Donation Acceptance, Management and Fundraising Procedure

Section 1 - Purpose

(1) This procedure sets out how the University of Newcastle (University) fundraises for, accepts and manages donations.

(2) This procedure should be read in conjunction with the Donation Acceptance, Management and Fundraising Policy.

Section 2 - Scope

(3) This procedure applies to all fundraising activities conducted by the University, fundraising activities conducted by controlled entities on behalf of the University, and donations made to the University.

(4) This procedure does not apply to:

a. personal gifts to individual staff (refer Disclosure of Interest Policy);
b. funds personally raised by employees for causes external to the University via crowdfunding or other fundraising platforms;
c. instances of individuals volunteering time or expertise (refer Volunteer Management (Including Volunteer Researcher) Policy);
d. donations of bodies for medical research and training (refer Body Donor Program).

Section 3 - Fundraising

(5) The University takes a collaborative approach to managing relationships, ensuring they are coordinated and strategically aligned. Donor engagement activities must be undertaken in a planned and coordinated manner, in collaboration with the Office of Philanthropy, to ensure consistency of approach and to prevent duplication, conflicting approaches, or otherwise inappropriate donor engagement.

(6) Fundraising is facilitated by the Office of Philanthropy through verbal discussions, proposal development, philanthropic grant applications and mass multi-channel campaigns.

(7) All external parties seeking to fundraise on behalf of the University are required to request a written Authority to Fundraise from the Office of Philanthropy, outlining the cause for which the specified individual or organisation is authorised to fundraise and the period for which fundraising may occur. The issued Authority to Fundraise must be authorised in accordance with the University's delegations of authority.

(8) Fundraising activities outside of those outlined within this Procedure are strictly prohibited.

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Section 4 - Making a Donation

(9) Channels through which donations to the University may be made include (but are not limited to): bequests, pre-tax payroll deductions, regular giving, appeals, peer-to-peer fundraising, online donations, cheque payments, EFT payments, credit card payments, BPAY, Paypal, tax effective giving vehicles for international philanthropy, pledges and in-kind gifts, which may include transfer of financial or real assets. These channels may be varied from time to time at the discretion of the University.

(10) All offers of monetary donations should be referred to the Office of Philanthropy to confirm and facilitate acceptance, prepare any required gift documentation or record keeping prior to acceptance, ensure the donation meets all University policy and procedural requirements, and that there are agreed stewardship and/or recognition arrangements in place if required.

(11) The University recommends potential donors seek independent financial advice regarding their eligibility for tax deductions, and make the necessary arrangements (including valuations of in-kind gifts) prior to making the donation.

(12) The University recommends potential bequest supporters seek independent legal and financial advice regarding both a donation they may choose to leave to the University in their Will and the associated Will wording.

Section 5 - Assessment of Intent

(13) In collaboration with the donor (or their representative), the Office of Philanthropy must assess the intent of the donation, particularly where the donation is intended to establish new activities. This assessment must involve:

a. assessment of the intent against the principles outlined in the Donation Acceptance, Management and Fundraising Policy;
b. identifying if the donation is intended to support an existing activity or establish a new activity;
c. assessment of the type of donation. For example:
    i. a specified donation - where the donor's intent has a clear and specific purpose;
    ii. a semi-specified donation - where the donor's intent is attributed to a broad purpose;
    iii. an unspecified donation - where there is no intent or purpose specified by the donor;
d. in the case of a donor-funded program intended to recruit staff, identification of whether the donation will:
    i. fully support the employment of the staff member for the duration of their contract;
    ii. support in part or in full the employment of a position on the basis that the University has budgeted to meet the shortfall; or
    iii. provide significant ancillary funding to support a role paid for by the University (e.g. research funding to support a professorial chair).

(14) In the case of bequests, the University's management of the donation must be informed by the Will.

Section 6 - Donation Acceptance

(15) Prior to accepting any donation, the Office of Philanthropy must assess the financial, operational, legal and reputational risk to the University.

(16) Prior to accepting a donation the Office of Philanthropy must undertake appropriate due diligence. This may include, but is not limited to:

a. making an assessment of the donor and donation purpose against the Ethical Framework;
b. determining if a conflict of interest exists, and assessing the donation against the requirements of the Disclosure of Interest Policy and its associated procedure;
c. confirming that the University has capacity to install, maintain and use the donation as per its intended purpose and without conflict or undue cost;
d. determining if any notification requirements exist, and complying with these where relevant (eg: the Australian Government's Foreign Arrangements Scheme);
e. seeking legal and/or financial management advice.

(17) The acceptance of a donation is subject to the University's delegations of authority (refer Delegations Register). Delegates should consult with relevant Colleges / Divisions of the University prior to accepting a donation for a new activity, or the expansion of an existing activity beyond the current approved scope. (See also Donated Assets (In-specie) Transfer Procedure.)

