

FRG-GU-01 Reviewing Donations Guidelines

Version No 1.0



1 PURPOSE

The purpose of this guideline is to assist staff (Management, Employees and Volunteers) to review donations while applying the *FRG-PO-01 Acceptance or Refusal of Donations Policy*.

Please refer to the *FRG-PO-01 Acceptance or Refusal of Donations Policy* to understand the scope, key concepts and definitions as they are incorporated by reference into these guidelines.

2 REVIEW OF DONATIONS

The categories of donations listed in *FRG-PO-01 Acceptance or Refusal of Donations Policy* should be reviewed before accepting or refusing them. The Fundraising Manager and the CEO shall use the following guidelines to review the donations.

2.1 Donations that may have detrimental implications to achieving the Society's objects or where the detriment is likely to be greater than the benefit:

- A decision will need to be taken when acceptance of the donation would most likely lead to:
 - The loss of donations from other supporters or funders at least equivalent, over the long term, to the value of the donation.
 - The loss of volunteers whose services would be at least as great as the value of the donation.
 - Significant implications for the ability to recruit or retain staff.
 - Assist in giving respectability to the donor where that donor's activities might be detrimental to the people affected by MS and acceptance would help promote the continuance of those detrimental activities.
 - The clear loss of reputation or credibility.
- Potentially problematic donations will initially be highlighted to the Fundraising Manager who will decide whether there is a potential issue with the donation. If required the Fundraising Manager will escalate to the CEO, who in turn may choose to escalate to the Board of Directors if required.
- In making a decision whether to accept or refuse a donation the following factors will need to be considered:
 - It is reasonable to conclude that acceptance would be detrimental to achievement of the Society's objects AND
 - It is reasonable to conclude that such detriment is likely to be greater than the benefit to be obtained from accepting the donation.
- A decision to refuse a donation as a result of the detrimental implications of accepting it is a decision of the CEO.

2.2 Donations that are not financially viable

- Donations can be refused on the basis they are not financially viable.
- The Society never recommends donors split donations between a number of different areas of the Society's work; the donor should be encouraged make separate payments.
- Donations will be refused where to accept the donation for a particular activity would result in the Society having to incur unacceptable costs beyond the initial donation.
- Donations will be refused where it will be very difficult to monitor whether the donation has been spent in accordance with donors wishes without spending an unacceptable amount in administrative costs.
- Decisions on the financial viability of a donation are taken by the Fundraising Manager unless they are higher than \$5000, in which case the CEO and CFO will be involved.

2.3 Donations that are outside the plans and budgets of the Society

- Donations will be accepted which are within budget or are for aims, objectives or activities approved by the CEO or the Board.
- If a donation or grant is received for an activity which has not been approved as per above clause, the CEO will consult within the Executive Leadership Team and Board if required, to decide if the Society is willing to undertake the work, considering amongst other things:
 - If the donation covers the total cost of the activity (including overhead costs).
 - If the donation does not cover the entire cost of the activity but the Society is willing to undertake the work within their current or future budgeted expenditure.

2.4 Donations from those deemed vulnerable

- It is unlikely to be known when a donation is received that it is from a vulnerable person, however, if there is any indication of vulnerability the Fundraising Manager should be informed immediately. The Fundraising Manager will then discuss this with the CEO to decide the appropriate course of action.

2.5 Donations with conditions attached

- Monies cannot be accepted which are conditional on part of the monies being sent to someone/somewhere else except in relation to a joint fundraising event with another registered charity.
- Monies cannot be accepted where the Society is being used as part of a tax avoidance scheme which may be seen as an abuse of the Society's charitable status. To ensure these circumstances are identified a donation needs to be cleared by the CFO and the CEO before being accepted in the following case:
 - Where the donor specifies that the monies must be sent to a particular organisation for an activity or item.

2.6 Donations that will be difficult to utilise within a reasonable period of time

- With the exception of endowments, in the following circumstances a donation will not be accepted on the grounds that it cannot be utilised within a reasonable period of time:
 - The donation will never be fully utilised (e.g. interest or income arising from the donation is likely to be greater than any expenditure on the donation).

- A donation for less than \$1m, that is unlikely to be utilised within 5 years.
- For other donations that are unlikely to be utilised within 1-2 years a decision will be taken by the Fundraising Manager, CFO and the CEO on whether to accept the donation.

2.7 Legacies and bequests where the restriction can no longer be met

- If a legacy or bequest is left to the Society with a restriction that can no longer be met then the CEO and the Fundraising Manager would speak to the executors before accepting the legacy. If agreement cannot be reached with the executor then advice should be sought from the ACNC.

2.8 Donations from pharmaceutical companies

- The Society shall not endorse any product or service provided by any company or organization in return for accepting a donation. However, the decision to associate (for example, by linking to a website) with a service or program is not deemed to be an endorsement.

3 APPROVAL AND REVIEW DETAILS

Approval and Review	Details
Version number	1.0
Process group	FRG (Fundraising)
Process owner	Fundraising Manager
Approved by	The CEO on 20/09/2018
Related documents and policies	FRG-PO-01 Acceptance or Refusal of Donations Policy
Related legislation	-
Effective Date	20/09/2018
Next Review Date	19/09/2020