

Development Gift Acceptance Policy

PURPOSE

This policy serves as a guideline for King's College ('the College') staff, board and committee members, volunteers, outside advisors who assist in the gift planning and solicitation process, and prospective donors who wish to make gifts to the College of unrestricted, restricted and endowment funds, planned gifts and legacies. To include donations for the purposes of the Choir of King's College Cambridge, which is an integral part of the College.

All funds solicited and received by the College in its capacity as a registered Charity and the related operational and administrative functions of soliciting, receiving, documenting and acknowledging charitable contributions is managed by the Development Office in consultation with the First Bursar.

The Provost and Fellows of the College welcome donations to King's which are made freely, lawfully and in good faith and are compatible with our strategic goals, financial needs and with the purpose, statutes and continuing development of the College. As a charitable organisation, the College must observe the requirements of charity law and other relevant legislation in relation to the receipt and expenditure of funds. In addition, the College maintains a set of ethical guidelines for the operation of the Development Office, which include due diligence review of donations and a formal acceptance procedure for gifts of £10,000 or more. As warranted, the College will take all reasonable steps to ensure that we are aware of any additional costs or burdens associated with accepting a gift.

All gifts, pledges, legacy pledges, gift agreements, oversight of gift aid and gift reporting will be managed by the Development Office.

The regulator's guidance makes clear that trustees should start from a position of accepting donations, but from time to time a charity may face a difficult decision as whether to refuse or return a donation. The guidance is designed to help trustees have informed discussions when faced with a choice that has potentially significant consequences.

GUIDANCE FROM THE CHARITY COMMISSION – 24 MARCH 2024

The Charity Commission has published guidance to help charities when deciding whether to accept, refuse or return a donation. The Commission has set out an approach for trustees to take on these occasions, advising they:

- consider the risks involved in refusing or returning the donation, and how likely and serious these are. These include negative financial impact, ability to deliver services and ability to attract donations in future.
- consider the risks involved in accepting or keeping the donation, and how likely and serious these are. These include the likelihood of reduced support or reputational harm, particularly among supporters or beneficiaries.
- determine how any decision aligns with their charity's purposes.
- determine what steps they can take to mitigate the risks. These include negotiating the terms of a conditional donation with the donor or developing a public explanation for a decision.

The regulator also warns trustees not to allow their personal views, or any external pressures that do not relate to their charity's purposes, to influence them to act in a way that is not in their charity's best interests.

The guidance reaffirms the importance of following existing principles which trustees must use when making any decision that will impact their charity. These principles help to ensure trustees are acting reasonably and serve only their charity's best interests. If followed correctly, any choice will be adequately informed and evidenced.

The guidance adds that trustees should take enough time to allow sufficient information to emerge, should balance short and long-term risk and allow trustee boards to ask questions and challenge assumptions.

GUIDELINES

1. Intentions by Fellows, staff and students to solicit or accept philanthropic donations on behalf of the College must be raised with the Development Office in the first instance, and referred to the Bursar and/or Development Committee for review as necessary. Further guidance on soliciting donations may be found at the end of this document.
2. Gifts of £10,000 and over will be reported to Council three times each year. Gifts and pledges of £100,000 or more (to include legacy pledges) or a gift or pledge which is likely to give rise to significant public concern, will be considered for acceptance by Council within a reasonable time of the negotiation or deposit of the gift or pledge. Gifts and pledges (to include legacy pledges) of £500,000 or more will be referred to the Governing Body for review and acceptance following Council's review.
3. In accepting a significant gift, the College must be aware of any published or substantial evidence that would indicate that the source of funding for a donation derives from an activity that was or is illegal, violates international conventions that bear on human rights, creates a conflict of interest for the College or for the University or runs counter to the core values of impartial, independent research, scholarship and teaching. The College will not accept gifts where there is evidence that acceptance of the gift will damage the reputation, autonomy or integrity of the College and its Members, or of the University.
4. The legal and reputational rights of potential donors should also be considered as part of any due diligence undertaken in assessing the acceptability of a proposed donation. In this regard, a clear distinction should be drawn between rumour or speculation and matters of confirmed fact or legal finding, whilst also accepting that institutions may wish to consider the reputational risks that could be incurred through public perception of any particular donor.
5. Gifts will be deposited in a College account that reflects the donor's intent for which area of the College it will support. New funds will be established based on a negotiated, bespoke gift agreement, approved by the receiving department, the Director of Development and the First Bursar. Restricted funds in the endowment will be reported to the Development Committee in Michaelmas Term and Council in Lent Term, and appropriate stewardship activities for funds undertaken or coordinated by the Development Office.

