

## **The University of Manchester**

### **Gift Acceptance Policy and Processes**

1. The University has an obligation to its staff, students and wider stakeholders to do everything reasonable to ensure that the funding sources for philanthropic donations, and the purposes to which those donations are to be applied, do not in any way undermine the reputation of an institution proud of its pursuit of open and unbiased enquiry. It also has an obligation in this regard to its previous and current donors, who have linked themselves with the University's values and reputation.
2. In 2006 the senior executive at the University confirmed a set of guidelines for assessing whether both the source of funding for gifts to the University, and the purpose to which those gifts are put, are consistent with the University's principles, values, mission and goals. These guidelines have required that, in any circumstances where due diligence identifies any potential ethical or reputational issues for the University, the Director of Development will consult with the President and Vice-Chancellor, who may in turn choose to consult with colleagues and the Board of Governors before deciding whether to accept or decline a particular gift. These guidelines have been followed closely since. To date no gifts received since the foundation of the University in 2004 have given rise to any public concern or to any known reputational issues for the University.
3. Recent years have seen an increased flow of gifts to the University from an increasingly diverse range of national and international sources. This dictates that whilst the existing ethical guidelines remain relevant, and in and of themselves robust, it is timely to enhance the processes surrounding due diligence, and to involve a wider group of senior individuals across the institution with relevant expertise and experience.
4. The source and proposed purpose for all gifts must be consistent with the University's guiding principles and values, as originally set out in "Towards Manchester 2015" and re-confirmed in "The University of Manchester – Strategic Vision 2020" (see Appendix).
5. The University, having considered a range of information and, where necessary, undertaken due diligence procedures, will accept gifts which are consistent with its guiding principles and values where:
  - 5.1 The source and purpose of the gift are consistent with its core strategic objectives.
  - 5.2 The nature or level of the gift does not result in unacceptable current or future financial liabilities for the University.
  - 5.3 The activity to be funded by the gift does not create unacceptable conflicts of interest for the University.
  - 5.4 All reasonable steps have been taken to ensure that the University is aware of the source of funding for each gift and has satisfied itself that the funds do not derive from activity that was or is illegal, or runs counter to the core values of impartial, independent

research scholarship and teaching<sup>1</sup>. All proposed gifts must comply with the University's Money Laundering Policy and all statutes, laws and regulations regarding this issue.

5.5 Due regard has been taken of any reputational risk for the University which may derive from the acceptance of any particular gift.

6. The following process is to be followed with immediate effect for *all* gifts of total value of £100,000 or above. In addition, it is the responsibility of the Director of Development to ensure that the process below is followed for any other gifts below £100,000 where (s)he considers that any potential ethical or reputational issue may arise.

- a. The Division of Development and Alumni Relations (DDAR), having drawn together information through a combination of in-house research, advice from relevant colleagues across campus, and consultation with public and private organisations with relevant due diligence expertise, will provide a consolidated summary of this information to a **Gift Oversight Group (GOG)**. The membership of the GOG will be as follows:
  - i. Deputy President & Deputy Vice-Chancellor or a Vice-President (Chair), nominated by the President and Vice-Chancellor
  - ii. An Associate Vice-President for Research (nominated by the Chair)
  - iii. An Associate Vice-President for Social Responsibility (nominated by the Chair)
  - iv. The University's General Counsel
  - v. The Director of Finance

The Chair may involve a representative from the Students' Union where student interests are involved.

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<sup>1</sup> **Additional Note on acceptance of gifts from charitable entities:** Where gifts are received from a Foundation or other charitable entity, the University will take all reasonable steps to ensure that the funding sources for that charity are consistent with this Gift Policy. Where charities send audited accounts to, and have full and current approved status with, a recognised national regulatory body for charities, further due diligence on the sources of funding of those charities will not typically be undertaken, unless there are reasons to believe that reputational risk may be involved. Those reasons may include, for example, any current or recent investigation into the activities of the Charity by the relevant regulatory body. At the time of approval of this policy, such recognised regulatory bodies included:

- The Charity Commission for England and Wales
- The Office of the Scottish Charity Regulator
- The Charity Commission for Northern Ireland
- The Inland Revenue Service in the US through its 501 (C) 3 regulations for tax-exempt non-profit corporations or associations
- The Canada Revenue Agency

This list will be updated on a regular basis as similarly transparent regulatory bodies are created in other countries. For all other charities due diligence will be undertaken, including requests where appropriate for audited accounts confirming the identity of donors to the charity, and this information will be included in reports and materials collated for due diligence procedures (see 6 above).

- b. On receipt of the relevant information, the Chair of the GOG will contact the GOG membership to confirm if (s)he or any members wish to raise any concerns relating to the proposed benefaction. In such cases the Chair will either call a GOG meeting to undertake a detailed assessment of the information against the agreed guidelines for the acceptance of gifts, or will ensure a consensus view is reached from among the GOG members via other means. The Chair will request clarification on any aspect of the information provided by DDAR, or request additional information, as required by the GOG.
- c. In cases where the GOG decides that it can approve the acceptance of the gift without further consultation, approval will be given with immediate effect and once the gift is confirmed, details will be forwarded to the President and Vice-Chancellor for information.
- d. In cases where the GOG decides that it cannot approve the acceptance of the proposed gift without further consultation, it will refer the information to the President and Vice-Chancellor for further consideration who will, as appropriate, either reach a decision or choose to consult with a nominated lay Board member and/or with the Chair of the Board of Governors.

