

## POLICY ON PHILANTHROPIC FUNDING

<b>Policy Category:</b>	Financial
<b>Subject:</b>	Principles, definitions and responsibility for philanthropic funding
<b>Approving Authority:</b>	University Executive
<b>Responsible Officer:</b>	President & Principal
<b>Responsible Office:</b>	Fundraising & Supporter Development
<b>Related Procedures:</b>	Procedures Regarding Philanthropic Fundraising
<b>Related College Policies:</b>	<a href="#">Financial Regulations</a> <a href="#">Ethical Investment Policy</a> <a href="#">Modern Slavery Act Transparency Statement</a> <a href="#">Policy on Acceptance of Donations</a>
<b>Effective Date:</b>	September 2021
<b>Supersedes:</b>	New
<b>Next Review:</b>	September 2022

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### I. Purpose & Scope

The purpose of this policy and its related procedures is to provide the full definition of philanthropic funding, the requirements for determining whether funding can be considered philanthropic, and the rules of eligible and ineligible sources of philanthropic funding.

When considering whether income can be counted as philanthropic funding, King's follows the HEI sector's best practice by defining philanthropic funding according to the definitions prescribed by the CASE-Ross Support of Education Survey *Supporting Document*. The CASE-Ross Survey is the annual survey on philanthropic giving to Higher Education: [CASE-Ross Support of Education Survey, United Kingdom and Ireland | CASE](#). The survey is undertaken annually and therefore this policy has been given an annual review date.

University philanthropic funding is also governed by:

[Charities Act 2016](#)  
[Office for Students – Regulatory Advice 5: Exempt Charities](#)  
[The Code of Fundraising Practice](#)

This policy applies to all university staff who are involved in any activity relating to fundraising. It is essential that fundraising is coordinated across the university to ensure that the appropriate administrative, financial, regulatory and legal requirements are adhered to, and that funding is channelled through the right department and managed accordingly. [Fundraising and Supporter Development](#) should be made immediately aware of all gifts and donations to ensure:

- They can be recorded and reported on in line with the relevant internal and external regulatory compliance
- Appropriate costing and any eligible funding can be applied
- Appropriate donor management and stewardship can be activated to maximise the benefit of the donation and the donor to the University immediately, and in future years
- The university's reputation is protected

## II. Definitions

### 1.1 Definition of philanthropic funds

The definition of philanthropic funds focuses on the **'source'** of the income and the **'intent'** behind it. Gifts or donations will **only** be counted as philanthropic funds if they meet **both** of the following criteria:

- The **'source'** of the funds is **eligible AND**
- The **nature of the gift** meets the CASE-Ross Survey's definition of philanthropic **'intent'**

### 1.2 Definition of philanthropic Intent

The CASE-Ross Survey's definition of philanthropic **'intent'** for income to be considered a philanthropic gift is:

*"All giving which does not confer full or partial ownership of a deliverable, financial benefit, or control to the funder in return for funding. The gift must be 'owned' in full by the receiving Institution, once it is received."*<sup>1</sup>

### 1.3 Definition of source

If income 'qualifies' as philanthropic under the definition of 'intent', and **no exclusion** criteria as defined by the CASE-Ross survey apply, King's will follow the CASE-Ross survey guidelines to determine whether the income comes from a 'source' which is 'eligible' to be deemed philanthropic.

### 1.4 Definition of a Gift vs. a Grant

A donation is a transfer of money in the form of a gift. For clarification, a donation is not the same as a grant:

1.4.1 A **gift** is a voluntary transfer of money by a donor, made with philanthropic intent. After receipt, the gift must be owned in full by the receiving institution, and the recipient institution must retain complete ownership of any resultant work or project. The donor may not retain any explicit or implicit control over a gift after acceptance by an institution.

1.4.2 A **grant** is a financial assistance mechanism a sponsor uses to award funds for specific purposes. For example, to fund students or to fund a specific piece of research activity or project. The responsibility for the performance of the activity/project rests primarily with the grant recipient, who commits resources to fulfil expectations of the sponsor under specified constraints.

1.4.3 No single indicator by itself can distinguish a **gift** from a **sponsored project ("grant" or "award")**.

The factors that should be considered and normally indicative of a gift are:

- a. Use of the funds is directly related to the university's mission.
- b. The donor receives no commercial value, or only nominal value in exchange for the support provided.
- c. The recipient of the donation determines and retains ownership of the work, property, research and any intellectual property arising.

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<sup>1</sup> CASE-Ross Group Support of Education Survey, UK and Ireland, 2021 [Supporting Document \(section A.2.2\) Definition of Philanthropic Intent](#)

### III. Policy

#### 1. *Responsibilities*

- 1.1 As a leading research university, King's receives a considerable amount of investment due to the vast range of research it undertakes, and so that it is also able to provide support for students.
- 1.2 [Fundraising and Supporter Development](#) is responsible for coordinating and reporting on all philanthropic fundraising across the university. This function is essential to the university's strategy to increase philanthropic giving to the university to create a sustainable and growing fundraising culture to support the university's mission.
- 1.3 Fundraising and Supporter Development is responsible for maintaining and providing the definition to help inform whether funding should be determined as philanthropic in collaboration with Finance.
- 1.4 The university is firmly committed to the delivery of the ambitions set out in Vision 2029. [Fundraising and Supporter Development](#) will support this mission by inspiring and mobilising local and global communities to work with King's to create change. This will be done by engaging with staff, students, alumni, and philanthropists, to articulate how as one of the world's greatest universities, King's has strong foundations on which to build its ambitious vision for the future.

#### 2. *Use of Philanthropic Funds*

- 2.1 Philanthropic funds can be used to support buildings and land, staff appointments, equipment and other assets, scholarships and bursaries, endowment of academic activities, core funding of academic activities, and in *some limited* circumstances, funding of research programmes. However, **none of the exclusion criteria**<sup>2</sup> in the CASE-Ross survey must apply, irrespective of the activity funded.
- 2.2 Funding for buildings, land and equipment will usually be considered philanthropic, as long as the facilities funded remain the property of the university.
- 2.3 Funding for scholarships and bursaries will usually be considered philanthropic, as long as the student recipient is not required to undertake specific activities that result in economic benefit to the funder, e.g., research projects or work placements etc; in which case none of the funding can be counted as philanthropic.
- 2.4 Funded staff appointments may be philanthropic, but if an agreement states that the member of staff will allocate time to specific activities, which would not meet the definition of philanthropic '**intent**' including any of the **exclusion criteria** in the CASE-Ross Survey, then none of the funding can be counted as philanthropic.

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<sup>2</sup> CASE-Ross Support of Education Survey, UK and Ireland, 2021 [Supporting Document \(section A.2.2.1\) Exclusions from Philanthropic Intent](#)

**3. Gift Aid and Eligibility**

- 3.1 Gift Aid is only eligible on gifts made by individuals.
- 3.2 Claimed Gift Aid against donations, does not by default follow the original destination of the gift and is allocated to general funds. Donors do have the right to request that their claimed Gift Aid follows the gift and can specify this.
- 3.3 All Gift Aid reclaims for the university should be made by Fundraising and Supporter Development.

**4. Reporting**

Fundraising & Supporter Development will report at least annually to Council through the President & Principal.

**5. Review**

This policy and its associated procedures are reviewed on an annual basis.