TYPES OF GIFTS

Single Gifts

Single gifts can be made by cash, credit card, bank transfer, cheque or CAF Voucher.

Regular Giving

Donations can be made in monthly, quarterly or annual instalments, for a fixed period, not exceeding ten years; these are referred to as a 'pledge'. These donations are also covered by the Gift Aid scheme.

Gifts of Land, Buildings, Shares or Bitcoin

Gifts of land, buildings or shares by UK tax payers, attract full relief from Capital Gains Tax and, in addition, allow the donor to claim Income Tax relief on the full value of the gift at the time the land, building or shares are transferred to the College. Bitcoin, often described as a cryptocurrency, a virtual currency or a digital currency - is a type of money that is completely virtual.

Gifts of Possessions

Gifts of possessions e.g. works of art, are exempt from Capital Gains Tax but may be eligible for gift aid.

Payroll giving

Under the Payroll Giving Scheme, employees can authorise their employer to deduct charitable donations from their pay before calculating Pay As You Earn tax. This means that the employee automatically gets tax relief on donations at his or her top rate of tax.

Legacy pledges

When a legator provides documentation of a legacy gift, s/he is added to the Legacy Circle (or the 1209 Society, Cambridge in America). The legacy amount where known is added to the amount of known legacies.

Gift in Kind

Gifts-in-kind are gifts of tangible personal property such as equipment, materials, company products or inventory.

ADMINISTRATIVE POINTS

1. The Development Office is the administrative point of contact for all donations to the College and the Accounts Office receives and allocates donations based on the instructions given by the Development Office.
2. The College will not accept any gift of more than £250 without documentation, other than those donations made as a result of the Chapel collection plates/boxes. The documentation needs to fall into at least one of the following categories:
 - Completed donation form (to be sent to the Development Office)
 - Correspondence from the donor detailing the amount (donation/benefit breakdown) and intended allocation of the donation
 - Description of the gift, including the amount (donation/benefit breakdown) and allocation, emailed to the Development Office by a member of the College or otherwise documented by a member of the College and shared with the Development Office
3. All donations which are received by the Development Office without the appropriate documentation (as detailed in point 2) will be placed into the holding account until such documentation is received by the Development Office.
4. It is the College's general practice to realise any non-monetary gifts (eg. stocks and shares or other specific financial instruments) and to use the proceeds to create a trust fund, a specific endowment or a general or specific donation as appropriate. Occasionally a donor's specific direction will be that the original asset be retained, in these cases the Development Office will consult with the Bursar for approval. Proposed gifts of property or shares in private companies need to be carefully considered, because they may not be easily realisable. Careful consideration should be given before accepting gifts of works of arts or books as there are often hidden costs associated such as:
 - fine art insurance;
 - additional security;
 - maintenance (correct temperature and humidity, lighting, protection from sunlight, moths etc).
5. Valuation of Gifts in Kind refers to the value placed on the property gift for gift crediting and property control purposes. It should be noted that the College's valuation might differ from what the donor claims as a tax deduction. It is the responsibility of the donor to be able to substantiate the gift value noted on his/her income tax form.

Gifts of personal property that qualify as a charitable deduction for a donor will be valued and recorded at fair market value. Fair market value may be determined by:

1. A written appraisal, or
2. Documentation obtained from a qualified outside source such as a knowledgeable dealer, or
3. Documentation obtained identifying what it would cost the College if it were to purchase the gift outright from a vendor or an original bill of sale for new equipment.

When donors pay for event expenses, the value placed on the gift must be substantiated with both the event receipts (such as a catering invoice) and payment documentation (such as a credit card receipt) to show actual payment for the expenses.

Documentation that supports the donor's valuation should be submitted at the time the gift is received. Note that the College will not absorb appraisal costs, nor is there a "central" fund to absorb such costs. Appraisals should only be paid for if deemed necessary and appropriate for proper insurance and inventory. Please note that the College should never pay for an appraisal for a donor.