The Gift Oversight Group will also consider any cases where the University has chosen to name a building, facility, academic post or other aspect of its activities in recognition of a particular benefaction, where it subsequently transpires that the source of funding contravened the guidelines under section 5 above. In such cases the University – following advice from the Gift Oversight Group - reserves the right to withdraw such named recognition. A similar process to that outline under 6.b, 6c, and 6d will be followed in such instances.

- e. Alongside its role in the consideration of individual potential benefactions, the GOG will meet formally at least once each year with the Director of Development, in order to:
  - i. receive a report on the source and purpose of all known gifts to the University over the preceding period, including those which lie outside of the scope of this policy, to seek assurance that the rules on the acceptance of gifts and associated processes have been followed in full.
  - ii. receive an update from the Director of Development on current and anticipated future discussions with potential major donors, with a view to giving advance consideration to any potential ethical or reputational issues.
  - iii. review current and emerging national and international case studies, legal requirements or any other relevant issues relating to ethical and reputational considerations and the acceptance of gifts.
  - iv. ensure that the current guidelines and processes relating to the acceptance of gifts remain fit for purpose, and make recommendations for any amendments to the guidelines and processes to the senior executive.

- f. The GOG will send an annual report to the Board of Governors summarising its work during the previous year, providing an opportunity for the full Board to receive a summary of the sources and purposes of gifts received by the University.
- g. In order to ensure that appropriate due diligence can take place for all significant gifts, all individual academics, academic Schools and Research units and PSS directorates are required to alert the Division of Development and Alumni Relations at the earliest opportunity of a proposed approach to a donor for a gift above £100,000 (or the unsolicited receipt of a gift at or above this level). This also applies to any approach or gift below £100,000 which is thought at all likely to involve ethical issues or to attract public interest. Failure to do so risks significant embarrassment for the individual soliciting the gift, for the donor and for the University if a pledge has subsequently to be declined or a gift returned following due diligence. The potential reputational damage to the University is so great that it reserves the right to take disciplinary action in specific cases as appropriate.
- h. Recognising that initial approval by the GOG is not in itself a guarantee that the approved entity may remain risk-free in future, the GOG will take steps to ensure ongoing vigilance on approved cases. The Division of Development and Alumni Relations (DDAR) will re-check each case which has passed through the GOG on a cyclical basis. This will be done annually for the duration of the gift(s) approved (in practice, until all monies for that donation have been received). A list of recently re-checked cases will be presented to GOG periodically for information only. Entities approved by GOG who do not subsequently go on to make the donation for which they were considered are not subject to rechecking.

Over and above this, there would be four scenarios where cases would be resubmitted to GOG for scrutiny:

- i. The donor is to be asked for, or offers, a new gift of £100,000 or more
- ii. The donor is to be asked for, or offers, a gift (of any amount) for a new purpose, and the Director of Development judges that the new purpose may represent a potential conflict of interest for the donor
- iii. The annual cyclical re-check by DDAR presents new information about the source of funds that the Director of Development, at his/her discretion, deems to be inconsistent with the University's guiding principles and values, as outlined in Section 5 of this Policy
- iv. In between times, new information comes to light on any previously considered donor which requires the GOG to reconsider the case.

Issued September 2012

Revised June 2016

**Appendix** – Extract from “The University of Manchester – Strategic Vision 2020”

**The University’s guiding principles and values**

- We will be guided in all of our activities by our motto ‘*Cognitio, Sapientia, Humanitas*’ (Knowledge, Wisdom, Humanity), because knowledge and wisdom are barren without humanity.
- We will be led by the discovery of new knowledge, and aim to maximise the impact of that knowledge through education, innovation and delivering value to society.
- We will work within the law to uphold rigorously the principles of freedom of thought and speech, encourage tolerance of diverse views and beliefs, and recognise our role in challenging and questioning received wisdom and dogma.
- We will be an independent and autonomous organisation, working closely with our partners and stakeholders.
- We will be an agile and adaptable university, responsive to changes in the external environment, but also valuing our rich academic heritage and traditions.
- We will be an accessible, research-led university with emphasis on advancing equality and diversity.
- We will be an ethical organisation with exemplary policies and procedures that will ensure the highest standards in all our activities.
- We will display the highest professional standards in managing our people and assets.
- We will be committed to environmental sustainability – setting and meeting the highest possible standards and targets across the full range of our activities.

Document Control Box	
Policy/Procedure Title	Gift Acceptance Policy
Date approved	(current version) December 2015
Approving body	Board of Governors and PRC
Version	4.0
Supersedes	3.0
Previous review dates	10 July 2013 December 2015 June 2016 31 December 2017
Equality Impact Outcome:	Equality issues considered
Next Review Date	31/12/2018
Related Statutes, Ordinances, General Regulations:	XI – Corporate, financial and estate management  XIII – Academic and Academic-Related Staff: Dismissal, Discipline, Grievance Procedures and Related Matters  Ordinance VII – Arrangements for Effective Governance and Internal Management and Financial Control
Related policies:	Financial Regulations  Money Laundering Policy  Definition of a Gift
Related procedures:	Financial Procedures
Related guidance or codes of practice:	
Related information:	N/A
Policy owner:	Director of Development (Kate White)
Lead contact:	Development Research Manager and Secretary of the Gift Oversight Group (Oliver Taylor)