

## DONATIONS ACCEPTANCE – MANAGERIAL POLICY

<b>Approval Authority:</b>	Audit & Risk Committee Chief Executive Officer
<b>Designated Officer:</b>	Chief Executive Officer
<b>Developed:</b>	9 August 2016
<b>Policy Review:</b>	1 December 2016

### 1. Corporate Donations Policy

- 1.1 The Asthma and Respiratory Foundation NZ (the Foundation) is not funded by government. We therefore, rely on donations, bequests and partnerships to do our work.
- 1.2 The donations allow the Foundation to achieve its strategic objectives/goals to ensure those living with respiratory illness in our community live better lives
- 1.3 Independence; It's important that as an organisation we maintain our independence and that we preserve our organisations integrity.
- 1.4 Therefore, we have established this policy, which sets out the guidelines on when, and under what circumstances, we accept donations.

### 2. Implementation of this Policy

- 2.1 The Chief Executive of the Foundation is responsible for implementation of this Policy.
- 2.2 The Audit and Risk Committee, on the recommendations of the Chief Executive, will be responsible for the review, acceptance or refusal of gifts to the Foundation. The Audit and Risk Committee and the Chief Executive may also consult more widely for advice on the implications of accepting a specific gift.
- 2.3 The Chief Executive will act conservatively when implementing this policy and will consult with the Audit and Risk Committee, or if necessary the Board, if (s)he has reasonable cause to believe that there is a risk to the reputation or future fundraising of the Foundation, through the acceptance of any donation.
- 2.4 This Policy is intended to ensure that the Foundation is independent from outside influences in the pursuit of its mission, and to manage any reputational risks. This policy does not require the Foundation to conduct an independent investigation or conduct exhaustive research of every corporation that provides a financial donation to it.
- 2.5 The Chief Executive is responsible for ensuring that staff are aware of their responsibilities under this policy in relation to the solicitation and management of donations to the Foundation.

### **3. Source of Donations**

- 3.1 Core to the acceptance of gifts is the maintenance of the Foundation's independence and reputation. The Foundation will not accept donations from any entity where an association with that entity would, in the judgement of the Foundation, damage the reputation of the Foundation.
- 3.2 Specifically, the Foundation will not accept a donation from any corporate entity that:
- is engaged in any activities that are in direct conflict with the goals or activities of the Foundation;
  - is involved in litigation with the Foundation or any of the Foundation's partners;
  - is a potential beneficiary of advocacy measure the Foundation is promoting;
  - has a direct interest in the import, export, manufacture, sale or promotion of tobacco products; or
  - is involved in the sale or manufacturing of products or services that are known or suspected to increase the risk of asthma or other respiratory diseases.
- 3.3 The Foundation will not accept donations that require it to provide any valuable consideration to the donor or anyone designated by the donor, such as employment in the Foundation.
- 3.4 The Foundation will not accept gifts that would involve a lawful discrimination.
- 3.5 The Foundation otherwise reserves the right to refuse any donation;
- 3.5.1 Where a donation might be subject to the purchase of equipment, it should be made clear to the donor that the Foundation's usual procurement and due diligences processes relating to purchase of equipment prevail
- 3.5.2 In rare circumstances, the Foundation may deem necessary to refund gifts because it is in the best interest of the Foundation or because the conditions agreed to in accepting a gift cannot, or will not be met.
- 3.5.3 With the exception of the tobacco industry, the Foundation does not publish a list of industries or corporations whose objectives or activities are in conflict with its vision, missions and values, and the Foundation recognises the need to examine each donor or prospective donor on a case by case basis.
- 3.5.4 Scrutiny of donors is generally applied only to the first donation from any source, except when there is reason to believe that there is a change in the status of the donor. However, where the Foundation has an ongoing relationship with a corporate donor, the scrutiny processes will be repeated every two years.

