

## **CODE OF ETHICAL FUNDRAISING PRACTICE AND FUNDRAISING POLICY**

1. All those involved in fundraising for any charitable organisation, including higher education institutions, have a responsibility to donors, to the organisation and to act in accordance with the agreed causes and objectives of the fundraising campaign. Openness, transparency and respect are required at all times to ensure the institution's integrity, mission and relationships with donors are not discredited.
2. The Development and Alumni Relations team and the Directorate of Finance and Planning are responsible for the day-to-day operation of this Code.
3. This Code will be reviewed by the University of Suffolk Board at least every two years, or more frequently if required.

### **Purpose and remit of this Code**

4. The University of Suffolk actively seeks gift income from donors as a legitimate and vital element of its overall funding. This Code covers the acceptance and disbursement of such gifts and bequests (also referred to as donations).
5. This Code covers all fundraising activity, i.e. the solicitation or receiving of funds, on behalf of the University of Suffolk by employees, contractors, volunteers and professional advisors; all of whom will be considered 'fundraisers' for the purposes of this Code.
6. Any fundraising by students for particular projects or events sits outside of the remit of this policy, unless acting on behalf of the University, in consultation with the Development and Alumni Relations team.
7. This Code should be read in conjunction with the University of Suffolk Anti-Corruption Policy.

This code covers:

- A. Legal and Statutory Considerations
- B. Donor Rights
- C. Financial Accountability
- D. Acceptance and Disbursement of Funds
- E. Due Diligence

## **LEGAL AND STATUTORY CONSIDERATIONS**

8. University of Suffolk is an exempt charity under the Charities Act 2011, regulated by the Office for Students (OFS) and a company limited by guarantee. Registered in England and Wales, company number: 05078498. Registered Address: Waterfront Building, Neptune Quay, Ipswich, IP4 1QJ. As such, the University of Suffolk will at all times observe the requirements of charity law and other application regulation and legislation.

9. At the time of the latest review, this policy is consistent with the Code of Fundraising Practice issued by the Fundraising Regulator (UK) and its related good practice. Any fundraising activity, including communications to potential donors and solicitations on behalf of the University of Suffolk, will adhere to relevant charity law and best practice guidance including guidance as set out by the Fundraising Code of Practice and the Charity Commission for England and Wales.

10. At all times, Fundraisers acting on behalf of the University of Suffolk will be aware of the sensitivity of information gathered and held on individuals and organisations, ensuring information gathered is treated with the utmost respect and is compliant with data protection regulations, in line with:

- the University of Suffolk Data Protection and Data Security Policy; and
- the Alumni Relations and Development Privacy Notice.

11. The University of Suffolk will seek Gift Aid and tax deductions on gifts that are eligible.

## **DONOR RIGHTS**

12. All fundraising solicitations by or on behalf of the University of Suffolk will disclose the institution's name and purpose for which the funds are requested. Printed solicitations (however transmitted) will also include the institution's address or other contact information.

13. The University undertakes to make publicly available on its website:

- a. Its most recently published annual report and financial statements
- b. Details of its exempt charitable status
- c. A copy of this Code

14. Donors and prospective donors are entitled to know, upon request, whether an individual soliciting funds on behalf of the University of Suffolk is a volunteer, an employee, a consultant or a hired solicitor.

15. The University of Suffolk will encourage donors to seek independent advice if it has any reason to believe that a proposed gift might significantly affect the donor's financial position, taxable income, or relationship with other family members.

16. Fundraisers acting on behalf of the University of Suffolk will comply with current data protection regulation, in line with the University of Suffolk Data Protection Policy and the Alumni Relations and Development Privacy Notice.

17. Donors and prospective donors will be treated with respect. The University of Suffolk will honour a donor or prospective donor's request to limit the frequency of solicitations and to remain anonymous, as far as legally possible.

18. The management and governance of all programmes fully or partly funded by gifts rest solely with the University of Suffolk.

19. The University of Suffolk undertakes to investigate any complaint made against it or its nominated representatives which concerns matters that fall within the remit of its Code of Ethical Fundraising Practice or otherwise within the remit of the Fundraising Regulator. The University undertakes to respond to any complaint received from a donor or prospective donor in a fair, proportionate and appropriate manner.

