Philanthropy and Fundraising Procedure

Section 1 - Purpose and Scope

(1) This Procedure outlines requirements for philanthropy and fundraising activities at The University of Queensland (UQ or the University) and applies to all UQ staff, affiliates and volunteers involved in these activities.

(2) Anyone who acts for or on behalf of UQ to facilitate philanthropic contributions to UQ must adhere to UQ's Philanthropy and Fundraising Policy and related procedures.

(3) This Procedure applies to the management of all philanthropic gifts. UQ recognises philanthropic research grants when they are determined as having philanthropic intent in accordance with industry-based criteria. Such grants are recorded as philanthropic income and acknowledged by Advancement and Community Engagement but managed by the Research Office.

Section 2 - Process and Key Controls

(4) This Procedure outlines the manner in which gifts to UQ are managed as they progress through the phases of the gift life cycle:

a. Gift negotiation and acceptance.
b. Gift recording and acknowledgement.
c. Gift implementation and management.
d. Gift impact reporting and donor stewardship.

(5) Key controls are implemented within each phase, as detailed below.

Section 3 - Key Requirements

Part A - Gift Negotiation and Acceptance

(6) UQ seeks to further its mission through partnerships with individuals and organisations by actively promoting, encouraging, soliciting and accepting philanthropic gifts and philanthropic grants including:

a. Cash;
b. Pledges;
c. Securities;
d. Real estate;
e. Personal property;
f. Gifts in wills (bequests);
g. Gifts in kind.

(7) Gift negotiation is commonly facilitated by verbal discussions and/or proposal development before internal due

diligence is undertaken, and a Gift Agreement is drafted. All Gift Agreements must be prepared on approved templates and reviewed by the Gift Governance Manager prior to circulation for signature. The following factors, at a minimum, must be considered by the approved delegate prior to gift acceptance:

a. the purpose for which the gift is being solicited and its alignment with UQ priorities;
b. the feasibility and sustainability of carrying out the purpose at the proposed level of investment;
c. compliance with UQ policy and procedures, including gift acceptance, reputational checks and naming requirements; and
d. clear documentation related to any required UQ co-funding.

Gifts for UQ-associated Organisations

(8) UQ can accept gifts for organisations associated with UQ provided that:

a. the body is affiliated with UQ and/or there is a formal relationship between it and UQ; and
b. the donor transfers full ownership of the gift to UQ.

(9) Examples of organisations that meet one or both of these criteria include:

a. UQ owned residential buildings;
b. UQ controlled entities (e.g. UQ Sport and UQ Holdings);
c. UQ affiliated clubs/societies.

(10) In accepting these gifts, UQ will administer the gift according to the donor's wishes and in a manner which is consistent with UQ's mission and strategic priorities.

Gifts from UQ-associated Organisations

(11) UQ accepts and benefits from gifts received via a number of independent, yet mission-affiliated organisations, including but not limited to the following:

a. The University of Queensland in America, Inc. (TUQIA) – a tax-exempt organisation under section 501(c)(3) of the U.S. Internal Revenue Code that raises funds and support for UQ in the United States. Charitable contributions to TUQIA are tax-deductible to U.S. taxpayers to the extent permitted by law.
b. The University of Queensland UK Trust – a registered charity in the United Kingdom that raises funds and support for UQ. These gifts are tax-deductible to the extent allowed by law.
c. The Hong Kong Foundation for Charities (HKFC) – established by Chapel and York International to enable tax-effective giving to organisations worldwide; UQ is a member organisation. Gifts to the HKFC may be tax deductible under Section 88 of the Inland Revenue Ordinance.

Acceptance and Management of Gifts from UQ Staff

(12) Staff giving to UQ is greatly valued. However, for UQ to retain its charitable status and to avoid conflict of interest, gifts from UQ staff or their immediate family members must have philanthropic intention. Such gifts cannot be accepted if they result in or are intended for personal gain or self-interest. This also applies to the acceptance of gifts from organisations in which a UQ staff member has a financial interest. Expenditure of funds from UQ staff gifts cannot be authorised solely by the person making the gift. Such expenditure must be approved by a person with a higher financial delegation than the donor (refer to UQ's Schedule of Financial Delegations and Sub-delegations).

