

Gift Acceptance Policy

1 Introduction and purpose

- 1.1 The purpose of the Gift and Acceptance Policy (“the policy”) is to define the principles, practices and procedures governing the acceptance of gifts to the City & Guilds of London Art School (“the Art School”). The Policy will reviewed every five years.
- 1.2 In considering the acceptance of any gift, be it by way of donation, legacy or otherwise, the Art School and its board of trustees need to ensure that fundraising and related activities do not inappropriately influence institutional independence, mission, or academic and creative integrity, or adversely affect the Art School’s reputation. It is also the responsibility of the Art School to ensure that any gift complies with all relevant, current legislation and accepted principles of good practice, and that an effective process of due diligence is applied to all gifts/donations and their sources.
- 1.3 In this policy a “gift” is defined as being any consideration being in the form of money, property (other than cash), including real estate, inventory, stocks, bonds, crypto currency etc. The policy also covers any gift that is made by way of “benefit” such as free advertising, use of assets such as cars or hospitality that is considered to have a monetary value if it was purchased by the Art School and under the terms of the Art School’s accounting policy reported as Donations.
- 1.4 The **Joint Development Advisory Group** (“JDAG”) is responsible for overseeing the solicitation and acceptance of gifts that support the mission of the Art School and of the City and Guilds Art School Property Trust (“the Property Trust”), an independent, separate, but linked charity and landlord to the Art School. Strategic planning and co-ordination of income generating activity for the charity is led by the Director of Resources and Operations with fundraising led by the Head of Development & External Relations responsible for day-to-day operation and reporting. The following policy shall apply to all gifts offered to, and received by the Art School, as well as contributions through corporate sponsorship.

2 Policy statement on the acceptance of gifts to the Art School

2.1 A gift shall only be accepted if:

- it is compatible with the mission and charitable objectives of the Art School; and
- if it and its donor have successfully passed appropriate and proportionate due diligence checks

2.2 A gift shall not be accepted if:

- there are reasonable grounds for believing, or there is evidence, that the gift may be comprised or derived from funds arising from an illegal activity, fraud, or the evasion of taxation;
- there are reasonable grounds for believing that the gift may be part of a wider money laundering or tax avoidance scheme;
- it would be or considered to potentially be in contravention of the UK Bribery Act 2010;
- it brings with it conditions which encroach on or restrict academic and/or creative freedom;
- it attempts to be or is in breach of the Gift Aid regulations;
- it is in the form of cash over £1,000 ;
- there is evidence that its acceptance would require the Art School to undertake any action in contravention to national regulation or which would create, in the reasonable opinion of the Joint Development Advisory Group, an unacceptable conflict of interest or exposes the Art School to financial or legal liability;
- its acceptance would convey a benefit (in any form) to a student or an employee of the Art School, a Trustee or any individual closely connected to the Art School;
- its acceptance would in the opinion of the Board of Trustees be likely to cause reputational damage to the Art School or the Property Trust;
- the gift would require unacceptable expenditure of additional Art School resources;
- acceptance of the gift would expose the Art School and/or its staff to a conflict of interest that could not be adequately and properly managed.

2.3 At all times, any staff and Trustees involved in the cultivation and solicitation of gifts must take into consideration any potential ethical and reputational risks involved with any fundraising activity, acknowledging the important role that common sense plays in this.

2.4 In addition to the above principles and considerations, the Art School is guided by the principles established by CASE, the Council for Advancement & Support of Education:

- [CASE Europe: Ethical Principles Behind the Acceptance of Gifts](#)
- [CASE Statement of Ethics](#)
- [Principles of Practice for Fundraising Professionals](#)
- [Donor Bill of Rights](#)

2.5 The procedures laid out below for the acceptance/refusal of gifts draw upon the guidance to Trustees provided by the Charity Commission, the Fundraising Commissioner and the Institute of Fundraising:

- gov.uk/government/collections/protecting-charities-from-harm-compliance-toolkit chapter 2: Due Diligence, Monitoring, and verifying the end use of charitable funds (Charity Commission for England and Wales, 2013)
- fundraisingregulator.org.uk/code (Fundraising Regulator, August 2018)
- institute-of-fundraising.org.uk/library/iof-acceptance-refusal-return-guidance/ (Institute of Fundraising, May 2018)

3 Procedures for the acceptance of gifts

3.1 The Art School will accept unrestricted gifts, and gifts for specific purposes provided that such gifts can be demonstrated to be unequivocally consistent with the Art School's stated objects and do not violate the terms of its Articles, Art School policies or any other relevant regulations. Such gifts will routinely be processed by the Development team and reported and recorded at meetings of the Joint Development Advisory Group.

3.2 The Director of Resources and Operations shall be responsible for reviewing all gifts and shall refer any proposed gift to the Joint Development Advisory Group where there are restrictions which:

- are inconsistent with the Art School's stated academic and creative purposes and priorities; OR
- are incompatible with the Art School policies; OR
- may inhibit the Art School from seeking gifts from other donors; OR
- involve or potentially involve unlawful discrimination under the Equality Act 2010 or are incompatible with the Public Sector Equality Duty; OR
- require the Art School to provide special consideration for admission to Art School courses for the donor or designate; OR
- require the Art School to deviate from its usual contracting procedures; OR
- require the Art School to treat as Restricted Funds for accounting purposes leading to the inability to utilise those funds for the purposes of the Art Schools objects; OR
- where due diligence checks on the donor give rise to doubts that acceptance of the gift may not be in the best interests of the Art School.

