

Donor Due Diligence Policy and Procedure

1. Introduction

The University of Northampton ('the University') accepts, holds and applies any sums of money, funds, investments or property of any kind, for furthering the aims of the University generally; for maintaining, improving and developing the facilities for the teaching of undergraduates; for postgraduate work; for research; or for any other object of the University, provided that such objects are exclusively charitable or educational.

This policy is in place to ensure that the University has a clear, comprehensive and auditable process in place to satisfy itself, within the reasonable capacity of the organisation, that philanthropic funding does not derive from any activity or individual that is illegal or runs counter to its core values.

The University therefore undertakes all reasonable measures in order to:

- ascertain the sources of donations from individuals, corporate entities, and other organisations
- ensure that such donations are made for purposes consistent with the University's ethical principles and strategic plan
- determine that no legal or reputational issues are raised by the acceptance of such donation

2. Ownership

The Clerk's Office owns this policy on behalf of the University of Northampton. Changes to the policy are subject to the approval of the Board of Governors.

3. Organisational Scope

This is a corporate policy and applies to:

- Donors and potential donors to the University of Northampton
- University employees engaged in seeking donations and in considering their acceptance

4. Assessment of the Sources of Donations

- 4.1. For any donation, the University's representatives will balance the benefits of funding against reputational risks, taking into account the legal framework and other considerations which will inform the decisions of the University Management Team
- 4.2. The University receives and administers donations on the clear understanding that the funder can have no influence over the academic freedom and independence of the University. This principle covers decisions relating to student admissions, supervision and examinations, staff recruitment, and where relevant, the conduct and agenda of research and publications of results
- 4.3. Within this context the assessment of the sources of donations will be:
 - 4.3.1. All proposed donations of £10,000 or more will be subject to due diligence. The extent of due diligence and of oversight applied will increase in line with an assessment of the risk associated with the potential donor and potential size of the donation
 - 4.3.2. All proposed donations from sources which together with prior donations received by the University of Northampton amount to between £10,000 and £100,000, as recorded on the University's database, will be subject to a basic research process and, in certain cases, a risk assessment to determine whether a more formal review is required. In some cases, no further action will be required; other cases will be referred to the University Management Team, which will decide whether the donation can proceed
 - 4.3.3. All proposed donations from sources which together with prior donations received by the University total over £100,000 as recorded on the University's database, will be subject to an enhanced due diligence review and risk assessment. Depending on the outcome of the risk assessment, the case will be passed to the University Management Team for review
- 4.4. If there is concern over the ethical implications of a potential donation, regardless of the value of the donation, the member(s) of University staff being offered the donation are responsible for bringing the matter to the attention of the University Management Team. The University

Management Team will also be responsible for bringing such matters to the attention of the University's Board of Governors

- 4.5. Consideration will also be given to the extent and timing of due diligence applied to previous donors, depending on assessment of whether the circumstances may have changed and the lapse of time from the previous donation
- 4.6. A Gift Agreement will be completed in respect of all donations to ensure that all of the relevant information is agreed upon. See Appendix 4

5. Procedure

- 5.1. The Due Diligence procedure comprises five stages:

Stage 1: Request

Stage 2: Research

Stage 3: Report

Stage 4: Recommendation

Stage 5: Authorisation

- 5.2. The value of a donation dictates the type of due diligence required. See Appendix 1 and Section 4.3 above.
- 5.3. Due diligence research will be carried out by a member of staff delegated by the University Management Team. This person will prepare either a Basic or an Enhanced Due Diligence Report, depending on the value of the donation. Appendix 2 sets out the contents of Basic or Enhanced Due Diligence reports. Due diligence research will include a Risk Assessment to assist the University Management Team in their decision making. Appendix 3 sets out guidance on risk assessment
- 5.4. Due Diligence Reports will have the following lead times:
 - Basic Due Diligence - 2 weeks
 - Enhanced Due Diligence - 3 weeks
- 5.5. Once a Due Diligence Report is completed, it will be reviewed by the University Management Team. The University Management Team may accept or reject the recommendations of the Due Diligence Report, or request a more detailed Due Diligence Report
- 5.6. Due Diligence Reports will be stored securely as part of the papers of the University Management Team, and may only be shared with individuals within the University of Northampton, unless the donor in question submits a subject access request

- 5.7. Due Diligence Reports will be held and managed in accordance with the provisions of the General Data Protection Regulation 2018 (GDPR). These documents may only be shared using secure means
- 5.8. Should an individual who is the subject of a Due Diligence Report wish to submit a Subject Access Request, information contained in the Due Diligence Report will be disclosed to them, and they will be given the opportunity to challenge the accuracy of the information contained therein, including the right to erasure of such information if appropriate