Declining a Gift Prior to Acceptance

(13) UQ reserves the right to decline any gift for the reasons set out in the Philanthropy and Fundraising Policy.

(14) If, after advanced negotiations, UQ decides to decline an offer of a gift, the lead UQ staff member in the negotiating unit must, in consultation with central Advancement and Community Engagement, prepare a letter of regret to the donor to ensure that the reasons for declining the gift are documented. The letter must be signed in accordance with UQ's Schedule of Contract Delegations and Sub-delegations and recorded on Advancement and Community Engagement's official database of record.

Gift Documentation

(15) Any gift acceptance or funding requests made by a donor or UQ must be documented using UQ approved templates and/or forms (refer to Gift Documentation Local Standard Operating Procedure), to capture donor intent and support the administration of a gift.

(16) Except in the cases of online giving and mail (direct and electronic) appeals, a gift is not deemed accepted until the relevant documentation has been forwarded to Advancement and Community Engagement for processing. The date of gift acceptance is the date that gift documentation is fully executed.

Sale of Non-cash Gifts

(17) Gifts of listed securities will be sold by UQ as soon as possible to reduce the impact of any gain or loss on the transaction. The Chief Financial Officer must approve any request from a donor to hold and refrain from selling listed securities. No gift of unlisted securities or virtual currencies will be accepted.

(18) Gifts of real estate and other personal property will be sold by UQ as soon as possible to reduce the impact of any gain or loss on the transaction. Gifted real estate can be retained by the University (and not sold) if of strategic importance to the University. The decision to retain must be approved by the Chief Operating Officer.

Part B - Gift Recording and Acknowledgement

(19) Advancement oversees the receipting, recording, depositing and acknowledgement of philanthropic gifts to UQ. It also maintains UQ's advancement-related corporate constituent relationship management application for alumni, prospects, donors, volunteers, industry and community. This involves storage of detailed records of gifts, donors and alumni engagement activities on the official database of record.

Privacy

(20) UQ's Privacy Management Policy outlines UQ's commitment to the objectives of the Information Privacy Act 2009 (Qld). The Act sets out eleven Information Privacy Principles (IPPs) which regulate how UQ collects, stores, provides access to, uses and discloses personal information.

(21) UQ's policy is based on the following principles:

a. UQ supports responsible and transparent handling of personal information;
b. UQ respects an individual's right to know how their personal information will be collected, used, disclosed, stored and disposed of; and
c. adequate privacy protection is a necessary condition for UQ to participate in e-communications and e-transactions.

(22) Personal information related to UQ's philanthropy and fundraising activities will be collected, stored, used and disclosed in accordance with the Privacy Management Policy.

(23) UQ uses only ethical methods when researching current or prospective donors and is honest and transparent about its purpose when seeking information.

(24) UQ's Donor Charter details UQ's commitments to its donors.

Receipting and Acknowledgement of Gifts

(25) Advancement will process and acknowledge all gifts received, with an official receipt suitable for taxation purposes issued and sent to the donor.

(26) Further communication including pledge acknowledgement letters and welcome information will be sent in accordance with established Give to UQ expectations.

Tax Deductibility and Compliance

(27) UQ has Deductible Gift Recipient (DGR) status and gifts may be tax-deductible to the donor under the Income Tax Assessment Act 1997 (Cth).

(28) UQ does not offer financial, legal or tax advice, nor does it guarantee tax deductibility. All donors and prospective donors should seek their own independent advice about such matters.

Part C - Gift Implementation and Management

(29) Gifts to UQ are classified as either expendable or endowed.

(30) An expendable gift is funding provided by a donor that is not invested and is to be entirely spent on activities consistent with donor intent.

(31) An endowed gift is funding provided by a donor that serves as principal to be invested, with the accrued income on the principal providing annual distributions, in perpetuity, to be spent on activities consistent with donor intent.

(32) The use of all gifts is subject to:

a. The University of Queensland Act 1998 (Qld) (UQ Act);
b. Donor/s wishes;
c. UQ policies and procedures.

(33) Gifts designated for a specific purpose agreed to by UQ are to be expended for that purpose only. Expenditure of philanthropic funds on items of a personal nature is not permitted.