### **4. Management of Donations**

- 4.1 The Foundation recognises two categories of donations:

- Donations given for a specific purpose; and
  - Untagged (unconditional) donations
- 4.2 Where donations are provided for a specific purpose, the Foundation will usually have requested the funding for that purpose and will diligently ensure that all funds are expended as agreed, and will meet all agreed reporting expectations. Where the funds have been unsolicited, the Foundation will only accept the funds provided the donor, and the conditions of acceptance, are consistent with this policy.
- 4.3 Notwithstanding the above, while a donor may place some restrictions on the use of a proposed gift, the donor will maintain no influence over the money or property once transferred to the Foundation.
- 4.4 Some gifts may not be kept by the Foundation in the form in which they are donated, for example, shares may be sold as soon as they are received by the Foundation. In such instances, this should be communicated to the donor before the donation is made.
- 4.5 The Foundation encourages donors to seek legal and tax advice before making a gift. The Foundation is not able to provide such advice to donors. The Foundation will inform the donor of circumstances which require the Foundation to use legal counsel to assist with a gift, for example, to view transactions with potential conflicts of interest or to assess any tax or other legal implications in accepting a gift.
- 4.6 Donations given unconditionally will be applied by the Foundation for its core purposes, consistent with its Charitable Trust Deed, its Strategic Plan and the priorities of the Foundation at that time.
- 4.7 All funds will be expended in accordance with the Charities Act 2005.

## 5. Types of Donations

- 5.1 The Foundation accepts a range of donations. These may include outright gifts, pledges, bequests and endowments.
- 5.2 Outright gifts: Gifts may take various forms:

### 5.2.1 Cash and cash equivalents

These gifts may take the form of currency, cheque, or credit card contribution. Cash gifts are important as at the date the gift is received by the Foundation. If a cash gift is transferred electronically, the date the funds are transferred into the Foundation's bank account will be reported as the receipt date of the gift.

### 5.2.2 Shares

The value of shares is determined on the recognised gift date which is established when the donor relinquishes control of the shares.

### 5.2.3 Real Estate

Real estate may include improved or unimproved land, personal residence or residences, commercial property, rental property or rural land. If it is the intention of the donor that the Foundation not immediately dispose of the real estate an agreement between the

Foundation and the donor must be in place before the Foundation may accept such a property. A gift of real estate must be settled in accordance with, and meet, all national laws and local plans and bylaws, and the donor must provide satisfactory evidence of compliance with all such legal requirements.

#### **5.2.4 In kind**

The Foundation may accept gifts of personal property including, but not limited to, works of art, furniture, rare books, manuscripts, or any other script that is determined as being of value. The Foundation may sell or otherwise dispose of all gifts in kind unless the item can be used by the Foundation to support its mission. The Foundation's intention at the time of acceptance of the gift to either resell or use the gift, in kind, is to be communicated to the donor in writing.

5.3 **Pledges:** Pledges are commitments to give a specific dollar amount according to a fixed time schedule. All pledges or changes to a pledge must be made in writing.

5.4 **Bequests:** A charitable bequest invites the donor's transfer of money or property to the Foundation at the donor's death through either the donor's will or trust.

## **6. Acknowledgement of Donations**

6.1 Stewardship or the reporting to donors on the impact of their gift is a vitally important part of the responsibility in accepting a gift. Timely acknowledgements will be sent to all donors and where appropriate, special recognition of certain gifts will be given. This acknowledgement demonstrates the Foundation's commitment to maintaining long-term donor relations and thereby maximising support to the Foundation.

6.2 The Foundation will maintain a register of donations on its website for all donations over \$1,000 in value. This register will list:

- The name of the donor (or the moniker 'individual' for any private donors);
- The sum provided;
- The financial year in which the funds have been provided; and
- Whether the funding is tagged (and if so a broad statement of what the funding has been provided for), or if not, a statement that the funds have been provided without conditions.

6.3 The Foundation will allow publicity of the source of funds in association with any events, services or products only to the extent agreed with donors for donations that have been tagged to those events, services or products. Donors that have provided funding on an untagged basis will be recognised on the website as described above and otherwise from time to time at the sole discretion of the Foundation.

6.4 Certain gifts may be acknowledged with a naming opportunity, provided this is otherwise consistent with this policy.