### **Complaints Procedure**

20. The complaints procedure which should be followed is:

- All complaints should be addressed in the first instance in writing to the Development Director or alternatively the Chief Operating Officer of the University of Suffolk.
- The complaint will initially be assessed to ensure that it falls within the remit of the University's Code of Ethical Fundraising Practice or otherwise within the remit of the Fundraising Regulator.
- Once this is confirmed, the Development Director or the Chief Operating Officer will instruct an investigating officer to establish the facts of the case in a thorough, objective and prompt manner.
- The Development Director or the Chief Operating Officer will then determine the appropriate action to be taken, taking account of the Code of Ethical Fundraising Practice and guidance of the Fundraising Regulator.
- The outcome of the investigation, with reasoning, will be communicated to the originator of the complaint without undue delay.

- The outcome of all complaints and investigations will be reported to the University of Suffolk Executive Committee at its next meeting to review any lessons that can be learnt from the complaint and to inform future fundraising activity.

21. In the event that the complaint concerns either the Development Director or the Chief Operating Officer, then the complaint should be addressed to the Chair of the University of Suffolk Board of Directors. The University also adopts a whistleblowing policy for use in appropriate circumstances.

22. The University of Suffolk Executive Committee and University of Suffolk Board will be informed, at least annually, of the number, type and disposition of complaints received from donors or prospective donors about matters that are addressed in this Code.

### **FINANCIAL ACCOUNTABILITY**

23. The University of Suffolk's financial affairs will be conducted in a responsible manner, consistent with the ethical obligations of stewardship and the requirements of applicable higher education and charity regulators.

24. The University of Suffolk's fundraising activity will comply with the Statement of Recommended Accounting Practice (SORP) as directed by the Directorate of Finance and Planning.

25. Annual financial reports on fundraising activity will be factual and accurate in all respects, disclosing:

- a. The total amount of fundraising revenues.
- b. The total amount of fundraising expenses.
- c. Identify government grants and contributions separately from philanthropic donations.
- d. Be produced in accordance with accounting standards and practices.

26. The Development and Alumni Relations team will liaise with the Directorate of Finance and Planning to ensure all income is attributed to the correct finance codes and any unspent funds are discussed with the donor to agree an appropriate course of action.

27. At least annually the Directorate of Finance and Planning, in conjunction with the Development and Alumni Relations team, will submit for review the income arising and the costs

incurred of fundraising to the University of Suffolk Board, ahead of publication as part of the University's Annual Report.

## **ACCEPTANCE AND DISBURSEMENT OF FUNDS**

### **Acceptance of Donations**

28. The test of compliance with this Code must be undertaken prior to solicitation wherever possible, rather than at the point of acceptance.

29. The responsibility for the acceptance and refusal of gifts and bequests rests ultimately with the University of Suffolk Board. The University of Suffolk Board delegates decision making to the University of Suffolk Executive Committee in accordance with agreed delegated authority limits. The delegated authority limits for the acceptance of gifts is stated within the University's financial regulations and Delegation of Financial Authority Policy.

30. It is generally accepted that in most cases the interests of the University of Suffolk as a charity will be furthered by increasing the resources available to it. Donations will only be rejected in exceptional circumstances and if, having considered relevant factors and disregarded irrelevant ones, there is reasonable belief that such a decision would be in the best interest of the charity. The University of Suffolk Executive Committee will make the decision to refuse a donation after receiving appropriate due diligence reports.

31. The University of Suffolk will not accept a gift of any size which might:

- Compromise its independence or that of its partner institutions
- Impact negatively on teaching or research activity
- Limit the freedom of the institution to act within its objects
- Create unacceptable conflicts of interest
- Result in unmanageable reputation damage
- Result in financial loss or damage

32. The University of Suffolk will take all reasonable steps to ensure the ultimate source of a gift or bequest is legal and not derived directly or indirectly from illegal activity.

33. Any gift, for whatever amount, that may attract significant external interest will be notified to the University of Suffolk Executive Committee prior to its acceptance. The University of Suffolk Executive Committee will assess any risks associated with the source of funds and the purpose of the donation, and will decide how to proceed in consultation with the Development and Alumni

Relations team and the Directorate of Finance and Planning. At times it may be necessary to consult with the University of Suffolk Board.

34. Projects and activities for which funds may be sought will be identified and agreed by the University of Suffolk Executive Committee. These priorities will evolve over time and will be regularly reviewed and reapproved by the Executive Committee.