6. Bank transfers from a named personal or business account are to only be made by prior arrangement with the Development Office. If there is no reference included with the transaction as to how the funds are to be applied, the transferred monies will be placed into the holding account, until the relevant documentation (as detailed in point 2) is received by the Development Office.

POLICY FOR ANONYMOUS AND PRIVATE DONATIONS

“Anonymous” donors are now defined as those who offer a donation to the College, but whose identity is unknown to the College. We do not accept anonymous donations over £250 (this is to allow for small cash donations to be made by tourists and Chapel congregations). Any donation over £250 will need supporting documentation (gift form, gift aid declaration, correspondence) which includes the identity of the donor, and the nature of any restriction on the use of their donation when desired by the donor.

A “private” donor is one who asks the College to place restrictions on the visibility of their gift inside and outside of the College.

1. At the simplest level, a donor may ask for no public recognition of their gift. This will mean the donor’s name will not appear in the Annual Report, Philanthropy Report or donor boards produced by the College.

When the donation is of a value of £10,000 and above, the donor and their gift will be reported under Reserved Business at Development Committee and at Council for formal acceptance.

2. For several reasons, a donor may wish to have enhanced privacy around their donation, and not reveal their identity to the Fellowship. In cases where this is requested, at least the Provost and Director of Development will need to know the identity of the donor and in the instance that the donor is not a Fellow of the College then the Vice Provost will also be made aware of the identity of the donor, and satisfy the College that appropriate due diligence has been carried out on the donor; that there is a legitimate reason for privacy; and that there is no reason not to accept the gift. On that basis, the Development Committee, Council and Governing Body may accept the donation. The Provost and DoD will maintain clear records of any such donation, to be held by the Development Office.

POLICY FOR CULTIVATING AND SOLICITING DONATIONS

As a result of the revised Financial Regulations, the Development Committee has been invited to formulate a policy to guide the cultivation, solicitation and negotiation of philanthropic donations on behalf of the College where that activity may happen outside of the Development Office.

This is not intended to curtail the activity of those already involved in fundraising across King’s, but rather to increase its visibility to the Development Office and this Committee, so that assistance can be provided when appropriate, that records are kept of any solicitations

or intended solicitation, and that the Development Office can advise of conflicts that may run counter to existing activities or College policies.

Principles of fundraising

There are several principles and points to bear in mind when fundraising from individuals and organisations.

- a. The Financial Regulations
- b. The College's Gift Acceptance Policy
- c. The Code of Practice issued by the Fundraising Regulator
- d. The guidance issued by the Charity Commission
- e. The CU Code of Practice for Collegiate Fundraising

Copies of each of these are available from the Development Office or the College Registrar.

Some of the most important points that fundraisers must consider are:

- a. Is the purpose of the gift useful and wanted by the College? Does the gift support an area of need defined in the College strategic plan? Does it support new activity approved by Council, the Development Committee or First Bursar, and any other College committee responsible for the area receiving the donation? If the activity ceases, can the gift be used elsewhere?
- b. Does the donation incur any burden on the College? Does it require the College to commit to new activity which may need additional resources? Does the gift adequately cover all core and incidental costs? If an invested fund is being established, does the projected income support activity for the defined period of time or in perpetuity? Does the donor expect something in return?
- c. Know your donor. Do they meet the due diligence requirements? What is the source of their wealth? Is the relationship an appropriate one for the College? Are they already engaged in philanthropy with King's, another college or CU?

The College's Gift Acceptance Policy **requires** all solicitations and proposed solicitations to be reviewed by the Development Office, which can give further advice and guidance on any fundraising proposal, and assist with issues of policy, regulation and due diligence.

Governance

The College has a prescribed process for the development of fundraising proposals, and the solicitation and acceptance of philanthropic income.

All gifts of £10,000 and above (pledged or received) must be reported to Development Committee and approved by Council. All gifts of £500,000 and above must be reported to Development Committee and approved by Governing Body.

For new areas of activity, or projects of strategic importance, Council may decide to escalate a decision to Governing Body, regardless of the value of the gift. Nominations for Fellow Commoners (£250k) and Fellow Benefactors (£1m) are also voted on by Governing Body.

Document Details		
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Version No.	Approval Date	Change Description
V1	10.10.2023	Transfer of existing policy to pro-forma.
V2	03.12.2024	Updates to reflect legal separation from King's College School.
V3	03.03.2026	Addition of Policy for Cultivating and Soliciting Donations