



Astrea Academy Trust
INSPIRING BEYOND MEASURE

Donations Policy 2022-25

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| Date | September 2022 |
| Written by | Head of Fundraising |
| Adopted by Trustees | September 2022 |
| Review Date | June 2025, for implementation from September 2025 |

1. INTRODUCTION

- 1.1. This policy and procedure framework for the acceptance and management of donations to the Astrea Academy Trust has been drawn up to be consistent with the requirements laid out in the Academies Financial Handbook.
- 1.2. The Trust shall have due regard to the provisions of the Code of Fundraising Practice, published by the Fundraising Regulator.
- 1.3. Trustees, being accountable for the charitable objects of the Trust, shall pay due regard to the guidance of the Charity Commission (“Charity fundraising: a guide to trustee duties”, Nov 2016, as updated from time to time).
- 1.4. Donations may be in the form of cash, goods or services. They may be given with or without conditions.
- 1.5. “Donation” means a contribution that is voluntarily transferred by one person to another without compensation or benefit flowing from the giver to the receiver. Generally, donations are irrevocable and, beyond a possible designation of use, the donor does not impose contractual requirements or subsequent reports as a condition of the donation. The term donation in this policy includes sponsorship.

2. PURPOSE

- 2.1. The purpose of this policy is to clarify the process for acceptance and accounting for donations.

3. POLICY STATEMENT

- 3.1. The Trust supports the solicitation for, and acceptance of, external donations and sponsorship that promote the objects of the Trust.
- 3.2. Donations and sponsorship are accepted free of obligation to the donor. If restricted donations do apply these will need to be specified prior to Trust acceptance and these could be areas which donations are for specific areas for example computers, books, outdoor play areas and so forth. (see section 10)
- 3.3. Donations will be accounted for so that their receipt and subsequent expenditure or transfer to other funds can be readily identified and reported.
- 3.4. The Trust will also differentiate between ‘School-level’ and ‘Trust-level’ fundraising, such that donations received by an individual school will ordinarily remain with that school without prejudice to its usual share of publicly-funded income.

4. PROCEDURE

Accepting and processing donations

- 4.1. Trustees of Astrea Academy trust delegate the scrutiny of accepting donations to the Head of Fundraising, who will determine whether the donation is consistent with the Trust's Objects as defined in its Articles of Association. In consultation with the EDF any issues arising will then be discussed with the Trustees (see appendix) All donations must be added onto the database, whether this is in kind, pro bono or financial support. For School led fundraising if the financial gifts are the proceeds of a larger event that the School has undertaken, for instance a bake sale, summer fair then the event and cumulative amount raised should be added onto the database.
- 4.2. For donations of £5,000 or more in one School year from one source, the Head of Fundraising will consult the EDF who will then, if appropriate, consult with the CEO and nominated Trustee, being the Chair of the Finance and Budget Committee, who will then refer to the Board of Trustees if necessary.
- 4.3. Per Article 105 of the Trust's Articles of Association in respect of the Board of Trustees' powers of delegation, it is envisaged that an individual Trustee will have responsibility for the approval above. Exercise of this approval will be reported to Trustees at the next meeting of the Board or relevant committee.
- 4.4. All donations will be accompanied by a donation form and added to the database (see appendix) for audit purposes. The donation form will capture all necessary information including reason for the gift.
- 4.5. For the avoidance of doubt, the provisions of section 4.4 do not generally apply to purchases from the School/Trust (e.g. entrants into a raffle etc.).
- 4.6. Discounts and reduction of costs of services cannot be treated as charitable donations but must be shown as a reduction of costs. However, support of this nature will be recorded on the database and an appropriate thank you will be given.
- 4.7. Individual donations will be recorded centrally by the Trust, if received directly to the Head of Fundraising. Individual donations received by a School will be added onto the database by the SBM onto the database. This will form the basis of a database entry or update if from an existing donor. This would include meeting notes, contacts details, amount donated, etc. in accordance with Data Protection Law, earmarking accordingly the purpose the gift was given for instance, towards a new playground.

- 4.8. The Trust's accounting procedures must clearly identify receipt of all donations. The School/Trust must also differentiate between donations and discounted purchases given with conditions.
- 4.9. All donations whether monetary or a Gift in Kind will be processed and thanked in within 72 hours, this will be done at source.
- 4.10. Contact preferences will be taken and recorded at the time of the donation as a matter of due course and recorded on the database.

