

Charitable Donations and Gifts to the University Acceptance Policy

(TWEK!DM)

Section 1 - Section 1 - Definitions

(1) For the purpose of this Policy:

- a. ATO - [Australian Tax Office](#)
- b. Fair market value - the price a donated good or service would command on the open market between a willing buyer and a willing seller, acting independently of each other, and each having full knowledge of the facts.
- c. Gifts - refers broadly to any cash or in-kind gift or pledge to make a gift
- d. Gifts-in-kind - is a donation in any form other than cash or cheque and normally requires a third-party valuation for tax purposes.

Section 2 - Section 2 - Policy Statement

Part A - Part A - Policy Declaration

(2) The donations and gift acceptance policy is designed to set forth the parameters for accepting gifts to Southern Cross University and conditions of acceptance. This policy encompasses philanthropic giving including gifts from organisations, individuals and from the estates of deceased persons.

Part B - Part B - Policy Description

Objectives

(3) To ensure that Southern Cross University, as a registered charitable organization, accepts gifts based on informed decisions, that such gifts are receipted in accordance with the [Australian Tax Office \(ATO\)](#) regulations and guidelines, that the purpose of any donations solicited and received is adequately documented and appropriately approved and that donations are properly managed and/or disbursed as per the conditions upon which they were accepted.

Scope

(4) The provisions of this policy apply across all areas of the University.

Part C - Part C - Content and Implementation

General

(5) Southern Cross University is a registered deductible gift recipient and receives gifts from organisations, living persons and by Will. It is the policy of the University to ensure a strong financial base by soliciting donations from a wide range of sources.

(6) The Office of Development and Alumni Relations provides central fundraising support to assist the University in achieving its optimal long-term development and fundraising goals. The Office of Development and Alumni Relations is also responsible for issuing charitable tax receipts for all charitable gifts received by the University, in compliance with the requirements of the [Australian Tax Office](#), and in accordance with the policies and procedures established by the University.

(7) Ownership of all gifts vests in the University, whether they be for the benefit of the University generally or for some specific purpose in it.

(8) The University Council has delegated oversight for fundraising, allocation and management of fundraising revenues.

(9) The University may elect to accept or decline a gift.

(10) The University generally accepts charitable gifts in the form of cash or cheque, gifts-in-kind including gifts of cultural property, or special deferred gifts.

(11) A report on all donations accepted on behalf of the University will be prepared on a regular basis by the Office of Development and Alumni Relations for the University Council.

Conditions of Gift Acceptance

(12) The University is a deductible gift recipient, soliciting and receiving gifts from a wide range of sources.

(13) The University can receive pledges or promises to make gifts, the payment of which may be subject to a range of conditions including payment dates and the purpose of the gift. Acceptance of pledges is subject to the same rigour as the gifts.

(14) A gift is made to the University in any circumstance where all the conditions listed below are satisfied:

- a. some property, usually cash, is transferred by a donor to the University;
- b. the transfer is voluntary;
- c. the transfer does not provide material benefit to the donor. No consideration or benefit of any kind to the donor or to anyone designated by the donor, may result from the payments; and
- d. the gift arises from benefaction, and proceeds from detached disinterested generosity.

(15) Australian Tax Law specifies the types of gifts that can be accepted as charitable donations. To be tax deductible, a gift must be of money or property that is covered by one of the following gift types:

- a. \$2 or more: cash;
- b. property purchased during the 12 months before the gift was made
- c. property valued by the [Tax Office](#) at more than \$5000;
- d. trading stock disposed of outside the ordinary course of business;
- e. property under the Cultural gifts Program; or
- f. places listed in the National Heritage List, the Commonwealth Heritage List or the Register of the National Estate.

(16) General rules and exceptions (such as tickets to fundraising events, cultural and heritage gifts and in kind contributions) are subject to special treatment by the ATO.

(17) When a gift is received from a donor, it is the responsibility of the Office of Development and Alumni Relations to determine whether or not the gift qualifies as a donation, or whether the gift should be processed as a non-donation,

for example sponsorships.