Management of Expendable Gifts

(34) Once gift processing has been completed, Advancement and Community Engagement will advise recipient units that the funds have been transferred and are available for expenditure. Recipient units are required to provide periodic expenditure/outcome reports to ensure donor intent is being met.

Management of Endowed Gifts

Investment and Management of Endowed Gifts

(35) Endowment gifts received by UQ are managed within UQ's long-term investment pool. The endowed funds are invested and the earnings distributed to the purposes specified by the donor/s. All investments must comply with the UQ Act and the Statutory Bodies Financial Arrangements Act 1982 (Qld). See Investment Policy for further information.

(36) Operational funds may only be used to supplement philanthropic funds with written approval of the Chief Financial Officer.

Endowment of Consultancy Funds

(37) In line with the Consultancy Procedure, staff departing from UQ have the opportunity to reallocate unused consultancy funds to support the establishment of a new named endowment fund, or to add to an established endowment fund, following approval by the head of the recipient unit.

Annual Distribution of Funding

(38) Advancement and Community Engagement will work with UQ's Finance and Business Services to advise recipient units of the endowment disbursements which are available to them and the intended purpose of the distributed funds in the first quarter of each year.

Monitoring of Expenditure

(39) Advancement and Community Engagement will work with units to monitor expenditure of annual distributions, also including verification that use is in accordance with donor intent. Any unspent funding at the end of the year will be returned to the fund and reinvested unless approval has been obtained from the Head of Organisational Unit for committed expenditure and the donor wishes allow for a carry forward.

Repurposing or Returning of Accepted Gifts

(40) In the unlikely event that UQ cannot satisfy the original purpose of the gift, UQ in consultation with the donor, or the donor's representative, where possible, may apply the gift to an alternate purpose, deemed most consistent with the original wishes of the donor. Where required, this process will be undertaken in accordance with the provisions in the UQ Act and applies to both expendable and endowed gifts.

(41) While unlikely, there may be instances where previously accepted gifts may be returned to the donor at the request of UQ. This decision must be approved in consultation with the Vice-President (Advancement and Community Engagement), documented in writing via a letter to the donor and recorded on the official database of record.

Part D - Gift Impact Reporting and Donor Stewardship

(42) Annual reports are provided to donors on the financial management, expenditure and impact of endowed gifts in partnership with Advancement and Community Engagement, Finance and Business Services and Organisational Units. Donor impact reports are also provided for significant expendable (non-endowed) gifts.

(43) Donor stewardship activities are conducted in accordance with the UQ's donor society framework.

(44) UQ's Donor Charter details UQ's commitments to its donors.

Section 4 - Roles, Responsibilities and Accountabilities

Advancement and Community Engagement

(45) Advancement and Community Engagement oversees the implementation of this Procedure to support UQ's compliance with government regulation, UQ policy and donor intent. Referring to Australian Taxation Office (ATO) rulings, Advancement and Community Engagement is charged with determining whether or not a gift is philanthropic in nature, and what should be considered fundraising revenue. The Vice-President (Advancement and

Community Engagement) will determine when legal counsel is required in relation to gift acceptance.

(46) Advancement and Community Engagement is responsible for:

a. liaising with Relationship Managers and the Office of the Deputy Vice-Chancellor (Research and Innovation) to ensure that gifts and philanthropic research grant income are documented appropriately;
b. issuing charitable tax receipts, acknowledgement letters, and payment reminders or invoices as per the terms of the commitment;
c. maintaining the corporate record for gifts and philanthropic research grants income;
d. reporting transparently to UQ, its donors and the wider community on the application and impact of fundraising activities; and
e. complying with local standard operating procedures where applicable.

Finance and Business Services

(47) Finance and Business Services provides services in corporate finance, financial planning and analysis, finance operations and professional service teams for the faculties, institutes and divisions.

(48) In relation to the management of philanthropic income, Finance and Business Services is responsible for:

a. verifying financial data for all donor reporting and preparing certified financial statements required or requested by donors (Contracts and Grants);
b. creating projects which are required where income and expenditure needs to be separately identified in the finance system (Contracts and Grants); and
c. overseeing the management of UQ's investment portfolio (refer to the Investment Policy) including processing the uplift of endowed gifts and the annual distribution and return of unspent funds.

