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Referenced policies and documents

[Research Ethics Code of Practice](#)

[Financial Regulations](#)

[Raising Serious Concerns and Disclosing Public Interest Matters \(Whistleblowing\) Policy](#)

LANCASTER UNIVERSITY

Ethical Giving to Lancaster: Policy and Due Diligence

The University's objectives as set out in its Charter are to 'advance knowledge, wisdom and understanding by teaching and research and by the example and influence of its corporate life'. The University is an 'exempt charity' regulated by the Office for Students (OfS). In common with other charitable bodies, the University is required to observe the requirements of charity law and other relevant legislation in relation to the receipt and expenditure of funds. In seeking to secure philanthropic funding to support the broad objectives in its Charter, Lancaster University is committed to conducting its fundraising operations and relationships in an ethical manner and in accordance with relevant regulation. This includes ensuring that due diligence is observed when assessing whether or not to accept significant benefactions or establish specific philanthropic relationships. This is of particular importance where a benefactor's contribution is likely to exceed £25,000. The following policy is to be followed by all staff of Lancaster University engaged in fundraising activities on the University's behalf. In the interests of transparency and in line with best practice, this document is made publicly available.

1. Definitions

- 1.1 'Gift' covers all forms of philanthropic support received by Lancaster University, including cash, stocks and shares, and gifts in kind of equipment, property, etc.
- 1.2 'Donor' covers person or persons who give philanthropically to the University, and can include individuals, charitable trusts and foundations, corporate organisations and government agencies.
- 1.3 'Pledge' means an undertaking received from a third party to make a philanthropic donation to the University.
- 1.4 'Ethical giving' is funding obtained through philanthropic means, which satisfies the conditions of the policies laid out below.

2. Responsibilities of University staff charged with philanthropic fundraising

- 2.1 Ultimate responsibility regarding the acceptance and refusal of donations rests with the University's governing body, the Council. In practice, staff carry out the day-to-day responsibilities in this area, in line with delegated authority from the Council. Those responsible for the solicitation of philanthropic donations on behalf of Lancaster University should conduct appropriate due diligence to ensure, on the balance of probabilities, that pledges of philanthropic support made to the University have been funded through activities which:
 - (a) are not unlawful (including any form of theft, fraud, tax evasion, money laundering or terrorist activity), whether in the UK or under the jurisdiction of the country from which the pledge is made;

- (b) do not violate international conventions that bear on human rights;
 - (c) do not run counter to the University's objectives or to the related values of impartiality, and the independence of research, scholarship and teaching;
 - (d) will not cause loss, damage or injury to third parties;
 - (e) comply with the provisions of the Bribery Act and other relevant legislation intended to protect against bribery in respect of donations.
- 2.2 In addition, fundraising staff should satisfy themselves and be prepared to confirm to the Vice-Chancellor that acceptance of a gift will not:
- (a) lead to a conflict of interest with the values of Lancaster University or the Ethical Research Policy;
 - (b) require an action or actions on behalf of the University or its staff which are deemed illegal;
 - (c) in their judgement, cause reputational damage to the University;
 - (d) in their judgement, unduly damage Lancaster's relationship with other benefactors, partners, potential students or research supporters.
- 2.3 Staff responsible for fundraising and stewardship must be fully conversant with relevant legislation and regulations¹ and associated University policies, including Research Ethics Code of Practice and the Financial Regulations. The University, while anticipating that all of its staff will act ethically, nevertheless has safeguards in place for use in the event of alleged or actual malpractice, and to prevent corrupt practices and professional misconduct, including a Whistleblowing policy.
- 2.4 Those responsible for soliciting gifts and managing the stewardship of potential donors will conduct their work with transparency and ensure appropriate record-keeping to enable scrutiny, including internal and external audit.
- 2.5 Donors must accept and, for significant gifts (as determined by individual institutions), sign appropriate gift agreements in order to confirm that the management and governance of programmes funded through benefaction rest solely with the University. Donors of significant gifts will, of course, be offered appropriate opportunities for continuing engagement with the activities that they have funded.
- 2.6 For the avoidance of doubt, the University's standard procedures will apply with respect to recruitment, admissions, hiring, promotion, procurement, management and governance for all research, teaching, outreach, capital development, or student scholarship programmes funded by gifts.