5. Refusing donations

- 5.1. An offer of a donation will be declined if one or more of the following conditions exist:
- The donation has conditions attached that are inconsistent with the Trust's Objects, including any inconsistency with the Trust's political neutrality;
 - The donation has conditions attached that are inconsistent with procurement best practice or legislation;
 - The donation has conditions attached that are inconsistent with the principle that a donation is a contribution that is voluntarily transferred by one person to another without compensation or benefit flowing from the giver to the receiver;

The source of the donation or its intended purpose are inconsistent with the characteristics of a school as laid out in the Trust's or Academy's Funding Agreement or are likely, in the view of the CEO or Trustees, to draw adverse publicity for the school or Trust or bring it into disrepute. This decision of declining donations is recommended by the nominated Trustee for Fundraising to the Trust Board. The nominated Fundraising Trustee or the Chief Finance Officer would then liaise with the Head of Fundraising to inform the donor if the decision was made to return a donation.

6. Returning donations

- 6.1. A donation will only be returned under exceptional circumstances and at the discretion of Trustees of Astrea Academy Trust:
- If the terms and conditions of the gift provide for it to be returned in particular circumstances; or
 - where the law specifically provides for the gift to be returned in particular circumstances; or
 - by way of an "ex gratia payment" (a payment made in the result of a compelling moral, but not legal, obligation) This type of donation return will only be permitted where the charity has received an order from the Charity Commission for England and Wales.

- 6.2. Depending on the circumstances (e.g. the terms of the donation and how the funds were raised) there may be restrictions on whether a donation can be returned. In this case the Trustees will apply to the Charity Commission for an order authorising the charity to refuse a donation. The nominated Fundraising Trustee or the Chief Finance Officer would then inform the donor if the decision was made to return a donation.

7. DUE DILIGENCE

- 7.1. As covered in section 4.2 for donations of £5,000 or more in one School year from one source, the Head of Fundraising will consult with the Chief Finance Officer if there are any concerns. Any concerns will then be addressed to the CEO and nominated Trustee.
- 7.2. Before approaches for financial or gift in kind over £5,000 or partnerships are made to potential supporters' due diligence will be undertaken on both financial and reputable dealings of potential major donors (this includes, but is not exhausted to individuals, companies and trusts.)
- 7.3. Prior to entering into any contractual arrangements with any third party organisations (i.e. fundraising design agencies, database providers, etc.) full due diligence will be undertaken including but not limited to; credit checks, taking up references, judgement on solvency and identifying any long term risk.
- 7.4. If giving gifts to a supporter, the Trust must ensure that any benefits are appropriate for the organisation to be giving and proportionate to the size of the donation received. Note that some benefits may cause Gift Aid relief to be lost and others may be subject to the tainted donations rules as defined by the Charity Tax Group guidance.
- 7.5. Trustees must be aware of the Proceeds of Crime Act 2002 and that it applies to money or other property that has been obtained through conduct that is criminal under UK law, even if obtained in ways that are legal in another country.
- 7.6. When talking about finances and financial benefits, the Trust must inform donors that they are not in a position to offer formal financial advice.

8. BANKING

- 8.1. A donation made in cash to schools and the Trust must be banked as soon as it is agreed the donation can be accepted. The donation must be recorded in the Donations line within the accounting system. Any subsequent transfer of the donation to another part of the Trust will require an opposite entry to the donations account with the recipient part of the Trust mirroring this entry. This will

enable clear reporting and tracking of all donations.