(18) Delegates may refer a decision to accept a donation to the Philanthropic Governance Committee.

Section 7 - Accepting Trusteeship and Establishment of Charitable Trusts

(19) The University may choose to become a trustee of an existing trust, or accept a donation that may require the establishment of a charitable trust.

(20) The establishment of a charitable trust or acceptance of an existing trusteeship is a matter reserved for Council.

(21) Any donation which may constitute the establishment or transfer of any trust should be referred immediately to the Office of Philanthropy for further assessment before it is accepted.

(22) The Office of Philanthropy must:

a. seek legal advice and financial management advice;
b. make initial contact with the Office of the Vice-Chancellor and Chair of the Philanthropic Governance Committee to outline the details of the potential trust if the donation constitutes a charitable trust or requires the University to become a trustee of an existing trust;
c. facilitate the appropriate due diligence as outlined in Section 6;
d. seek legal advice to finalise the specific details of the trust deed in collaboration with the donor, donor's representative or the existing trustee;
e. seek endorsement from the Philanthropic Governance Committee and the Vice-Chancellor to refer the potential trust or trusteeship to the University Council for approval, subject to entering an appropriate trust deed.

(23) Where possible, charitable trusts for ongoing purposes should be defined as broadly as possible, to ensure successful and effective administration of the trust.

(24) If the University is appointed as the executor of an estate, the Vice-Chancellor, upon the recommendation of the Philanthropic Governance Committee, may renounce executorship and transfer these responsibilities or otherwise make an appropriate application as required by law to transfer the executorship.

Section 8 - Management of Charitable Trusts

(25) Charitable trusts must be managed in accordance with the respective trust deed and cannot be varied unless the variation is provided for in the trust deed or by legal process.

(26) The disbursement of funds from a charitable trust may be reviewed by the Philanthropic Governance Committee and reported to the University Council as required, to ensure it is meeting the terms of the trust.

(27) The Office of Philanthropy must provide a report on the management of charitable trusts to University Council annually, through the Philanthropic Governance Committee.

(28) Legal advice must be sought in relation to any difficulties in administering a trust, following which the Philanthropic Governance Committee must be briefed by the Office of Philanthropy to make a recommendation to the Vice-Chancellor.

Section 9 - Donation Management

(29) Through financial management processes, donations may be allocated, receive investment earnings and be quarantined according to their intended purpose.

(30) Financial Services is responsible for the financial management of donations to the University including:

a. investment of donations and the allocation of investment earnings to supporter cost collectors aligned to donation purpose or trust requirements;
b. provision of financial reports to those responsible for administering the donations;
c. administering the University's Philanthropic Fund via a "smoothed annual allocation model", whereby:
    i. an approved fixed annual rate of interest is applied to each supporter cost collector on a smoothed basis;
    ii. surplus returns are retained in the Philanthropic Fund to support distribution in years when investment performance is lower;
    iii. the Philanthropic Governance Committee oversees the level of Philanthropic Fund reserves.
d. ensuring each donation is correctly configured in the finance system and there are financial system controls in place to ensure expenditure from support cost collectors is authorised in accordance with the University's delegations of authority;
e. establishment and maintenance of procedures regarding the financial management and reporting of donations, including the accounting valuation and disposal of in-kind gifts for asset management and insurance purposes;
f. management, investment and/or disposal of in-kind donations in the form of financial assets. See the Donated Asset (In-Specie) Transfer Procedure.

(31) After a donation is accepted, the Office of Philanthropy is responsible for:

a. maintaining records of donor intent, including gift agreements/deeds and statements, Wills and trust deeds, and keeping records of donor consultation regarding donation acceptance and/or management where applicable, including records of any conditions or terms set in relation to the donation, in accordance with the University's privacy policies and all relevant laws in relation to record management and the collection of personal information (see Records Governance Policy);
b. requesting Financial Services to create new 'supporter' cost collectors (where applicable) and advise of any new donations or donor documentation which may impact the financial management of these funds; and
c. where appropriate, acknowledging how the donation has been applied and, for monetary donations provide the donor with a tax receipt in accordance with the University's obligations as a Deductible Gift recipient; and

d. providing further communication, such as welcome information for new donors, gift acknowledgement letters and impact updates, to appropriately thank and steward donors in accordance with their contact preferences.

(32) Requests to expend donations should be submitted to the Office of Philanthropy via the Access to Philanthropic Funds ServiceNOW Form to ensure the appropriate consideration, approval in accordance with the University's delegations of authority, and documentation.

(33) The Philanthropic Governance Committee is responsible for conducting annual reviews of donations received to ensure that the management of these donations complies with the University's financial and legal obligations, is aligned to the donor's intent, and does not pose significant reputation risk to the University.

