

# George Heriot's School

## Gift Acceptance Policy

### **1. Scope**

This policy sets out:

- the principles that George Heriot's Trust ("the Trust"), the trust that governs George Heriot's School ("the School"), will follow when seeking and accepting gifts from individuals, charitable trusts and corporate bodies, and
- the commitments that it makes to donors and prospective donors.

### **2. Regulatory Context and Reputational Factors**

George Heriot's School is governed by George Heriot's Trust, Scottish Charity Number SC011463. Accordingly, it is subject to charity law in Scotland and to regulation by the Office of the Scottish Charity Regulator (OSCR). While the School's Development Office will be the key driver in seeking philanthropic support, the Governors are ultimately responsible for operations of the charity and therefore the acceptance and refusal of gifts.

Donations must be freely given with no expectation of anything in return other than due thanks and recognition. The Governors are pleased to accept lawful donations which are given in good faith and which are compatible with the School's aims, values and strategic objectives. The Governors do not accept donations when a condition of acceptance would compromise its autonomy, integrity or reputation or where it could lead to the withholding of future donations from other sources.

The UK Bribery Act 2010 requires the Trust to ensure, through due diligence and risk controls, that the receipt of a gift is not in relation to some inappropriate advantage that might be afforded to the donor, such as the award of a contract or offer of a school place for a close relative. Furthermore, the Criminal Finances Act 2017 outlines the Corporate Criminal Offence of failing to prevent the facilitation of tax evasion. The Trust will take steps to mitigate this risk by continuing to ensure it receives appropriate documentation for all philanthropic contributions received in accordance with our anti-money laundering procedures. In turn the Development Office will only provide receipts to donors based on the specific contribution made with full transparency in all paperwork about the nature of the transaction and any conditions or benefits relating to a payment.

It is important both for donors and the Trust that the reputations of all parties be wholly protected from any real or perceived impropriety in the relationship that is established through the offer and receipt of a gift.

In particular, it is vital that the integrity of George Heriot's School's Admissions Procedures be free from compromise or influence, including the perception thereof. The freedom to admit pupils based solely on academic ability and attitude to learning is integral to George Heriot's School's long-established values. This must be part of the shared vision of the Trust and its supporters. The support provided by donors has frequently been valuable to facilitate admission for pupils whose own financial circumstances precludes them from a Heriot's education, but in so doing it is important to maintain an appropriate separation between the receipt of a gift supporting pupils and

the privacy of the pupils themselves. The Development Office plays a significant and effective role in ensuring that an appropriate degree of separation exists, while still providing donors with access to regular information about the activities that they have supported.

### ***3. General Principles and Procedures for Gift Acceptance***

The following principles and procedures apply to all kinds and sizes of gifts.

3.1 The Development Office will co-ordinate the search for philanthropic support from a range of sources, routinely receiving, recording and allocating gifts on behalf of the Trust

3.2 Academic or support staff should not directly receive donations unless previously agreed with the Development Office. The Trust must prevent any real or perceived influence upon teaching processes, including (in the case of gifts from family members) upon individual pupil outcomes.

3.3 The Development Office will take all reasonable steps to establish the source of gifts and will undertake due diligence to ensure gifts are for purposes matching the Trust's mission and that no legal or reputational issues are raised by their acceptance, including offences under the Criminal Finances Act. Accordingly: -

3.3.1 if a gift is offered anonymously, the Development Office will seek relevant information from the donor's representatives to ensure it is appropriate for the Trust to accept the gift; and

3.3.2 where gifts arrive with no paperwork and it is impossible to trace the donor or return the gifts, the funds will be retained and credited to the Foundation, supporting children who have lost a parent.

3.4 School staff must disclose immediately to the Director of External Relations any actual or apparent conflict of interest a gift may pose. This includes concerns relating to a potential breach of the Criminal Finances Act relating to the provision of philanthropic gift receipts.