6. Related Policies and Other Documents

- Donor Relations and Acceptance of Donations Policy and Procedure
- Naming of University Assets by Donation Policy and Procedure
- Policy and Procedure on Conflicts of Interest
- Code of Conduct for Staff
- Code of Conduct for Governors, External Committee Members, University Officers and Senior Post Holders
- Anti-Bribery, Fraud and Corruption Policy and Procedure
- [Transforming Lives and Inspiring Change – the University's Strategic Plan](#)
- [The Seven Principles of Public Life](#)
- [Charity Commission Compliance Toolkit Chapter 2: Due diligence, monitoring and verifying the end use of charitable funds](#)

7. Approval Process

This policy and procedure is subject to the approval of the University Management Team and will be reviewed by them every three years.

8. Version Control

Version Control		Approval record	
Author:	Advancement Team	Approval:	UMT, 13/08/2019
Date written:	June 2019	Updates:	
Current status:	Approved and Final		
Record of Amendments			
Date	Details of Change		Approval

Appendix 1: Donor Due Diligence Triggers and Authorising Authority

Agreed Gift Amount	Level of Due Diligence	Authorising Authority	Gift Agreement Signed by
£100,000+	Enhanced Report	UMT	VC
£10,000+	Basic Report	UMT	VC
Under £10,000	None (unless requested)	Line manager of the staff member in receipt of the donation	Member of staff delegated by UMT

Appendix 2: Contents of Due Diligence Reports

A **Basic** Report will provide the following information:

- Identification of potential donor/donor
- Brief background information on potential donor/donor
- Any issues with reputational risks which can be uncovered through an electronic search of the potential donor's/donor's name (and aliases, pseudonyms etc.)
- Conclusion and, if appropriate, recommendation by the author on whether to approve the approach/donation

An **Enhanced** Report will contain the following information:

- Everything covered in a Basic Report
- Any potential influence on/involvement in the University and/or academic decision-making and activities
- Fuller statement of potential donor's financial and legal background, including any links to activities which may risk reputational damage to the University
- Fuller statement of any media coverage which may risk reputational damage to the University
- Nature of any previous or current relationships between the potential donor and the University

Appendix 3: Risk Assessment Scoring

Risk Rating: Low, Score: 1

Reasons:

Minor rumour/speculation/protest at behaviour by the proposed individual or organisational donor, considered by some to be unethical (but legal)

Risk Rating: Medium, Score: 2

Reasons:

Significant rumour/speculation/protest at behaviour by the proposed individual or organisational donor, which is considered by some to be unethical (but legal). Allegations of illegal or unethical activity by an individual or organisation which is not the direct source of funding, but is nonetheless closely associated with that source

Risk Rating: High, Score: 3

Reasons:

Unproven allegations or rumour/speculation of illegal activity by the proposed donor, where the illegal activity relates directly to the source of funding for the donation, or can be reasonably assumed to be a significant underlying source of funding for the donation. Proven (in court of law) allegations of illegal activity by a proposed individual or organisation which is not directly connected to the source of funding, but is nonetheless closely associated with that source

Scoring System

Scores of 0-3 are possible

The risk score will be increased by one point where there are concerns over a threat to academic independence or another potential conflict of interest between the source of the funding and the proposed purpose of the donation.

A score of 0 will be allocated where there is no known current risk.

Appendix 4: Gift Agreement Form

The University of Northampton

Gift Agreement

This Gift Agreement is made between.....
(hereinafter referred to as the 'donor') and The University of Northampton, an educational institution (hereinafter referred to as the 'University'). The donor and the University agree as follows:

1. Gift

The donor gifts to the University

2. Purpose

It is the donor's intention that the gift be used for

.....
.....

The gift will be administered in accordance with the University's financial regulations.

3. Recognition by the University

Unless the donor requests their donation to be anonymous, The University may publicise the gift in the form of news announcements, both internal and external, only with the explicit permission of the donor. The University's Donor Relations Policy outlines the University's commitment to sustaining a long-term and meaningful relationship with the donor in recognition of and gratitude for their support. In any public acknowledgement the donor's name shall be given as:

4. Gift Aid

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I would like to Gift Aid the enclosed donation and any donations I make in the future or have made in the past 4 years to the University of Northampton. I am a UK taxpayer and understand that if I pay less Income Tax and/or Capital Gains Tax than the amount of Gift Aid claimed on all my donations in that tax year it is my responsibility to pay any difference.

Yes/no

I would prefer to not gift aid this donation

Yes/no

5. Your details (Donor)

Signature:

Name:

Date:

Address:

Email:

6. University representative

Signature:

Name:

Position:

Date