SCOPE

This procedure applies to staff engaged in soliciting, accepting and administering philanthropic gifts (herein referred to as ‘gift’ or ‘gifts’) to benefit Monash campuses and causes in Australia.

PROCEDURE STATEMENT

This procedure has been established to:

- coordinate the solicitation, acceptance and administration of gifts;
- guide decision-making on the acceptability of gifts;
- mandate compliance with relevant laws (see Governance below); and
- protect the University’s Deductible Gift Recipient (DGR) status.

This procedure does not apply to:

- gifts, benefits and hospitality offered to individual employees by external entities (e.g. dignitaries, collaborators, companies);
- grants;
- fundraising activities (e.g. events, charity auctions) or activities that fall under the Gambling Regulation Act 2003 (e.g. raffles, lotteries);
- sponsorship arrangements where there is a material benefit to the sponsor (e.g. advertising or promotion).

1. Gift solicitation

1.1 External Relations, Development and Alumni (ERDA) must be informed of any intended approaches to prospective donors before they are made, and/or approaches received from prospective donors as soon as practicable.

1.2 Gifts must be consistent with the following conditions in order to be acceptable to the University. Employees involved in soliciting gifts are responsible for taking these into account when developing donor relations.

<table>
<thead>
<tr>
<th>Condition</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eligible</td>
<td>Gifts must comply with the definition provided (see Definitions below).</td>
</tr>
<tr>
<td>Legal and Ethical</td>
<td>Appropriate due diligence must be performed on donors and proposed gifts, including their source, in order to ensure no legal or reputational issues are raised by their acceptance. Gifts must not compromise the University’s autonomy, integrity or academic freedom.</td>
</tr>
<tr>
<td>Aligned</td>
<td>The intended purpose of designated gifts must be consistent with the University’s:</td>
</tr>
<tr>
<td></td>
<td>1. legislative objects as outlined in the Monash University Act</td>
</tr>
<tr>
<td></td>
<td>2. mission and strategic goals as outlined in the Focus Monash strategy</td>
</tr>
<tr>
<td></td>
<td>3. policies and procedures (see Governance below)</td>
</tr>
<tr>
<td>Feasible and Adequate</td>
<td>In considering a gift, it must be satisfied that:</td>
</tr>
<tr>
<td></td>
<td>1. the proposed gift is adequate to achieve the intended purpose of the gift, or the University agrees to meet any additional costs that will arise from its acceptance; and</td>
</tr>
<tr>
<td></td>
<td>2. any expectations that a donor may have in relation to the gift are reasonable and able to be met.</td>
</tr>
<tr>
<td></td>
<td>Non-financial gifts (see also 6.3 below) are to be evaluated in terms of:</td>
</tr>
<tr>
<td></td>
<td>3. the benefits they bring;</td>
</tr>
<tr>
<td></td>
<td>4. the University’s capacity to use them effectively; and</td>
</tr>
<tr>
<td></td>
<td>5. any ongoing costs associated with their use and maintenance.</td>
</tr>
<tr>
<td></td>
<td>Endowed gifts (see also 6.4 below) are to be evaluated in terms of:</td>
</tr>
</tbody>
</table>
### Condition | Description
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>6.</td>
<td>whether the gift amount is adequate to generate sufficient income to fund the intended purpose of the gift, or if the University agrees to meet additional costs required; and</td>
</tr>
<tr>
<td>7.</td>
<td>any other requirements as determined by the Office of the Chief Financial Officer and Senior Vice-President.</td>
</tr>
</tbody>
</table>

**Documented**

The intention of a gift must be appropriately documented and include:

1. the name of the donor;
2. the contact details of the donor or executor/trustee;
3. supporting information and/or documentation where required (e.g. letter from a donor, gift agreement, Will) outlining the:
   - donor intentions;
   - donor preference in relation to recognition or anonymity;
   - expectations for reporting on the use of the gift;
   - means by which the gift will be/was solicited.

---

1.3 Monash does not provide legal, tax or financial advice to donors. Donors are encouraged to discuss all gift planning decisions with their own legal, financial or tax advisors before entering into any commitment to make a gift to the University. Donors are responsible for all costs in relation to obtaining such independent professional advice.

1.4 The Australian Tax Office may require independent appraisals of the value of a gift. Donors are responsible for arranging the appropriate valuation.

### Gift review

2.1 All prospective gifts and relevant documentation are to be forwarded to the Donor Relations team within ERDA for review.