3.5 The Trust recognises that perceptions of what is acceptable and factors affecting reputations change over time. In its acceptance of gifts, the Trust will act in good faith according to the prevailing standards at the time of receipt.

3.6 The Development Office will maintain records of every gift and donor on an electronic database. This will include gift value (or nature if not monetary) and relevant information including fund designation, naming rights etc.

3.7 The Development Office will reconcile funds received with the database records monthly.

3.8 The Development Office will maintain appropriate records to enable claims to be made under the UK Gift Aid scheme.

3.9 A donor's right to remain anonymous from external recognition will be respected but full details of them and their gift will be recorded on the database.

3.10 Where conditions are attached to the offer of a gift, other than designating use for a specific project for which fundraising is taking place, the Development Office will discuss with the donor any

issues of concern in relation to those conditions so that an agreement can be reached by all parties prior to the Trust's acceptance of the gift. The Trust will not normally accept a gift before ensuring that any attached conditions are appropriate, documented and can be reasonably met by the Trust.

3.11 Unrestricted gifts will be allocated to the Foundation.

3.12 Donors will receive appropriate acknowledgement of their gifts and assurance that their gifts will be used for the purposes for which they are given. For the avoidance of doubt, the Development Office will not accept a gift or provide a receipt where a donor requests documentation which doesn't reflect the full nature of the transaction.

3.13 Donors of unrestricted gifts will be informed of the allocation of their gift by letter. On-going communications regarding the use of their gift will be made where appropriate.

3.14 Where a gift is given to create a Bursary Fund, the donor will be informed when a pupil benefits from their fund. However, no details of the receiving pupil will be disclosed to the donor.

#### **4 Gifts up to £5,000**

4.1 Gifts up to £5,000 will normally be accepted by the Development Office without further investigation if they:

- i. are given without conditions in support of an existing fundraising project or fund;
- ii. are received from donors already known or already on the Development database; or
- iii. are received from new donors who are not donating anonymously.

4.2 In other cases, the Director of External Relations will judge whether to accept the gift, conduct a more extensive process of due diligence or liaise with the donor or donors representatives regarding any concerns.

#### **5 Gifts over £5,000**

The following applies where a gift of £5,000 or more is pledged or received, or where gifts cumulatively total over £5000 from a single donor in a 12-month period.

5.1 All such gifts will be made known to the Director of External Relations on their offer or receipt, which will initiate an appropriate process of due diligence and assign a named contact within the Development Team.

5.2 To manage the balance between the need to know and the right to privacy, in its due diligence investigation the Development Office will typically focus on reviewing and noting only information that is relevant to the funds or donor and that is in the public domain.

5.3 If the donor is a corporate or charitable body that is legally permitted to operate in the UK, then the source of funding will not normally be contested. The Development Office relies on the UK charity regulators and Companies House for information and would not normally seek (or be in a position) to conduct an independent investigation of funding sources.

5.4 Donors offering pledges valued at over £5,000 will be asked to complete a gift agreement that outlines the details of the gift, the project to be supported (if designated), a pledge payment schedule and naming rights (if applicable). The agreement will be signed by the donor and (on behalf of the Trust) by the Director of External Relations. Oral pledges are not officially logged until confirmed in writing.

5.5 In any cases of concern, and for gifts in excess of £50,000, the Director of External Relations will normally seek additional guidance from the Bursar and the Governors' Development Committee after completing the process of due diligence. At any time, they may also seek legal or other advice that will enable them to reach a decision regarding the acceptance of a gift and its conditions.

## ***6 Return of Gifts***

6.1 Gifts made to the Trust won't normally be returned to the donor unless repayment is required by law or by the Trust's policies. Further information is available in our Individuals in Vulnerable Circumstances Policy regarding invalid gifts which will be returned to the donor.

6.2 In cases where a gift with a formal restrictions has been received by the Trust in good faith but where circumstances have changed so that the original purposes of the gift cannot be fulfilled in whole or in part, then the Trust will normally seek to use the funds in a way that closely corresponds to the original objectives of the donor, with the approval of the donor or the donor's representative.