Who May Accept Gifts (cash, cheques, gifts-in-kind and pledges of the same)

(18) Nothing should be done which might be construed as an acceptance of a gift until the decision to accept has been made.

(19) Gift acceptance is subject to the terms and conditions of other related University policies (see Associated Information page).

(20) Vice Chancellor must approve any gift which, in the opinion of the member of the Vice Chancellor's Executive Committee whose area will benefit from a gift, or in the opinion of the Office of Development and Alumni Relations:

- a. exposes the University to an uncertain and potentially significant liability;
- b. is precedent-setting or involves sensitive issues.

(21) Decisions regarding acceptance of all gifts of a value up to \$500,000 are made in consultation with the Office of Development and Alumni Relations by the member of the Vice Chancellor's Executive Committee whose area will benefit from the gift.

(22) The Vice Chancellor must approve acceptance of any gift of a value over \$500,000.

Testamentary Gifts

(23) In all cases, the University is notified when the executor applies for Probate. Regardless of the addressee, all notifications, correspondence and probate documents must be forwarded to the Office of Development and Alumni Relations.

(24) The Office of Development and Alumni Relations will work in consultation with the University Legal Services to initiate the necessary actions required to accept and receive testamentary gifts.

(25) Upon approval to accept a bequest, all documentation is forwarded to the Executive Director, Corporate Services for administration which includes record-keeping, review of accounts, execution of releases and investment management.

(26) Liaison with the deceased person's family members is primarily the responsibility of the Office of Development and Alumni Relations. Other University departments, staff or faculty members may however, participate as appropriate.

(27) A report on all bequests accepted on behalf of the University will be prepared on a regular basis by the Office of Development and Alumni Relations and the University Council.

Who May Accepts Bequests

(28) Nothing should be done which might be construed as an acceptance of a bequest until a decision to accept has been made.

(29) The University Lawyer is appointed to act on behalf of the University to work with estate administrators, trustees and executors.

(30) The following people are authorised to accept bequests:

- a. Value is less than \$100,000: Office of Development and Alumni Relations
- b. Value is from \$100,000 to \$500,000: Benefitting member of Executive or the Vice Chancellor where the benefit

crosses more than one authority

- c. Value over than \$500,000: Vice Chancellor

Gifts-in-Kind

(31) Before a gift-in-kind is accepted by the University, its merit must be determined as follows:

- a. The University Art Committee in consultation with the Curator, University Art Collection will approve gifts of art for the University Collection, subject to collection policies.
- b. The Head Librarian, in consultation with the appropriate librarians or archivists and other members of the University as appropriate, will approve gifts of books, manuscripts, documents, etc.
- c. The Executive Dean, Head of School, or Director of the recipient College, Department, or unit must approve other gifts of property.

(32) Each gift will also be considered on the basis of:

- a. associated costs in accepting the gift such as housing/storage, on-going maintenance requirements or the actual physical transfer of the gift;
- b. parameters indicated by the donor; and
- c. assurance that the gift can be retained by the University as an asset to be used in connection with University activities, with the University retaining authority as to its use or disposal.

(33) A gift-in-kind can be retained as a University asset and used in connection with University activities, with discretion as to its use and management, or disposed of for cash or cash equivalent.

(34) Where the donor has requested conditions be placed on the donation such as restrictions on sale, leasebacks, life interests, life estates or in situations where the asset is difficult to appraise, the Executive Director, Corporate Services will be consulted.

(35) Where, in the opinion of the Executive Director, Corporate Services, the acceptance of the gift would prove administratively difficult or not in the University's best interest, the Office of Development and Alumni Relations may request that the terms of the gift be revised or recommend that the offer be declined.

(36) The appropriate member of the Vice Chancellor's Executive Committee considers potential liabilities including environmental and financial issues that may arise from the acceptance of a particular gift-in-kind.

(37) The valuation and receipting of gifts-in-kind is subject to the rules and regulations set forth by the [Australian Tax Office](#) and the policies of the University. The value of such gifts will be determined in consultation with the Office of Development and Alumni Relations and Financial Operations.

