

FIN15 – DONATIONS AND GIFTS: RECEIPT AND ACCEPTANCE POLICY

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Date of Origin	Date of Last Review	Proposed Date of Next Review	EQIA Date	Responsibility for Review
April 1999	February 2022	February 2023	February 2022	Financial Controller

1 Purpose

The purpose of this document is to communicate the College policy in relation to the receipt and acceptance of donations and gifts of money, land or other property.

2 Policy Statement

The College is committed to providing a high standard of accountability. This policy seeks to ensure that donations or gifts to the College are properly received, recorded and administered using appropriate internal controls and that the College's acceptance and management of gifts are in compliance with external regulations.

3 Scope

This policy applies to all employees of the College and covers gifts and donations provided to the College and gifts and hospitality provided to individuals within the College. Board members in that specific capacity are also included in this policy.

4 Definitions

4.1 A charitable donation is a gift of cash or property made to a non-profit organisation to help it accomplish its goals, for which the donor receives nothing of value in return.

A gift is something voluntarily given or donated without the expectation of receiving anything in return and generally without preconditions. The Scottish Public Finance Manual defines gifts as:

- payments to individuals or bodies other than grant or grant in aid or payments made in the normal course of business;
- the extent to which assets are sold or transferred (including the sale or assignment of leases) to individuals or bodies at less than market value i.e. the best price reasonably obtainable in the market;
- income foregone where individuals or bodies are given the use of resources at concessionary rates; and
- other transactions which are virtually indistinguishable from gifts e.g. the loan of an asset for its expected useful life.

4.2 For the purposes of this policy, donations and gifts include, but is not exclusively limited to, cash or cheques, property, shares or bonds, tangible personal property (gifts-in-kind), legacy gifts, corporate sponsorship or any resource with a current market value.

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- Unrestricted gift means – one to which to which the donating party does not attach any conditions.
- Restricted gift means – where the donating party attaches conditions to the gift, e.g. type of use, criteria for disbursement, including use by any internal College Foundation.

4.3 Specific exclusions

Specifically excluded from this policy are receipts of money from the Lanarkshire Arm's Length Foundation (ALF) where a bid has been made for the funds received.

Losses and special payments should not be regarded as gifts. Nor should any transfers or transactions between constituent parts of the Scottish Government.

Also excluded from this policy are promotional gifts (pens, key rings, calendars or items likely to have cost less than £25), hospitality (subject to section 8, below) and plaques or trophies awarded to the College.

5 Delegation of Authority

5.1 Authority for the acceptance of gifts is delegated by the Scottish Funding Council through a hierarchy comprising:

- Board of Management
- Principal and Chief Executive
- Chief Financial Officer
- Financial Controller

Therefore, in practice:

- The Principal and Chief Executive can accept, as an Accountable Officer of the Board of Management, **unrestricted** gifts for approval at the next Board of Management meeting.
- The Principal and Chief Executive will not indicate the acceptance of **restricted** gifts to the donating party until the matter has been discussed and agreed with either the Board of Management Chair or the Chair of the Finance Committee.

6 Expectations and responsibilities

6.1 Board members and staff at all levels are expected to conduct College business with integrity and propriety and to act within the law and the regulations, policies and procedures of the College. The College will not accept gifts that:

- Do not help fulfil the College's strategic aims;
- Expose the College to undue adverse publicity or reputational risk;
- Require unacceptable expenditure of additional College resources;

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- Create conflicts of interest which are not fully transparent and managed appropriately;
- Potentially harm the College's relationships with other donors or stakeholders or inhibit unreasonably, the College's ability to seek support from other donors;
- Undermine the College's vision and values;
- Cost the College more than the benefit it derives from it;
- If the donor is unknown or there are suspicions of money laundering.

7 Bursary Gifts

For the purpose of this procedure, a "bursary" gift is defined as a gift of money which is not for "College" use but for subsequent disbursement to students, outwith any internal College Foundation. (This paper does not cover SFC bursaries as they are treated in accordance with the rules issued along with the funds.)

As part of the approval process of a bursary gift, a Committee should be established who will then oversee and authorise applications to and awards from the fund.

The Committee should contain at least three members of staff and must include either the Principal & Chief Executive or the Chief Financial Officer.

8 Hospitality

College employees are able to accept customary meals or entertainment provided that the expenses are kept at a reasonable level. See the related Procedures document (FIN15.1) for further detail.

9 Income Tax

A cash gift from a client is subject to income tax. Other gifts are not taxable unless a gift is worth more than £250 in any year. The latter may apply when the gift is not a one-off. It may be a season ticket at a sports venue, for example. Each visit to the venue may be worth less than £250 but the total value over the course of a year may exceed this. If so, the recipient should declare the gift to HM Revenue & Customs (HMRC).

HMRC assesses a cash equivalent value for all declared gifts. When a gift recipient disagrees with a valuation, the person must supply evidence of the true value.

10 The Bribery Act 2010

The Bribery Act 2010 came into force on 1st July 2011 and this legislation must be considered before the acceptance of any gift, whether "restricted" or "unrestricted". Penalties for

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organisations and individuals found guilty of an offence under the Act are not insignificant and include unlimited fines and imprisonment for up to 10 years.

11 Linked Policies/Related Documents

- 11.1 FIN15.1 Donations and Gifts: Receipt and Acceptance Procedure
- 11.2 FIN05 Fraud and Corruption Policy
- 11.3 Donations and Gifts Acceptance Procedure

12 Relevant Legislation/Guidance

- 12.1 Scottish Public Finance Manual
- 12.2 SFC Financial Memorandum with Fundable Bodies in the College Sector
- 12.3 The Bribery Act 2010

Version Control

Version	Version date	Sections updated
V1	Apr 1999	Original version of document
V1.1	Nov 2012	Updated "Motherwell College" to "New College Lanarkshire"
V2	Dec 2015	Name of policy amended from "Donations and Gifts made to College Policy". Sections and layout amended to reflect NCL standardised layout for all Policies and Procedures. Updated to make mention of separate procedures document
V2.1	July 2017	Review. No changes
V2.2	April 2021	Review. Update new logo, replace AP: Finance with Financial Controller.
V.2.3	Sep 2021	Review. Update new logo, replace VP: Resources with Chief Financial Officer.
V3	Feb 2022	Review. Referenced for College Foundation and meaning of donation.