- 8.2. Donations of cash are the easiest to value. However, a proportion of contributions may be in the form of donations in kind (i.e. assets).
- 8.3. Donations in kind will be included in the school's commentary reporting pack (and within the Statement of Financial Activities) in the accounting period in which they are receivable. The value placed on donations in kind will be either a reasonable estimate of their gross value to the Trust or (less likely) the amount actually realised as in the case of second-hand goods donated for resale.
- 8.4. The key valuation test for a donation in kind is "what would the Trust be prepared to pay to purchase the asset?" For example: if the Trust school wants a mid-range PC and is given a high-spec PC, then the valuation of that donation should be based on that of a mid-range PC.
- 8.5. A school may also receive assistance in the form of donated services (e.g. 'time') or facilities. Such incoming resources will be included in the Statement of Financial Activities where the benefit to the school is reasonably quantifiable and measurable. This would usually be limited to donations by an individual or entity as part of their trade or profession. For example, if a local accountancy firm agreed to supply an accountant free of charge for a couple of hours a month, this will be included in the accounts. However, a police officer talking to a group of pupils as part of his/her community liaison role will not be classified as a donation, as this service would always be provided free as part of normal police activities. Similarly, the sharing of facilities and expertise from a school outside the Trust shall be deemed to arise from their ordinary charitable activities and does not need to be accounted for.
- 8.6. In contrast to donations as part of a trade or profession, the contributions of volunteers are excluded from the Statement of Financial Activities, as the value of their contribution cannot be reasonably quantified in financial terms. For example, parents or other volunteers assisting with reading in the classroom would be excluded. However, the exclusion of these contributions may be disclosed in the Trustees' Annual Report if this information is necessary for the reader to gain a better understanding of the Trust's activities.
- 8.7. The value placed on those donations, which are included in the Statement of Financial Activities, will be the price the school estimates it would pay in the open market for the services or facilities. For example:
 - if a school requires a bookkeeper and is given the services of a chartered accountant (for doing the work of the bookkeeper) then the valuation of time should represent what it would have cost to obtain the services of a bookkeeper
 - if the donation is classroom assistance irrespective of who is providing the time the appropriate rate from the relevant pay scale (i.e. unqualified or qualified) should be used.

- 8.8. The valuation of donations under the above rules may be different from the value placed on the asset, service or facility made by the donor. However, it is the Trustees' responsibility to account for the donation at a valuation, which they can justify to the auditors.
- 8.9. In many instances, obtaining a valuation will be relatively straightforward or the Trust will be able to satisfy itself that the donor's own valuation of the donation is fair and reasonable. However, it is recognised that in some instances it will be more difficult to obtain a comparable valuation. The Trust will consider how to form a view on the valuation of donations. Listed below are a number of sources of evidence of valuation:
- Comparable quotations from alternative suppliers
 - What the Trust/school already pays for that service/asset
 - Cash realised if the item were to be sold
 - Experience of Trustees in purchasing similar services or assets
 - What the Trust would be prepared to pay for that item out of the school/Trust's budget
- 8.10. The auditors will wish to see evidence of the valuation of donations and, therefore, evidence obtained as above will be retained and discussions on valuation at the Trust's meetings will be fully recorded.
- 8.11. Gifts or unsolicited donations will only have a value to the Trust if the donation assists in achieving its objectives. The Trust will account for unsolicited donations for audit purposes.

9. DISCOUNTS

- 9.1. The general rule relating to discounts is that they are not acceptable as donations and should not be recorded as income. Instead, these are recorded as a reduction in costs. As the Trust is required to obtain value for money, the offer of discounts should be taken into account in making purchasing decisions.
- 9.2. Full records of receipt of business contributions will be retained for audit purposes

10. RESTRICTED FUNDING

- 10.1. Restricted income is defined as income that comes with associated obligations or is to directly purchase equipment or a service this must be transparent and clear to a supporter.
- 10.2. Unrestricted income can be directed to the area of most need which supports the Trust's charitable aims.

- 10.3. Schools may decide on restricted projects for funding at their own discretion up to the value of £5k. Any restricted funding projects above this amount would need to be in prior agreement with the Chief Finance Officer.

11. COMPLAINTS

- 11.1. A copy of the Trust's complaints policy is available on the Trust website and on request.

12. Privacy

- 12.1. A copy of the Trust's privacy policy is available on the Trust's website and on request.

REFERENCES

Charity Commission for England and Wales

Charity Fundraising, a guide to Trustee Duties CC20

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/731228/CC20.pdf

Exempt Charities CC23

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/648665/CC23.pdf

Institute of Fundraising

Treating Donors Fairly, 2016 Guidance

<https://www.institute-of-fundraising.org.uk/library/treatingdonorsfairly/>

Acceptance, refusal and return: a practical guide to dealing with donations

<https://www.institute-of-fundraising.org.uk/library/iof-acceptance-refusal-return-guidance/>

Charity Tax Group

Gift Aid Donor Benefits

<https://www.charitytaxgroup.org.uk/tax/donations/gift-aid/donor-benefits/>

Government Legislation

Proceeds of Crime Act 2002

<http://www.legislation.gov.uk/ukpga/2002/29/contents>