2.2 Responsibility for accepting or refusing gifts on behalf of the University rests with the Vice-President (Advancement).

2.3 Specific appeal activity initiated by the University via direct mail, email, phone or online is to be reviewed and authorised in advance.

2.4 Other gifts are subject to a donor and gift risk assessment and endorsement process appropriate to the intention and value of the gift.

2.5 Depending on the nature of the gift, the review process may involve other University faculty and organisational decision makers including, but not limited to, the following:

- Tax, Corporate Finance;
- Treasury, Corporate Finance;
- Office of General Counsel;
- Coursework Scholarships Office;
- Monash Research Office;
- Monash Graduate Research Office;
- Dean / Head of School / Centre or Institute Director;
- Chief Financial Officer and Senior Vice-President;
- Vice-Chancellor and President.

2.6 Any question of the appropriateness or advisability of accepting a particular gift may be referred to the Donor and Gift Review Panel for consideration. The Panel considers exceptional cases and is responsible for providing considered recommendations regarding the acceptability of proposed gifts.

2.7 The University reserves the right to decline a gift for any reason.

### Gift acceptance

3.1 Once a determination is made to formally accept a gift, the appropriate documentation must be finalised and, where required, signed by the donor and the University. This may take the form of, but is not limited to, a gift agreement, a Will, a gift receipt.

### Gift processing and receipting

4.1 The Donor Relations team within ERDA are responsible for processing and receipting gifts.

4.2 Receipts for tax deductible gifts in Australia are to be issued in accordance with Australian Taxation Office requirements.

4.3 The University is required to comply with applicable **Australian Accounting Standards** in relation to the coding and classification of revenue received including distinguishing between commercial and philanthropic revenue.
4.4 For accounting and administrative purposes, gifts (or portions of gifts) are to be classified into two main categories, expendable gifts or endowments.

5. Gift recording and recognition

5.1 Gifts are to be recorded on the University’s central donor and alumni relationship management system (herein referred to as the ‘donor and alumni database’) and in the University’s finance system to ensure accurate reporting of all philanthropic income to the University.

5.2 The donor and alumni database also maintains an account of donors and their gifts for recognition purposes.

5.3 Donors are to receive appropriate acknowledgement and recognition of their gifts being mindful of donor wishes with regards to confidentiality.

6. Gift expenditure

6.1 The beneficiaries of the gift (i.e. the relevant organisational unit) are responsible for the management and monitoring of gift expenditure.

6.2 Gifts are to be expended in accordance with the donor’s intention, relevant laws, and with respect to the policies and procedures of the University (see Governance below).

6.3 Non-financial gifts are to be converted into cash (unless the gift agreement states otherwise) and used in accordance with the conditions in which they were given.

6.4 Endowed gifts are to be used in accordance with the conditions in which they were given (subject to meeting the University’s minimum investment requirements) and are to be invested into the University’s professionally managed investment portfolios via the University’s treasury.

6.5 The University reserves the right to vary the designation of gifts, should circumstances render the University unable to direct the gift to the purpose originally intended. Where a formal gift agreement is in place, the University will endeavour to discuss with donors or their representatives alternative uses for their gift.

6.6 Undesignated gifts will be used for the purposes that the University judges best.

6.7 Gifts are not available for use until the funds have been received. Funds must be maintained in credit and expenditure committed against the anticipated receipt of funds is not permitted.

6.8 Where overspends are identified, the relevant organisational unit must check that only appropriate expenditure has been allocated to the gift and conduct analysis to consider whether the shortfall will be made up by anticipated income from interest or other distributions.

6.9 Expenditure against a gift, or the internal revenue generated, must meet the intent specified by the donor as outlined in the relevant documentation (e.g. letter from a donor, gift agreement, Will) and be retained for auditing purposes.

6.10 Tax deductible gifts must be spent in Australia.

7. Gift reporting

7.1 Impact reports will be provided as specified in gift agreements to demonstrate the impact of gifts and that the University is properly acquitting its obligations.

8. Gift refunds

8.1 The University will not refund tax deductible gifts unless they were genuinely contributed in error, or if an administrative mistake was made.