6.3 Gifts that are paid in error by the donor, the donor's bank or by bank overpayments, will be refunded to the donor.

## ***7 Administration of Gifts of Non-Monetary Assets***

7.1 Legacies/bequests - The Trust can accept legacies and bequests made by individuals in their wills, where either all or part of their estate is set aside for the benefit of George Heriot's School.

7.1.1 The Trust will work closely with donors to establish the terms on which any such gifts, and any income deriving from such gifts during the donor's lifetime (if applicable), are held.

7.2 Shares, Real Estate, Articles of Value – The Trust can accept transfers of shares, an outright gift of an unencumbered property, and gifts of jewellery, artwork, books, antiques or collections.

7.2.1 Any legal expenses, valuation costs or transport charges pertaining to the transfer of such items to the Trust will normally be the responsibility of the donor or executor.

7.2.2 Unless otherwise agreed with the donor, the Trust reserves the right to dispose of shares or property at a time to be decided by the Trust.

7.2.3 Unless otherwise agreed with the donor, articles of value or collections are accepted on the understanding that the Trust would have full authority to use, lend, exhibit, donate or sell the property.

7.3 The Trust wishes to ensure that gifts which it receives can be used in a manner that is both appropriate to George Heriot's School and reflects the objectives of the donor. Certain types of gifts may only be accepted following advice and approval from the Principal. This will be co-ordinated by the Development Office. For example, acceptance of donations of books or artefacts (often through bequests) will be subject, among other things, to available space, appropriate storage conditions,

resources for cataloguing and displaying of items and relevance of the subject matter. Donations of equipment to the Trust will be subject to similar constraints and considerations such as agreement as to the transportation of items.

### ***8 Gifts offered directly to teaching departments***

In some cases individual teachers and departments have strong relationships with donors, and it is important to encourage the contact between donors and the staff who are leading areas in which donors have an interest.

8.1 For the reasons outlined in this policy, it is important that the actual administration of gifts and the process of due diligence are conducted by the Development Office.

8.2 The Development Office will work with staff and departments to co-ordinate fundraising, facilitate contacts, conduct due diligence and ensure that all gifts are received and recorded in a consistent and appropriate manner.

8.3 Heads of Department should ensure that the Development Office is consulted prior to any member of their department soliciting or receiving gifts.

8.4 Members of staff receiving a gift must record basic details of the gift; amount, date received, format (cash/cheque) and of the donor; name, address, contact information. This information should be passed to the Development Office

8.5 All philanthropic gifts offered to or received by a department must immediately be reported to the Development Office, along with any relevant information recorded.

### ***9 Corporate Sponsorships***

Philanthropic gifts are kept distinct in terms of reporting from corporate sponsorship. All sponsorship proposals must be discussed with the Director of External Relations prior to final agreement. No philanthropic gift receipts will be provided for sponsorship where a benefit or service was provided and all documentation for these types of contributions will be clearly worded to outline the full nature of the transaction and all associated benefits and services.

### ***10 Donors' Benefits***

10.1 In addition to expressing its appreciation and keeping donors informed about projects that they support, the Trust may also offer donors invitations to events or small gifts of appreciation.

10.2 Where Gift Aid is to be claimed on a donation, all benefits afforded to the donor must comply with existing HM Revenue & Customs rules and relevant legislations.

### ***11 Rights of Donors and Prospective Donors***

11.1 The Trust is committed to its donors and remains dedicated to treating all supporters with the highest level of care and respect. Accordingly, it adheres to the Fundraising Code of Practice, and has published its Fundraising Guarantee on the School website.

11.2 The Trust also adheres to a Individuals in Vulnerable Circumstances Policy, outlining a commitment to fundraising responsibly when dealing with people in vulnerable circumstances.

### ***12 Complaints Procedure***

The Trust will seek the opportunity to set right anything a donor or prospective donor feels has been done wrongly and will to discuss and resolve such issues in accordance with the School's Fundraising Complaints Policy.