Any question of the appropriateness or advisability of accepting a particular gift may be referred to the Donor and Gift Review Panel for consideration. The Panel considers exceptional cases and is responsible for providing considered recommendations regarding the acceptability of proposed gifts.
- 4.6 The University reserves the right to decline a gift for any reason.

## 5. Philanthropic Gift acceptance, processing and receipting

- 5.1 Where a determination is made to formally accept a gift, the appropriate documentation must be finalised and, where required, signed by the donor and the University. This may take the form of, but is not limited to, a gift agreement, Will, or a gift receipt.
- 5.2 The ERDA Donor Relations team is responsible for processing and receipting gifts.
- 5.3 Receipts for tax deductible gifts and tax invoices for tax deductible contributions received for fundraising events in Australia are to be issued in accordance with Australian Taxation Office (ATO) requirements.
- 5.4 The University is required to comply with applicable [Australian Accounting Standards](#) in relation to the coding and classification of revenue received including distinguishing between commercial and philanthropic revenue.
- 5.5 For accounting and administrative purposes, gifts (or portions of gifts) will be classified into two main categories, either expendable gifts or endowments.

## 6. Philanthropic Gift recording and recognition

- 6.1 Gifts are to be recorded in the University's donor management database and in the University's finance system (to ensure accurate reporting of all philanthropic income).
- 6.2 Donors are to receive appropriate acknowledgement and recognition of their gifts, being mindful of donor wishes with regards to confidentiality.

## 7. Philanthropic Gift expenditure

- 7.1 The beneficiaries of the gift (i.e. the relevant organisational unit) are responsible for the management and monitoring of gift expenditure.
- 7.2 Gifts are to be expended in accordance with the donor's intention, relevant laws, and with respect to the policies and procedures of the University.
- 7.3 Non-financial gifts are to be converted into cash (unless the gift agreement states otherwise) and used in accordance with the conditions in which they were given.
- 7.4 Endowed gifts are to be used in accordance with the conditions in which they were given (subject to meeting the University's minimum investment requirements) and are to be invested into the University's professionally managed investment portfolios via the Finance portfolio.

- 7.5 The University may vary the designation of gifts, should circumstances render it unable to direct the gift to the purpose originally intended. Where a gift agreement is in place, the University will endeavour to discuss with donors or their representatives an alternative use for their gift.
- 7.6 Undesignated gifts will be used for the purposes that the University judges best.
- 7.7 Gifts are not available for use until the funds have been received. Funds must be maintained in credit and expenditure committed against the anticipated receipt of funds is not permitted.
- 7.8 Where overspends are identified, the relevant organisational unit must confirm that only appropriate expenditure has been allocated to the gift and conduct analysis to consider whether the shortfall will be made up by anticipated income from interest or other distributions.
- 7.9 Expenditure against a gift, or the internal revenue generated, must meet the intent specified by the donor as outlined in the relevant documentation (e.g. letter from a donor, gift agreement, Will) and be retained for auditing purposes.

## 8. Philanthropic Gift reporting

- 8.1 Impact reports will be provided as specified in gift agreements to demonstrate the impact of gifts and that the University is properly acquitting its obligations.