- 3.3 A checklist of key criteria which will be taken into consideration is included in an appendix to this Policy.
- 3.4 JDAG shall receive in advance of every meeting: a report itemising all gifts, applications for awards and donations and proposed applications, highlighting any unusual funding arrangements or restrictions which have been, referred to it by the Director of Resources and Operations between meetings.
- 3.5 The Director of Resources and Operations shall produce an annual report for the charity detailing:
- all proposed gifts
 - scrutiny each gift received
 - any due diligence applied to the Donor
 - actions, if any, as a result of the scrutiny
 - resulting acceptance decision

4 Joint Development Advisory Group

- 4.1 The Joint Development Advisory Group (JDAG) is a group of both the Board of Trustees of the Art School and of that of the City and Guilds Art School Property Trust. The membership and terms of reference for JDAG may be found in the Art School's Governance Handbook: 'How We Work'.
- 4.2 JDAG shall typically meet by telephone or video conference or conduct business via email. Three members of JDAG, including the Chair, shall constitute a quorum which must include a Trustee of both the Art School and the Property Trust.
- 4.3 All decisions/recommendations of the JDAG must be recorded and reported to the Board of Trustees where its formal approval is required (see 5.2 below). In addition, the JDAG shall make an annual report to the Audit & Risk Committee.

5 Gift limits and requirements for formal Board of Trustees approval

- 5.1 Where a gift has been referred to JDAG but is for less than £50,000 and is not subject to a naming recognition, JDAG has the delegated power to accept or refuse it on behalf of the respective Board of Trustees.

- 5.2 For any gift of an asset (non-cash) with a deemed monetary value that would be in excess of £25,000, JDAG shall make a recommendation for or against approval to the Board of Trustees, which has sole responsibility for the acceptance or refusal of the non-monetary gift
- 5.3 Where a proposed gift is for more than £50,000, or is for any value but subject to a naming recognition, the JDAG shall make a recommendation for or against approval to the Board of Trustees, which has sole responsibility for the acceptance or refusal of the gift. A gift that relates to the Art School premises and is subject to a naming recommendation will also be subject to approval by the Property Trust and to whatever conditions (e.g. over period of naming, removal of naming etc) as either of the Boards of Trustees may determine.

6 Refusal or Return of a gift

- 6.1 When a gift is refused, the wording of the refusal and the signatory(/ies) of the refusal letter need careful consideration. The letter should usually be from the Chair of JDAG or the Chair of the Board of Trustees.
- 6.2 In very rare circumstances it may be necessary for the Art School to reconsider acceptance of a gift. Should circumstances come to light following the acceptance of a gift which warrant reconsideration of that acceptance, further consideration based on the application of the above principles shall be undertaken by JDAG and a new recommendation made to the Board of Trustees.
- 6.3 Should the Board of Trustees resolve to rescind approval of acceptance, and wishes to return funds to the donor, the Board shall consult the Charity Commission before taking any further action.
- 6.4 If the circumstances under which the Trustees wish to return a gift is not allowed for specifically by law or under the terms and conditions of the gift, the relevant Board of Trustees may resolve to apply to the Charity Commission for an order to allow funds to be returned by way of an *ex gratia* payment.
- 6.5 The donor of a gift which is returned will receive a full explanation of the reasons for its return unless advised by the relevant authority that to do so would be effectively “tipping off”. The letter will usually come from the Chair of the Board of Trustees.

7 Anonymous donations

- 7.1 The Art School will be open and transparent regarding the sources and purposes of gifts it receives. In cases where a donor wishes to remain anonymous, such anonymity will be respected. However, a gift will only be accepted where the identity of the donor is provided and recorded by the Art School. The identity will be made known to the Trustees, the Principal and the Director of Resources and Operations.

Appendix 1: Due diligence

“Due diligence is the range of practical steps that need to be taken by trustees in order to be assured of the provenance of charitable funds and confident that they know the people and organisations the charity works with, and able to identify and manage associated risks. 'Due diligence' is an important part of trustee duty and is essential in safeguarding charity assets. It means carrying out proper 'checks' on those individuals and organisations that give money to, or receive money from, the charity, including partners and others that are contracted to work with it.”

Compliance Toolkit: Protecting Charities from Harm: Chapter 2: Due Diligence, Monitoring, and verifying the end use of charitable funds, The Charity Commission for England and Wales, 2013

Checklist for gifts and donations (non-exhaustive)

- Is the potential gift unsolicited
- Is the donor related to a current student
- Is the potential donor an individual, a business or an unregistered trust/foundation
- If the potential donor is a registered trust/foundation, are there prominent individuals who are settlors of the trust and have links to an area of concern (see below)
- Is the Donor based “offshore” or in a low tax jurisdiction
- Is the potential donor a Politically Exposed Person (PEP) and has a check been made against an appropriate PEP check-list
- Does the Donor appear or reside in a Country on the Treasury Sanctions List
- Are the funds coming from a different source than from the assumed Donor e.g. Corporate Enterprise rather than an individual
- Possible areas of concern:
 - Pending court cases and prominent allegations
 - Financial crime/corruption/bribery
 - Tax evasion
 - Money laundering
 - Human rights abuse
 - Repression of civil liberties, freedom of expression and enquiry
 - Affiliation to political parties or other organisations that would be considered extremist organisations
 - Business activities that could pose a threat to the reputation of the Art School or Property Trust