Research Office

(49) UQ Research and Innovation (UQR&I) negotiates and manages the majority of research funds at UQ. The Research Office within the Office of the Deputy Vice-Chancellor (Research and Innovation) provides support to Advancement and Community Engagement which enables the identification of philanthropic research grants in accordance with industry-based criteria.

UQ Staff

(50) Any UQ staff member may be involved in fundraising or fundraising administration within UQ. Academic, research and professional staff are asked to work proactively in partnership with Advancement and Community Engagement to ensure a coordinated approach, to satisfy the philanthropic intentions of donors and to ensure that gifts support institutional priorities.

Senate

(51) In accordance with the UQ Act, Senate must undertake an annual review of:

a. amounts available, or expected to be available, to UQ by way of bequest, donation or special grant; and
b. the spending of the amounts.

(52) This information is provided to Senate annually by Finance and Business Services.

The University of Queensland

(53) The University of Queensland is endorsed as a Deductible Gift Recipient (DGR) from 1 July 2000, and Income Tax Exempt Charity (ITEC) through the Australian Taxation Office (ATO). UQ is covered by Item 1 in the table of section 30-15 of the Income Tax Assessment Act 1997. As such, UQ has a responsibility to meet all ATO rules and guidelines with regards to accepting and disbursing gifts.

Section 5 - Monitoring, Review and Assurance

(54) Compliance with this Procedure will be managed by the Office of the Vice-President (Advancement and Community Engagement). The Vice-President (Advancement and Community Engagement) will also be responsible for the regular review of this Procedure and related documents.

Section 6 - Recording and Reporting

Recording

(55) Advancement and Community Engagement is responsible for recording UQ's philanthropic revenue and for maintaining the UQ's official corporate constituent relationship management application for alumni, prospects, donors, volunteers, industry and community. This involves storage of detailed records of gifts, donors and alumni engagement activities on the official database of record.

Reporting

Philanthropic Reporting

(56) UQ adopts CASE Reporting Standards and Management Guidelines, endorsed by the Group of Eight (Go8) universities, for fundraising management, including the methodology for the counting of philanthropic gifts.

Financial Statements

(57) The Contract and Grants Accounting section of the Finance and Business Services Division is responsible for the preparation of all certified financial statements in accordance with the conditions specified for all externally granted projects.

Section 7 - Appendix

Term	Definition
ATO	Australian Taxation Office
Affiliates	academic title-holders, visiting academics, emeritus professors, adjunct and honorary title-holders, industry fellows and conjoint appointments.
Deductible Gift Recipient	an entity or fund that can receive tax-deductible gifts.
Endowed Gift	funding provided by a donor that is to be invested in perpetuity, with the distribution available to spend on activities consistent with donor intent.
Expendable Gift	funding provided by a donor that is to be entirely spent on activities consistent with donor intent.
Philanthropic Gift	an irrevocable transfer of personal property (e.g. cash, securities, books, equipment) or real property by a donor, either outright or through a planned/deferred gift arrangement, for the charitable purpose designated by the donor and without expectation of a tangible or economic benefit to the donor except tax benefits.

Term	Definition
Philanthropic Grant	a contribution made by a philanthropic trust or foundation for a specified purpose. Grants are usually conditional upon certain qualifications as to the use, maintenance of specific standards, or a proportional contribution by the grantee or others grantor(s).
Philanthropic Research Grant	a research grant that has been reviewed against industry-based criteria and determined to be philanthropic in intent, so therefore eligible to be counted as philanthropic income.
Pledge	a gift to be paid in instalments over a specified time period.
Relationship Manager	Advancement and Community Engagement fundraiser who has broad oversight of, and facilitates, the prospect's relationship with UQ.
Raiser's Edge	UQ's corporate constituent relationship management application for alumni, prospects, donors, volunteers, industry and community.
Solicited Gift	a gift that has gone through a Prospect Management phase, and has been offered directly to UQ with solicitation.
Staff	continuing, fixed-term, research (contingent funded) and casual staff members.
Unsolicited Gift	a gift that has not gone through a Prospect Management phase, but has been offered directly to UQ without solicitation.
Volunteers	members of the community who donate their services in a voluntary capacity to UQ without expectation of remuneration. Volunteers include those undertaking work on fundraising and community- oriented projects, tertiary students wishing to gain exposure to particular UQ functions, among others.

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