¹ Including General Data Protection Regulation (2018), Data Protection Act (1998), Freedom of Information Act (2000), Privacy and Electronic Communications Regulations (2003) and data protection principles, Statement of Recommended Practice: Accounting for Further and Higher Education (2007), Bribery Act (2010), Charities Act (2011).

3. Due Diligence: Responsibility levels for acceptance of philanthropic gifts

3.1 The Director of Philanthropy, Alumni and Supporter Engagement has responsibility for all reasonable discoveries on gift pledges that fall below a threshold of £100,000. Where pledges are received which exceed this value, fundraising staff should escalate the decision-making as follows.

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| (a) | £100,000 to £250,000: | Deputy Chief Executive (Operations) |
| (b) | £250,000 to £500,000: | Vice-Chancellor |
| (c) | £500,000 to £1,000,000: | Vice-Chancellor, on recommendation of UEB |
| (d) | >£1,000,000,
or where the donation/
pledge involves naming
of a building or other part
of the University estate: | University Council |

3.2 Reputational risk and impact through association is a legitimate consideration in undertaking due diligence. **Any** gift pledge, regardless of value, that has a controversial dimension to it should be flagged to the Director of Philanthropy, Alumni and Supporter Engagement. If in his or her opinion this is sufficiently noteworthy, this should be reported to the Deputy Chief Executive (Operations) for further action and potential escalation to appropriate Gift Review Panel. This includes potential donors that are likely to give rise to significant public interest, or which pose complex questions with regard to acceptability. In considering such issues, the legal and reputational rights of potential donors should also be considered as part of any due diligence. Those undertaking such work must therefore draw a clear distinction between rumour/speculation and matters of confirmed fact or legal finding.

3.3 Although it is the right of a donor to seek anonymity in relation to a gift made to Lancaster University, the identity of the donor **must** be known prior to the University entering into any gift negotiation. Action to solicit a gift should be suspended until this disclosure is made and abandoned if it is not forthcoming.

4. Action in the event that an existing gift or donor is found to contravene this policy

4.1 Discovery and research do not finish with the signing of a gift agreement and it is the responsibility of the Director of Philanthropy, Alumni and Supporter Engagement and his/her team to monitor philanthropic gifts that the University has already received, and to maintain up to date research on high value donor relationships. In the event that an existing gift is found to contravene any of the principles outlined in 2.1 and 2.2 above, the Director of Philanthropy, Alumni and Supporter Engagement is to refer the matter immediately to the authority that took the original decision to accept the gift, and alert the Deputy Chief Executive (Operations), who will consider if there is merit in convening a Gift Review Panel meeting to advise him/her in relation to this.

5. Gift Review Panel

- 5.1 Where there is felt to be potential grounds for a formal review of the gift/prospective gift in question this will be referred to the Deputy Chief Executive (Operations). Where his/her judgement is that the seriousness of the issue at hand merits it, he/she may convene a Gift Review Panel to consider and advise on the issue in question. The Gift Review Panel shall consist of:
- The Deputy Chief Executive (Operations) (Chair)
 - The Director of Finance
 - The Director of External Relations
 - A representative of the Senate nominated by the Vice-Chancellor
 - A lay member of the University Council
- 5.2 When convened, the Gift Review panel's role will be to advise to the Deputy Chief Executive (Operations) in reaching a decision and way forward on the issue at hand. Three of the five members, including the first two members listed, shall constitute a quorum and the Panel will normally conduct its business electronically and/or by teleconference.
- 5.3 The Deputy Chief Executive (Operations) will consult with the Vice-Chancellor and the Director of Philanthropy, Alumni and Supporter Engagement in advance of a meeting of a Gift Review Panel and a briefing for members to consider will be produced by Philanthropy, Alumni and Supporter Engagement staff. This will include reasonable due diligence on the donor, including reputational considerations. The Director of Philanthropy, Alumni and Supporter Engagement may be asked to attend meetings of the panel.