DEFINITIONS

<table>
<thead>
<tr>
<th>Deductible Gift Recipient (DGR)</th>
<th>An entity endorsed by the Australian Tax Office to receive tax deductible gifts.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Designated Gift</td>
<td>A gift where the donor has indicated a preference for how it should be used (e.g. scholarships, research, and programs).</td>
</tr>
<tr>
<td>Donor</td>
<td>An individual, entity, or estate who makes a gift to the University. In the case of bequests, donors may also be referred to as bequestors or testators.</td>
</tr>
</tbody>
</table>
**Due Diligence**
The range of practical steps taken by the University so it is reasonably assured of the origin of its gifts and its prospective donors, and is able to identify and manage associated risks.

**Endowment**
An investment fund in which the capital is preserved and annual expenditure is restricted to all or a portion of the income from the investment, such that an activity or project funded may be supported over time. Alternatively, some endowments can be on a fixed term/spend down arrangement.

**Gift**
The transfer of money, property or other assets to the University, made with philanthropic intent, where:
- the transfer is made voluntarily;
- the transfer arises by way of benefaction;
- no material benefit or advantage is received by the donor by way of return; and
- the money, property or other assets will be owned in full by the University once received.

Gifts may be financial (i.e. gifts of monetary sum, including foreign currency, paid by cash, cheque, credit card or electronically) and non-financial (i.e. gifts of any asset other than cash, cheque, credit card including, but not limited to, property, shares and trading stock).

Gifts may be designated for a specific purpose by the donor (e.g. scholarships, research, and programs) or undesignated.

**Material Benefit**
The provision of benefits or advantages to the funder or sponsor. Including, but not limited to, logo acknowledgement, advertising or promotion, participation in promotional activities, rights to intellectual property, items of value.

**Grant**
Funding that does not meet all of the defining characteristics of a gift as per the above and is not tax deductible as a gift. Grants may or may not have a philanthropic purpose. The funding body may receive a material benefit as part of the funding arrangement which could attract GST (eg rights to research results or intellectual property). Grants could have specific acquittal requirements, and/or conditions such as mandating expenditure on a particular project, or requiring the return of unspent funds.

**Philanthropy**
A voluntary exchange in which the values and aspirations of donors are matched with the values and aspirations of those they benefit.

**Philanthropic Recognition**
A way to acknowledge philanthropy. This may take the form of publication of donor names and may include naming of physical entities, academic positions, scholarships or programs.

**Solicitation**
The act of requesting and negotiating a gift.

**Sponsorship**
The provision of money, goods or services for a specific activity or program in return for a material benefit.

**Tax Deductible Gift**

**Undesignated Gift**
A gift where the donor has not indicated a preference for how it should be used, thereby providing the University with the flexibility to use the gift where it is needed most.

**Will**
In the common law, a document by which a person (the testator) attempts to regulate the rights of others over his/her property or family after death. A Will can also be used as the instrument establishing a trust (called a testamentary trust). May also be referred to as Last Will and Testament.

**GOVERNANCE**

<table>
<thead>
<tr>
<th>Parent policy</th>
<th>Philanthropic Gifts Policy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supporting schedules</td>
<td>Nil</td>
</tr>
<tr>
<td>Associated procedures</td>
<td>Bequests Procedure</td>
</tr>
<tr>
<td></td>
<td>Gift Acceptance - Receipting Procedure (Australia)</td>
</tr>
<tr>
<td></td>
<td>Conflict of Interest Procedure</td>
</tr>
</tbody>
</table>
| Privacy Procedure  
Revenue Handling Procedures (Australia)  
Treasury Management Procedure |
<table>
<thead>
<tr>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Procedure owner</td>
</tr>
<tr>
<td>Chief Philanthropy Officer</td>
</tr>
<tr>
<td>Legislation mandating compliance</td>
</tr>
</tbody>
</table>
| A New Tax System (Goods and Services Tax) Act 1999 (Cth)  
Income Tax Assessment Act 1997 (Cth)  
Privacy Act 1988 (Cth)  
Fundraising Act 1998 (Vic)  
Privacy and Data Protection Act 2014 (No. 60 of 2014) (Vic)  
Tobacco Act 1987 (Vic)  
Monash University Act 2009 (Vic)  
Monash University Statute and Regulations |
| Category |
| Operational |
| Approval |
| Vice-Chancellor’s Executive Committee  
7 May 2019  
MEETING NUMBER 5/2019, AGENDA ITEM 9 |
| Endorsement |
| Vice-President (Advancement)  
18 April 2019 |
| Date effective |
| 3 June 2019 |
| Review date |
| 3 June 2022 |
| Version |
| 1.0 |
| Content enquiries |
| donor.relations@monash.edu |