35. All University of Suffolk staff, contractors or volunteers who seek to raise funds for University of Suffolk must do so in liaison with the Development and Alumni Relations team to ensure compliance with this Code. Efforts to secure donations by any University of Suffolk School, Centre or Directorate must be brought to the attention of the Development Office before activity commences.

### **Gift Agreements**

36. The University of Suffolk, in liaison with the donor, will make every effort to clarify in writing the agreed purpose of all donations of £10,000 or over in advance of confirmation of gift acceptance by the University.

37. Depending on the size and nature of the gift and its intended purpose, the University of Suffolk may require a gift agreement for significant gifts be completed by the donor in advance of confirmation of gift acceptance by the University.

38. The decision as to whether a gift agreement is required will be made by the University of Suffolk Executive Committee, in liaison with the Development Office and the Directorate of Finance and Planning. Any gift agreement will indicate the requirement for a gift to be compliance-tested against this policy.

39. Gift agreements will be required for all donations of £10,000 or over from new donors.

40. The University of Suffolk Director of Finance and Planning is responsible for reporting a new gift agreement to the University of Suffolk Executive Committee.

### **Types of Donation and Payment Methods**

41. Types of gifts that may be accepted include:

- Cash or equivalent
- Personal property
- Shares

- Property or land
- Legacies or bequests

42. Payments can be made by debit or credit card via the University of Suffolk website, over the phone or by completing our official donation form. Cheques are accepted and should be made payable to University of Suffolk Ltd. Individual cash donations of over £250 will not be accepted.

### **Disbursement of Donations**

43. All donations will be handled responsibly and in accordance with the law, and will be used to support the vision and objectives of the University of Suffolk.

44. Under the terms of the Code of Fundraising Practice as issued by the Fundraising Regulator (UK), the University of Suffolk must use any restricted or designated donations for the purposes for which they are given, unless consent is given for change of use by the donor. If circumstances require change of use, for example programme or organisational changes, alternative uses will be discussed with the donor or the donor's legal designate(s). Where this is not possible, for example if the donor is deceased or legally incompetent, the University will apply to the Charities Commission for change of use.

45. Unrestricted donations will be disbursed by the Executive Committee and disbursements will be administered via the Development and Alumni Relations team.

46. Adequate records of gifts will be maintained by the Development Office and the Directorate of Finance and Planning in accordance with University of Suffolk's standard accounting practices.

47. The University of Suffolk will not return gifts that have been accepted in accordance with this policy and are restricted to do so by law. In exceptional circumstances a decision to accept a gift will be reviewed and a decision to return a gift will always be the decision of the University of Suffolk Board on the recommendation of the Director of Finance and Planning or Chief Operating Officer after seeking appropriate legal advice, if deemed necessary.

### **DUE DILIGENCE PROCESS**

48. This outlines the mechanisms and processes for ensuring that the University of Suffolk meets its legal obligation to take all reasonable steps to check the ultimate source of a gift or bequest is legal and not derived directly or indirectly from illegal activity.

49. Due diligence is the range of practical steps that the University of Suffolk takes to be reasonably assured of the provenance of funds donated, is confident that it knows the people and organisations that it works from a fundraising perspective and that any associated risks are identified and managed.

50. Working to guidelines produced by the Charity Commission for England and Wales, the University of Suffolk applies the 'Know Your' principles to due diligence activity.

51. The 'Know Your' principles are:

- Know Your Donor
- Know Your Beneficiaries
- Know Your Partner

52. The core elements of due diligence applied by the University of Suffolk are:

- Identify – know who you are dealing with.
- Verify – where reasonable, and the risks are high, verify identities.
- Know an organisation's/individual's business – research the business(es) and be assured they are appropriate to be involved with.
- Know what their specific business is with University of Suffolk – ensuring their objectives meet those of the University of Suffolk.
- Watch out – be aware of unusual or suspicious activities, conduct or requests.

53. The Charity Commission for England and Wales require charities to report any anonymous donations with a value of over £25,000 as a 'serious incident', but this requirement does not prohibit the University from accepting such donations. It is the University of Suffolk's responsibility to look out for suspicious circumstances, put adequate checks and safeguards in place, ensure record keeping is accurate and that any concerns or suspicious activity is reported to the appropriate authorities.