(38) The cost of appraisals will normally be borne by the School or Department that will ultimately benefit from the gift unless the following conditions apply:

(39) Where the gift is of broad benefit to the University, the Office of Development and Alumni Relations will be responsible for paying for and arranging an appraisal.

(40) In special cases where the gift is difficult and expensive to appraise, the donor may be asked to absorb the cost.

(41) The Office of Development and Alumni Relations must ensure that the University has endeavoured to assess the fair market value of a gift in kind before issuing a charitable tax receipt.

Administration and/or Disposition of a Gift-in-Kind

(42) Administration of a gift and associated costs generally resides with the School or Department that will benefit from the gift.

(43) Capital assets will be maintained and administered by Office of the Executive Director, Corporate Services, in accordance with University policy.

(44) If a gift is sold, any outstanding administrative costs will be recovered from the sale proceeds.

(45) In the case of gifts that are directed to the University as a whole, the Office of Development and Alumni Relations will consult with the Executive Director, Corporate Services before transferring the administration of the asset to the appropriate cost centre.

Gift Anonymity

(46) The University will, at the request of donors, maintain anonymity and advise donors or any disclosures that will apply.

(47) A donor's right to anonymity is observed by Southern Cross University subject, however to the following necessary limitations:

(48) Records, as required by the [ATO](#) for charitable receipting and record keeping purposes, are maintained by the Office of Development and Alumni Relations. Access to these records is restricted to appropriate staff in the Office of Development and Alumni Relations, Financial Operations and senior executives of the University.

(49) The University will comply with any legal obligation to disclose the names of donors and the nature and value of their gifts.

(50) The identity of a donor requesting anonymity may be provided to the University Council on an oral basis if the University Council so requests. Such information is privileged and neither appears in the minutes of the meeting nor may be used by Council members or officers outside meetings.

(51) Prospective donors requesting anonymity are advised by the Office of Development and Alumni Relations that their names, the nature and amounts of their gifts will be disclosed as above.

Section 3 - Procedures

(52) A gift which qualifies for tax deductibility must be sent to the Office of Development and Alumni Relations for acknowledgement, receipting and donor stewardship. Check tax deductibility of the proposed gift with the [Australian Taxation Office](#).

Testamentary Gifts

(53) The executor of the Will normally requires the University to issue an official receipt and provide discharge to the executor, should the University decide to accept the bequest.

(54) The value of the receipt is determined by the fair market value of the bequest at the date of death. If there is an intervening life interest or other condition delaying the actual receipt of the bequest, fair market value is determined on a discounted basis.

Gifts-in-Kind

(55) The [Australian Tax Office](#) requires evidence of fair market value of a gift.

(56) For gifts of property valued at less than \$5000, the Office of Development and Alumni Relations will ensure that the appropriate valuations are made, in accordance with University policy before a receipt is issued.

Gifts valued at more than \$5000

(57) The [ATO](#) requires that a Request for valuation form be lodged with the Australian Valuation Office, which must be accompanied by the completed Certificate of donation (or Certificate of authenticity where the property is not real property) and a deposit amount as set from time to time by the AVO.

(58) If the property donated was purchased more than 12 months before the gift date, a tax receipt for the full value of the gift may be issued.

(59) If the property donated was purchased less than 12 months before the gift date, a tax receipt for the lesser of:

(60) The market value of the property on the day the gift is made;

(61) The amount paid for the property

(62) Gifts of cultural property, heritage places and properties with environmental significance must be assessed as per special directives of the [ATO](#).

(63) The Office of Development and Alumni Relations, in consultation with Financial Operations and tax advisors, will be responsible for determining the fair market value of any interest in a gift to the University which is retained by the donor as a leaseback or life-interest. This value must be deducted from the appraised value of the gift in order to determine the amount that is receiptable.

(64) Where expert independent advice is required, the Office of Development and Alumni Relations will work with the benefiting Faculty or Department to seek assistance from a tax or valuation specialist in fixing value for receipt purposes.

Section 4 - Review

(65) This Policy will be reviewed every three years.

Status and Details

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Effective Date	14th August 2012
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