(34) The University may consult with the donor (or their representative) where possible to ensure a donation can be applied or redirected to align to the donation's broad intent as defined, or returned, in circumstances where:

a. the prior acceptance of a gift from a donor subsequently poses undue financial, legal or reputational risk to the University;
b. a donation is deemed to no longer align to the Principles outlined in the Donation Acceptance, Management and Fundraising Policy;
c. a donation is deemed ineffective; or
d. a donation is unable to be applied according to its purpose.

(35) Refunds of donations are rarely required, but typically arise due to an administrative or system error, either by the University, the donor or the payment channel. The refund of a donation must be approved by an appropriately authorised delegate.

(36) The Director Advancement or the Head of Advancement Operations may approve a donation refund where all of the following conditions are met:

a. the donation is being reversed (ie: the same payment method, same amount and credit card used);
b. the refund is recorded against the donor;
c. the original donation was processed by Office of Philanthropy (OP) staff through the Salesforce CRM and the refund is also being processed through the CRM;
d. the refund amount falls within the approved Delegations Register financial limits;
e. the refund is both within the same tax year and within a month of the original donation date.

(37) Refunds which fall outside the above criteria require approval from the Vice-Chancellor or Chief Financial Officer.

(38) All refunds authorised by the OP must be reported to both Financial Services and the Philanthropic Governance Committee.

(39) The Office of Philanthropy may consult the donor (or their representative) to find an alternate option and redirect a donation, or receive further donations to support the donor's intent if a donation:

a. cannot be applied according to its purpose, or
b. is ineffective due to the size of the fund or the donation is fully spent.

(40) If the donor (or their representative) is unable to be contacted, the Philanthropic Governance Committee should consider a recommendation by the Office of Philanthropy, which may include, but is not limited to:

a. redirecting the donation to a similar intent;
b. seeking additional donations to supplement the original donation to enable the activity to continue;

c. winding up a separately named fund and transferring the residual to an alternate University fund to support a similar intent; or
d. seeking legal advice.

Section 10 - Additional Considerations

(41) Once donations are received, they are applied according to University procedures and guidelines for that specific activity.

(42) Support to specific individuals by any donation must be approved by the relevant delegate or the Philanthropic Governance Committee.

(43) While the Office of Philanthropy must endeavour to consult with the donor (or their representative) in relation to their donation, as outlined in Clauses 34 and 39, a donor may not retain any explicit or implicit control over the use of a gift after its acceptance.

(44) The University should endeavour to maximise the impact of donations through leveraging opportunities for additional funding and streamlining administrative processes where practical.

Section 11 - Donations for Research

(45) The Office of Philanthropy must ensure donations for research are applied in accordance with donor intent and, where there is discretion as to how donations may be applied, on recommendations provided by the relevant delegate or the Philanthropic Governance Committee. Enquiries regarding these activities may be sent to research-donations@newcastle.edu.au or gift-governance@newcastle.edu.au.

(46) All donations of philanthropic grants for research must be referred to both the Office of Philanthropy and Director, Research Grants, which ensures that these are correctly recorded and deposited into either a supporter cost collector or a "G number" which incorporates the relevant philanthropic grants code.

(47) Once a donation or philanthropic grant for research is allocated to a G number, the Director, Research Grants oversees these in accordance with donor intent and in partnership with the Chief Investigator.

(48) The establishment of G numbers, activated through the completion of Grant Establishment Forms, is normally the responsibility of the Chief Investigator. The Chief Investigator is also responsible for ensuring they have access to the finance system to access the funds under delegated authority.

(49) If the research is intended to be supported through investment earnings on the donation or philanthropic grant, the original donation may be held in a supporter cost collector and the disbursable amount used for the research may be transferred or otherwise able to be tracked via a G number and managed accordingly. (Exceptions may apply subject to University financial management or trust deed requirements).

(50) The Office of Philanthropy is responsible for providing relevant data about supporter cost collectors holding research donations in order to comply with Higher Education Research Data Collection reporting requirements.

(51) Requests for donor invoices to support research, should be sent by the Office of Philanthropy to research-grants@newcastle.edu.au.

Section 12 - Non-monetary Donations

(52) Refer to the Donated Assets (in-specie) Transfer Procedure for further information.

Section 13 - Disbursement of Donations

(53) Delegates and the Philanthropic Governance Committee have oversight for the disbursement of donations and the latter may also establish processes to oversee requests to draw upon donations with similar characteristics to enable effective and efficient consideration.

(54) Once a donation is accepted for a specified purpose and intended for immediate use (e.g. specific research project, scholarship or prize), a delegate may approve its use. The Office of Philanthropy is responsible for providing the details of such an arrangement in a report to the Philanthropic Governance Committee at the next meeting of the Committee.