54. Depending on the size of the potential donation and the associated background of the donor the general questions in Appendix 1 will be applied to mitigate risk and ensure reasonable steps have been taken to check the provenance of funds, individuals and organisations. It is usually accepted that due diligence checks will be made for all donations by new donors of £10,000 or above and in exceptional circumstances donations below £10,000.



55. It is the responsibility of the Development and Alumni Relations Team, in conjunction with the Directorate of Finance and Planning, to undertake due diligence checks. Appendix 1 provides a proforma checklist for this purpose.

### **Small and regular donations**

56. In accordance with the guidance from the Charity Commission, University of Suffolk is not expected to know the identity or take steps to find out the identity of each small cash donor. It is not considered reasonable to check the provenance of small, one-off donations or donations made at events. The University of Suffolk will not routinely apply the due diligence checks above to donations below £10,000, but is likely to consider making limited checks for donations by new donors between £5000 - £10,000.

57. For any small regular donations that the University of Suffolk receives via Direct Debit, the University of Suffolk automatically records the name, address and bank details of the donor, along with any associated Gift Aid declaration. The University of Suffolk is unlikely to make any further additional checks against these payments, unless there is some reason for suspicion.

### **Legacies and Wills**

58. For any funds due to be received via gifts in Wills, the University of Suffolk will routinely request to receive a copy of the Will in advance of accepting the funds to allow the University of Suffolk to make any background due diligence checks if required.

### **Acceptance and administration of legacy shares**

59. Shares received via a legacy form part of the overall value of a legator's gift in their Will; they are therefore viewed in the context of their presumed intended use as monetary donations rather than as investment opportunities. As such, all shares donated as part of a legator's gift in their Will will be encashed immediately at the time of probate as part of the process of the administration of the Estate, rather than to take in specie. This protects the University, as well as the presumed intentions of the deceased, from any stock market volatility and therefore financial risk.

### **Management of legacy 'express wishes'.**

60. 'Express wishes' that form part of a legacy donation are not legally binding under the terms of an individual's Will. Nonetheless, the University such donations will be designated per the wishes of the donor wherever possible and for a minimum term of five years. As a charity that values the wishes of its supporters, the University will only undesignated express wish donations

in exceptional circumstances and will require authorisation from the University of Suffolk's Executive Committee.

## Appendix 1

### University of Suffolk Donation Due Diligence Proforma

The due diligence procedural questions below will be routinely applied to gifts made by new donors of more than £10,000. The answers to these questions will be used to make the decision of accepting or refusing a donation.

***Potential Donor:***

***Potential Donation Amount:***

***Date:***

***Due Diligence Completed by:***

***Submitted to:***

#### General information

- Who is the donor or donors?
- What is already known about them?
- Do we already have a relationship with them?
- Do additional identity checks need to be made? If yes, full use should be made of web searches checking news stories, legal cases, if an organisation is registered with regulators, authorities, company accounts or governing documentation. It may also be useful to search social media.
- Are the donors UK tax payers and has a Gift Aid declaration been completed?
- In what form is the money being received?
- Have any public concerns been raised about the donor or their activities? If so, what was the nature of the concerns and how long ago were they raised? Was it a legal matter? Did the police or a regulator investigate the matter? What was the outcome?
- Is there any adverse publicity about the donor? If yes, will this cause reputational concern for University of Suffolk?

#### The nature of the donation and any conditions

- How big is the donation?
- Is it a single donation or one of a number of regular donations, or the first of multiple future donations?
- Is it an unusual or substantial one-off donation?
- Are there conditions attached to the potential donation? What are they? Are they reasonable?

- Is the donor proposing to make a loan to University of Suffolk and therefore the funds are only retained for a period of time before being returned to the donor?
- Is the donation conditional on particular individuals or organisations being used to apply the funds?
- Is the donation conditional on particular individuals benefiting from the use of the funds?
- Is the donation being made in sterling or another currency?
- Are any of the donors based, or does the money originate, outside of the UK? If so, from which country? Does this pose a particular risk?
- Is the proposed giving mechanism typical or unusual?
- Any additional concerns with the potential donation?

If any of the above questions reveal evidence of crime University of Suffolk is obligated to report this to the police/and other appropriate authorities.

Under the Counter-Terrorism and Security Act 2015 the University of Suffolk is obligated to immediately report any suspicion that a donation is related to terrorism funding to the police.

In the case of suspected money laundering, reports will be made to either the police, a customs officer (HMRC), or an officer of the Serious Organised Crime Agency.