## DEFINITIONS

<b>Deductible Gift Recipient (DGR)</b>	An entity endorsed by the Australian Tax Office to receive tax deductible gifts.
<b>Designated Gift</b>	A gift where the donor has indicated a preference for how it should be used (e.g. scholarships, research, and programs).
<b>Donor</b>	An individual, entity, or estate who makes a gift to the University. In the case of bequests, donors may also be referred to as bequestors or testators.
<b>Due Diligence</b>	The range of practical steps taken by the University so it is reasonably assured of the origin of its gifts and its prospective donors, and is able to identify and manage associated risks.
<b>Endowment</b>	An investment fund in which the capital is preserved and annual expenditure is restricted to all or a portion of the income from the investment, such that an activity or project funded may be supported over time. Alternatively, some endowments can be on a fixed term/spend down arrangement.
<b>Gift</b>	<p>A gift is something voluntarily transferred from one person to another without an expectation of payment or other compensation from the person who receives the gift. For the purpose of this procedure, a gift includes free or discounted items, including hospitality and/or entertainment, and any item given or accepted that would generally be seen by the public as conferring a benefit to the individual receiving it. Philanthropic gifts received by the University are separately defined.</p> <p>Gifts may be provided as cash or non-cash items (e.g., property, artwork, flowers, jewellery and alcohol). Gifts can also include benefits (e.g. favours or privileges such as access to memberships or programs) and hospitality and/or entertainment (such as tickets to a show or sponsored travel).</p> <p>Prizes, awards and grants are excluded from the definition of a gift, as are scholarship payments to students.</p>
<b>Grant</b>	Funding that does not meet all of the defining characteristics of a gift as per the above and is not tax deductible as a gift. Grants may or may not have a philanthropic purpose. The funding body may receive a material benefit (for example, rights to research results or intellectual property) as part of the funding arrangement which could attract GST (eg rights to research results or intellectual property). Grants could have specific acquittal requirements, and/or conditions such as mandating expenditure on a particular project, or requiring the return of unspent funds.

Material Benefit	The provision of benefits or advantages to the funder or sponsor. Including, but not limited to, logo acknowledgement, advertising or promotion, participation in promotional activities, rights to intellectual property, items of value.
Monash College staff	For the purpose of this procedure, 'Monash College staff' includes all Monash College staff, contractors and members of the Monash College Board.
Philanthropy	A voluntary exchange in which the values and aspirations of donors are matched with the values and aspirations of those they benefit.
Philanthropic gifts	<p>The transfer of money, property or other assets to the University, made with philanthropic intent, where:</p> <ul style="list-style-type: none"> <li>• the transfer is made voluntarily;</li> <li>• the transfer arises by way of benefaction;</li> <li>• no material benefit or advantage is received by the donor by way of return; and</li> <li>• the money, property or other assets will be owned in full by the University once received.</li> </ul> <p>Gifts may be designated for a specific purpose by the donor (e.g. scholarships, research, and programs) or undesignated</p>
Philanthropic Recognition	A way to acknowledge philanthropy. This may take the form of publication of donor names and may include naming of physical entities, academic positions, scholarships or programs.
Solicitation	The act of requesting and negotiating a gift.
Sponsorship	The provision of money, goods or services for a specific activity or program in return for a material benefit.
Tax Deductible Contribution	The portion of the price to attend a fundraising event or to purchase an item at a fundraising event, for which the purchaser may be entitled to a tax deduction.
Tax Deductible Gift	A philanthropic gift for which the donor may be entitled to a tax deduction.
Undesignated Gift	A gift where the donor has not indicated a preference for how it should be used, thereby providing the University with flexibility to use the gift where it is needed most.
Will	In the common law, a document by which a person (the testator) attempts to regulate the rights of others over his/her property or family after death. A Will can also be used as the instrument establishing a trust (called a testamentary trust). May also be referred to as Last Will or Testament.

## GOVERNANCE

Parent policy	<a href="#">Gifts Policy</a>
Supporting schedules	Nil
Associated procedures	<a href="#">Bequests Procedure</a> <a href="#">Conflict of Interest Procedure</a> <a href="#">Gifts Benefits &amp; Hospitality Procedure</a> <a href="#">Data Protection and Privacy Procedure</a> <a href="#">Revenue Handling Procedures</a> <a href="#">Treasury Management Procedure</a>
Related legislation	<a href="#">A New Tax System (Goods and Services Tax) Act 1999 (Cth)</a> <a href="#">Income Tax Assessment Act 1997 (Cth)</a> <a href="#">Privacy Act 1988 (Cth)</a> <a href="#">Fundraising Act 1998 (Vic)</a> <a href="#">Privacy and Data Protection Act 2014 (No. 60 of 2014) (Vic)</a> <a href="#">Monash University Act 2009 (Vic)</a>

Category	Operational
Approval	Vice-President (Advancement) 27 April 2021
Endorsement	Chief Philanthropy Officer 28 April 2021
Procedure owner	Chief Philanthropy Officer
Date effective	1 May 2021
Review date	1 May 2024
Version	2.1 ( <i>Minor amendment effective 14 July 2022</i> )
Content enquiries	donor.relations@monash.edu