(55) The disbursement of all donations other than under clause 52 is subject to Philanthropic Governance Committee consideration.

(56) Unless otherwise specified in the donor documentation, where a donation requires investment income to honour its purpose, the initial donation may not normally be drawn upon until the following calendar year to allow it the opportunity to earn investment income. Exceptions may apply if the fund is still receiving donations to achieve its fundraising goal. The delegate or the Philanthropic Governance Committee may approve any exceptions.

Section 14 - Donor Management - Stewardship and Recognition

(57) All donation and donor details must be recorded and kept as confidential information. Consent from the donor, or their representative, is required prior to publicly acknowledging a donor.

(58) Donors may choose to decline to participate in donor recognition and/or donor stewardship activities by updating or requesting a change to their contact or recognition preferences.

(59) The Office of Philanthropy:

a. may seek confirmation and permission to publicly acknowledge a donor's generosity (if not otherwise captured when making the donation);
b. records instances where a donor wishes to remain anonymous;
c. coordinates and provides overarching donor stewardship, recognition, and reporting across the University to ensure compliance with reporting and governance requirements and to complement and supplement activities undertaken by recipients of research or scholarship donations and key internal stakeholders;
d. may approach donors to seek further support for the University's fundraising activities. Donors can update their contact preferences at any time by contacting the Office of Philanthropy.

(60) The application of naming rights following a donation is subject to the University's delegations of authority (refer Delegations Register) and, where applicable, the Building Naming Policy. The naming of buildings, large physical facilities, parts of buildings and/or where the naming is assessed as high-risk is a matter for Council.

Section 15 - Non-compliance with this Procedure

(61) The consequences of staff failing to comply with this Procedure will be dependent on the scope, severity and actual and/or potential consequences of any compliance, and may be considered to be misconduct under the University's Enterprise Agreement or contract of employment and be subject to disciplinary action.

Section 16 - Definitions

(62) In relation to this document:

a. Philanthropic Grant – in the context of funding to the University, a philanthropic grant refers to funds received from a third party, whereby any unspent funds are required to be returned to the funder, and the funder is contractually entitled to receive specified deliverables from the University.

Status and Details

Status	Current
Effective Date	13th October 2025
Review Date	13th October 2028
Approval Authority	Vice-Chancellor
Approval Date	7th October 2025
Expiry Date	Not Applicable
Responsible Executive	Alex Zelinsky Vice-Chancellor alex.zelinsky@newcastle.edu.au
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Glossary Terms and Definitions

"University" - The University of Newcastle, a body corporate established under sections 4 and 5 of the University of Newcastle Act 1989.

"Risk" - Effect of uncertainty on objectives. Note: An effect is a deviation from the expected, whether it is positive and/or negative.

"Asset" - Any tangible or intangible item (or group of items) that the University owns or has a legal or other right to control and exploit to obtain financial or other economic benefits.

"Confidential information" - All information which is disclosed to a party by, or on behalf of, the other party, or which is otherwise acquired by a party from the other party, or any adviser engaged by the other party, which: (a) is by its nature confidential; (b) is designated by the other party as being confidential; or (c) the party knows or ought to know is confidential, but does not include information which: (d) is or becomes public knowledge other than through a breach of confidentiality; (e) was already in the possession of a party and not subject to an obligation of confidentiality; (f) is lawfully received from a third party; or (g) is independently developed by a party.

"Controlled entity" - Has the same meaning as in section 16A of the University of Newcastle Act 1989.

"Law" - All applicable statutes, regulations, by-laws, ordinances or subordinate legislation in force from time to time anywhere in Australia, whether made by the Commonwealth, a State, a Territory or a local government and, where the context permits, includes the common law and equity.

"Personal information" - Has the same meaning as in the Privacy and Personal Information Protection Act 1998 (NSW).

"Donation" - A gift of money or property made voluntarily to the University with no material benefit to the donor.

"Establishment" - When referring to an Award offered by the University, establishment means the process of approving an award that the University has decided to offer. For all other uses of this term, the generic definition applies.

"External parties" - Any individual or organisation external to the University.

"Research" - As defined in the Australian Code for the Responsible Conduct of Research, or any replacing Code or document.

"Staff" - Means a person who was at the relevant time employed by the University and includes professional and academic staff of the University, by contract or ongoing, as well as conjoint staff but does not include visitors to the University.

"Stewardship" - The process whereby an institution cares for and protects its philanthropic support – its gifts and those who give them - in a way that responds to the donor's expectations and respects the act of giving.

"College" - An organisational unit established within the University by the Council.

"Delegate" - (noun) refers to a person occupying a position that has been granted or sub-delegated a delegation of authority, or a committee or body that has been granted or sub-delegated a delegation of authority.

"Delegated authority" - refers to the specific description of the authority that is delegated or sub-delegated to a holder.